

**Testimony of
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Bureau of Ocean Energy Management
U.S. Department of the Interior
Before the
Senate Committee on Energy and Natural Resources
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Introduction

Chairman Manchin, Ranking Member Barrasso, and members of the Committee, I am pleased to appear before you today to discuss the Bureau of Ocean Energy Management's recent and upcoming activities to responsibly manage energy resources on the Outer Continental Shelf (OCS) that meets the country's energy needs while minimizing impacts to the environment. My name is Elizabeth Klein, and I am the Director of BOEM at the Department of the Interior. The Administration is committed to ensuring safe and responsible domestic energy production as we transition to a clean energy future – one that will create good-paying jobs and ensure economic opportunities are accessible to all communities. This includes moving forward with the next National OCS Program and meeting the Administration's goal to deploy 30 GW of offshore wind by 2030.

Developing the Next National OCS Program

The Outer Continental Shelf Lands Act (OCSLA) requires BOEM to prepare and periodically revise an oil and gas leasing program that includes a proposed schedule of oil and gas lease sales for the five-year period following approval or reapproval of the program. This is referred to as the National OCS Oil and Gas Leasing Program (National OCS Program). As specified by Section 18 of OCSLA, preparation and approval of a National OCS Program is based on the Secretary of the Interior balancing specific requirements and factors and selecting the size, timing, and location of OCS lease sales that best meet regional and national energy needs and consider the impact of oil and gas exploration on the marine, coastal, and human environments.

The Proposed Final Program includes three potential OCS oil and gas lease sales in the Gulf of Mexico (GOM) Program Area, scheduled for 2025, 2027, and 2029. The size, timing, and location of these three potential lease sales were chosen because they have the greatest resource potential and net benefits with the least potentially significant impacts and costs to society. The Secretary believes that this proposed schedule will best meet national energy needs for the next five years under existing laws and policies.

The three potential sales in the Proposed Final Program will enable the Department to continue to issue offshore wind leases in compliance with the provision of the Inflation Reduction Act (IRA) that prohibits BOEM from issuing new offshore wind leases unless BOEM has offered at least 60 million acres for oil and gas leasing on the OCS in the previous year. This will ensure continued progress towards the Administration's goal of 30 gigawatts of offshore wind by 2030, and 15 gigawatts of floating offshore wind by 2035.

The area considered for leasing has been narrowed to the GOM OCS where there is existing production and infrastructure. This area includes the portions of the Western, Central, and Eastern GOM planning areas not currently under Presidential withdrawal. The Cook Inlet Program Area in Alaska, which has generated low industry interest for many years, including in Lease Sale 258, has not been included in the potential lease sale schedule.

Following the publication of the Proposed Final Program and Final Programmatic Environmental Impact Statement (EIS), a 60-day waiting period is required before the Secretary can formally approve the program and finalize the Record of Decision. The Secretary has committed to issuing a final decision on the 2024–2029 Program by the end of calendar year 2023.

BOEM recently published a Call for Information and Nominations in the Federal Register regarding the potential future GOM oil and gas lease sales included in the 2024–2029 National OCS Program. Simultaneously, BOEM also published a Notice of Intent to prepare a Programmatic EIS to analyze the potential impacts of a representative lease sale in the GOM during the 2024–2029 National OCS Program, as well as ongoing and potential associated site- and activity-specific oil- and gas-related activity approvals.

Collectively, these actions will allow BOEM to move forward on implementing the new Program.

Recent Leasing Activities

U.S. offshore oil and gas resources currently remain an important component of our domestic energy portfolio and contribute to the Nation’s economic output. BOEM has held 10 lease sales since the start of the 2017-2022 Program, generating approximately \$1.5 billion in bonus payments. As BOEM prepares to implement the next National OCS Program, we continue to comply with Congressional direction included in the IRA regarding specific oil and gas lease sales. BOEM has worked expeditiously to schedule and hold Lease Sales 258, 259, and 261 by the dates mandated in the IRA. BOEM held Cook Inlet Lease Sale 258 on December 30, 2022, resulting in one bid of \$63,983 and the issuance of one lease. BOEM held Gulf of Mexico Lease Sale 259 on March 29, 2023. That sale generated \$263.8 million in high bids for 313 tracts and resulted in 295 leases covering 1.57 million acres.

Lease Sale 261 was originally scheduled for September 27, 2023, in line with the IRA deadline to hold the sale by September 30, 2023. In accordance with recent court rulings, BOEM published a revised final notice of sale in the *Federal Register* on October 6, 2023, and rescheduled the sale for November 8, 2023. Consistent with those recent court rulings, BOEM plans to offer over 72 million acres for lease, including lease blocks that were previously excluded from the earlier-scheduled sale due to concerns regarding potential impacts to the Rice’s whale in the Gulf of Mexico. BOEM also plans to remove portions of a related stipulation meant to address potential impacts to the Rice’s whale from the lease terms for the leases that may be issued as a result of Lease Sale 261. It should be noted that there is an appeal pending before the Fifth Circuit that could impact the Lease Sale’s implementation.

Offshore Wind

As President Biden has said – clearly and often – climate change represents an existential threat of our time, and the federal government has a responsibility to act. And so, this Administration has set bold but achievable goals to harness the significant offshore wind resources we have here in the U.S. by deploying 30 gigawatts of offshore wind by 2030 and 15 gigawatts of floating offshore wind energy by 2035.

In support of these goals, the Department has approved the Nation’s first four commercial scale offshore wind projects, with two of those projects (Vineyard Wind 1 and South Fork), already under construction. BOEM has received 14 additional offshore wind project plans for review. In addition, BOEM has held four offshore wind lease auctions totaling almost \$5.5 billion in high bids – including a record-breaking sale in the New York Bight and the first-ever sales offshore the Pacific and Gulf of Mexico Coasts, and has taken steps to explore additional Wind Energy Areas offshore Oregon and in the Gulf of Maine and Central Atlantic. The Department has also taken steps to evolve its approach to responsible offshore wind energy development by encouraging union-built projects, supporting a domestic supply chain, and continuing meaningful engagement with Tribal Nations, underserved communities, the fishing community, and other ocean users and stakeholders.

These accomplishments represent significant milestones towards achieving this Administration’s goal of creating good paying jobs and building a clean energy economy that will combat the climate crisis and make our communities more resilient. We are taking a thoughtful, all-of-government approach to collaborating on issues like ocean co-use and efficient permitting to build a robust offshore wind industry that benefits communities and co-exists with other ocean uses. We will continue to do this by working collaboratively with Tribal Nations, other government agencies, underserved communities, ocean users, and others to ensure that any future offshore energy development is done safely and responsibly and relies on the best available science and Indigenous knowledge.

Conclusion

Thank you again for the opportunity to be here today to discuss BOEM’s efforts to responsibly manage our nation’s energy resources on the OCS that will meet the Nation’s energy needs while minimizing impacts to the human, marine, and coastal environment. BOEM’s programs are essential for the Administration’s continued commitment to ensuring a clean and low-cost energy future -- one that is sustainable and benefits all Americans. I look forward to working with the Committee on these important issues. I am happy to answer any questions that you or members of the Committee may have.