

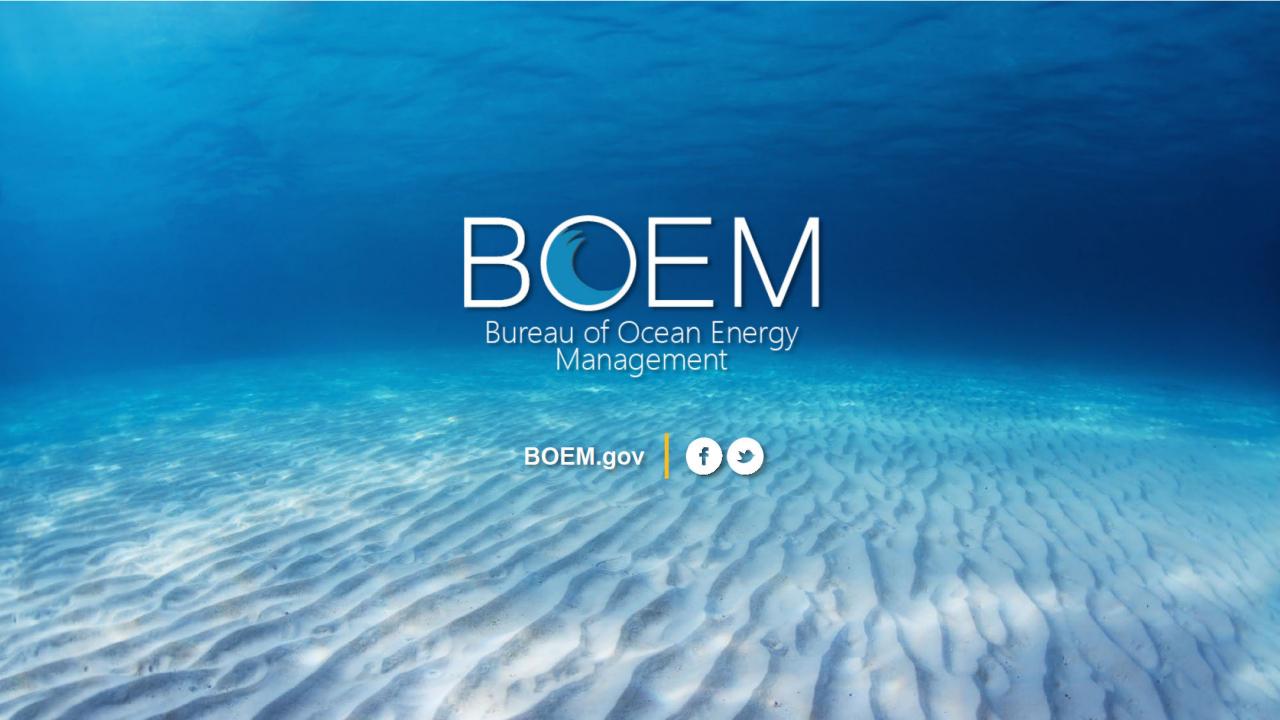
2023–2028 National Outer Continental Shelf Oil and Gas Leasing Proposed Program and Draft Programmatic EIS

Analytical Briefing

8

Request for Proposed Program Decision





Issue

Senator John Barrasso (R-WY) submitted a Motion to Instruct (MTI) for conferees meeting to resolve disagreeing votes on the Senate amendment to H.R. 4521, the America COMPETES Act. The MTI instructs the final conference report to include provisions that require the development and finalization of a 2022-2027 Federal oil and gas leasing program on the OCS no later than June 30, 2022. The program shall include, at a minimum, 10 region-wide lease sales in the Gulf of Mexico and Alaska regions of the Outer Continental Shelf (OCS), with a minimum of 2 per year, one of which shall be in the Gulf of Mexico.

Talking Points re: development of the next National OCS Oil and Gas Leasing Program

- The Bureau of Ocean Energy Management (BOEM) is moving forward expeditiously to develop the next National OCS Oil and Gas Leasing Program (National OCS Program).
- The previous Administration completed the first two steps in the development of the next National OCS Program with the publication of a Request for Information and Draft Proposed Program (DPP) in July 2017 and January 2018, respectively. No further action was taken under the Trump administration after the DPP was released.
- BOEM intends to use the best available science, Indigenous traditional ecological knowledge, and a robust public outreach and input process to ensure leasing decisions are balanced with the mandate to protect the human, marine, and coastal environments, and deliver fair market value for resources. It is of critical importance that the public, Tribes, and impacted States have an opportunity to provide input on future leasing scenarios before a final decision is made.
- The Secretary has broad discretion under the Outer Continental Shelf Lands Act (OCSLA) to weigh a variety of factors when making decisions about the National OCS Program.
- While there have been gaps between programs before, the Department is working towards issuing a Proposed Program in a timely manner. The Department takes this responsibility seriously and has been ensuring that we're in compliance with a series of court decisions and using the best available science, knowledge, and new information.
- The Department's November 2021 Oil and Gas Report recommended that BOEM consider advancing alternatives to the practice of area-wide leasing, which is not required under OCSLA, to ensure American taxpayers receive a fair return for offshore oil and gas resources and allow BOEM to consider a number of criteria, including environmental protection, subsistence use needs, resource potential, and financial considerations when determining which areas to make available for leasing.

Talking Points re: implementation of the current National OCS Oil and Gas Leasing Program

- The Department will continue to implement the current 2017-2022 National OCS Program until it expires on June 30, 2022.
- The Department will exercise the authority and discretion provided under law to conduct leasing in a manner that fulfills the Department's legal responsibilities under OCSLA.

- The Secretary has discretion to hold or not hold sales scheduled in a five-year program, and no decisions have been made regarding the remaining lease sales 258 (Cook Inlet), 259 and 261 (Gulf of Mexico) in the 2017-2022 National OCS Program.
- The most recent lease sale was Lease Sale 257, held in November 2021; that lease sale was vacated in January by a district court. The ruling is currently being appealed, though not by the DOJ. If the sale is remanded without vacatur, the Department will act appropriately and follow legal guidance.

Bureau of Ocean Energy Management

Hot Topics

• Cook Inlet Lease Sales

- o In 2017, during Lease Sale 244, Hilcorp Alaska acquired 14 leases in the federal waters of Cook Inlet. In October 2021, Hilcorp completed a series of geohazard and cultural surveys. Hilcorp has stated their intent to submit an Exploration Plan in the summer of 2022.
- Cook Inlet Lease Sale 258: Lease Sale 258 is part of the 2017-2022 Outer Continental Shelf Oil and Gas Leasing Program (National OCS Program). On January 13 of 2020, under the Trump Administration, BOEM released the Draft Environmental Impact Statement (EIS) for Lease Sale 258. Subsequently, on February 4, BOEM canceled the public comment period and rescinded the EIS. In October of 2021, BOEM published a new Draft EIS for the proposed Lease Sale 258, which included an enhanced greenhouse gas analysis and the social cost of carbon. The current National OCS Program expires on June 30. Holding the sale before then would require completion of a Final EIS and preparation of sale documents.

• BOEM Renewable Energy

 BOEM is working with the Department of Energy's National Renewable Energy Laboratory (DOE-NREL) to investigate the feasibility of renewable energy technologies offshore Alaska.

• BOEM Arctic (Beaufort Sea)

- Northstar: There are currently three producing leases in the Alaska OCS, all of which are operated by Hilcorp Alaska (Northstar Unit) which overlays both state and federal acreage. In 2021, the federal government received \$3,597,895 in royalty payments.
- o Eni: In July 2017, BOEM approved an exploration plan from Eni for their 13 Beaufort Sea OCS Leases. On April 03, 2022, all 13 federal leases expired.
- O Hilcorp's Liberty: Hilcorp Alaska has 3 leases in the Beaufort Sea (Liberty). In 2018, their Development and Production Plan was approved by BOEM; however, in 2020, it was vacated by the court pending resolution of issues involving NEPA, ESA, and GHG emissions. Hilcorp is still working with BSEE on their Oil Spill Response Plan (OSRP). Hilcorp intends to spend the next 12-18 months refining their OSRP and then provide BOEM amendments to their DPP.

Front-page news/press

• N/A

To: Laura Daniel Davis, Principal Deputy, Assistant Secretary, Land and Minerals Management

Cc: Steven Feldgus, Deputy Assistant Secretary, Lands and Minerals Management

From: Amanda Lefton, Director, Bureau of Ocean Energy Management

Marissa Knodel, Advisor, Bureau of Ocean Energy Management

Re: BOEM 2022 Goals and Planning

Date: January 4, 2022

Overall focus:

In 2022, BOEM has an ambitious body of program work to advance the administration's goals. While it is not inclusive of all of BOEM's work ahead, key focus areas include advancing renewable energy work; implementing oil and gas reforms; building a new carbon capture and sequestration program; and enhancing outreach with Tribal nations and ocean users. There are also a number of key staffing and personnel challenges that will need to be proactively managed throughout the year. Below are high level areas of focus and attached is a milestone calendar.

2022 Priority Areas

Bi-Partisan Infrastructure Law:

Establish a new program for Carbon Capture and Sequestration (CCS) in the Outer Continental Shelf (OCS):

The Bi-Partisan Infrastructure Law gave the Department of the Interior authority to regulate CCS in the OCS and directed that regulations be promulgated within one year of enactment. BOEM, in partnership with BSEE, is working to advance a new program, subject to available funds and resources. Key elements and next steps include:

- Advance regulations
- Department Manual (DM) revisions to delegate authority to BOEM and BSEE

Marine minerals program:

(b) (5)

Challenges and Opportunities



Renewables:

To achieve the administration's ambitious renewable energy goals while establishing good paying jobs and a domestic supply chain, BOEM will focus on the following areas:

Advance new lease sales and project reviews

 Convene Intergovernmental Renewable Energy Task Force meetings for Oregon, the Central Atlantic, and the Gulf of Maine

- Hold three offshore wind auctions: New York (NY) Bight, Carolina Long Bay, and California
- Issue two new Call areas: Oregon and Central Atlantic
- Publish draft Environmental Impact Statements (EISs) for up to eight offshore wind projects

Advance needed process improvements and efficiencies

- Modernization rule
- New programmatic approaches to offshore wind, such as a NY Bight programmatic EIS and Endangered Species Act framework
- New project design envelope guidance for Construction and Operation Plans
- Standardize EISs
- Finalize scoping guidance
- (b) (5)

Staff up and restructure team



 Hire Senior Executive Service (SES) position for BOEM Office of Renewable Energy Programs (OREP)

Tackle transmission

• Advance collaboration with the Federal Energy Regulatory Commission and Department of Energy on transmission

Establish a domestic supply chain

- Evolve lease stipulations and fiscal terms
- Convene key states on a supply chain roadmap

Ocean user engagement

- Continue to focus on commercial fishing interests, including Director travel to key Northeast states to meet with industry representatives
- Fisheries mitigation framework
- Consider a Federal Advisory Committee Act committee or group

Challenges and Opportunities



Oil and Gas:

Conventional energy activities will focus on implementing key reforms identified in DOI's report

Financial assurance rulemaking

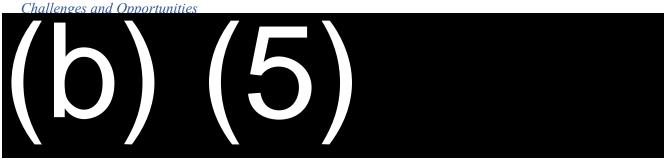


Advance Proposed National OCS Program

- The proposed program and draft programmatic EIS will be released in the spring
- (b) (5)

Gulf of Mexico

- Complete new EIS for Gulf of Mexico
- Decide whether to hold Gulf of Mexico Lease Sale 259, and if so decided, hold the lease sale



Critical Minerals:

- Build foundation for environmental review and robust regulatory program
- Co-chair National Science and Technology Council Critical Minerals Offshore Working Group

Challenges and Opportunities

- Meaningful opportunity to focus on the science and develop a strong framework for the identification of and exploration for critical minerals on the OCS
- Unclear if and when there will be pressure to mine on the OCS

Environmental Programs:

The Office of Environmental Programs is foundational to all of BOEM's work. Critically, this team has led the charge on new approaches for EIS and project reviews, advanced the bureau's environmental justice work, and serves as the lead on Tribal engagement.

- Build out North Atlantic right whale mitigation strategy with the National Marine Fisheries
 Service
- Support innovative, cutting-edge, mission-priority environmental research
- Begin implementation of the Status of the OCS initiative (SOCS), to provide a base of environmental information for environmental reviews for all BOEM programs
- Continue building out the Center for Marine Acoustics
- Better engage and get out the word on science, especially when it comes to fisheries

Challenges and Opportunities

- Funding for planned and ongoing studies, given budget uncertainty
- Staffing challenges, particularly for environmental reviews of offshore wind development

Tribal, JEDI and Environmental Justice (EJ):

- BOEM advanced a new office for diversity equity and inclusion for fiscal year 2023 with plans to hire an office head in FY2022, pending resolution of the continuing resolution.
- · Implement EJ work plan, including a report on best practices and EJ methodologies
- Build up Tribal engagement through training for BOEM staff
- (b) (5)
- Explore opportunities to provide resources to Tribal governments involved in offshore wind reviews
- Training for Tribal members in offshore wind industry jobs
- Work with DOE's Wind Energy Technology Office (WETO) (b) (5)

Challenges and Opportunities

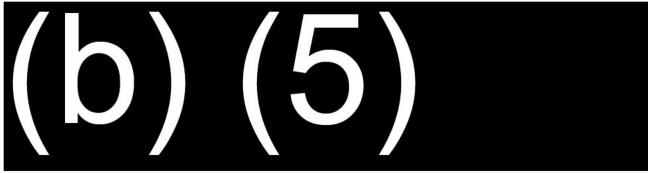


· Staff and resource limitations

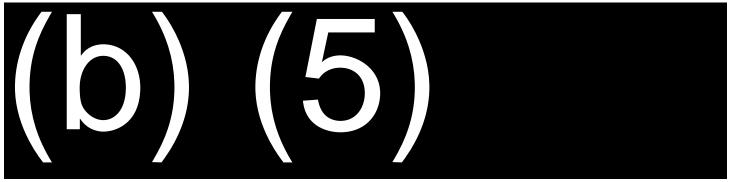
Rulemaking:

- Publish three final rules: Civil Penalties (annual inflation adjustment), Marine Archaeology, and BOEM-BSEE split
- Publish three proposed rules: Renewable Energy Modernization, Financial Assurance, and Carbon Capture and Sequestration

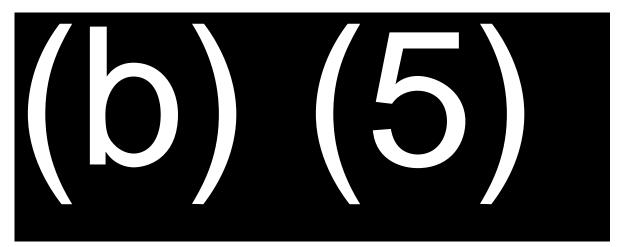
Organizational and Personnel Needs:



 Two Knauss Fellows to support the Tribal Liaison Officer and Environmental Justice Coordinator with outreach to and engagement with Tribes and underserved communities Early (January-April) 2022



January



(b) (5)

March

• (b) (5)

April

(b) (5)

(b) (5)

Middle (May-August) 2022

(b) (5)

May

(b) (5)

June

(b) (5)

July

(b) (5)

August

(b) (5)

Late (September-December) 2022

(b) (5)

September

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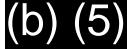
October

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November

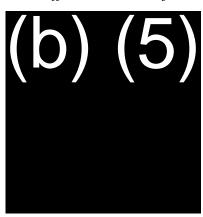


December



Unknown Date or Tentative:

Offshore Wind Projects under Draft EIS development in 2022 (no EIS will be finalized in 2022):





Cook Inlet Lease Sale 258

Proposed Notice of Sale





Questions?



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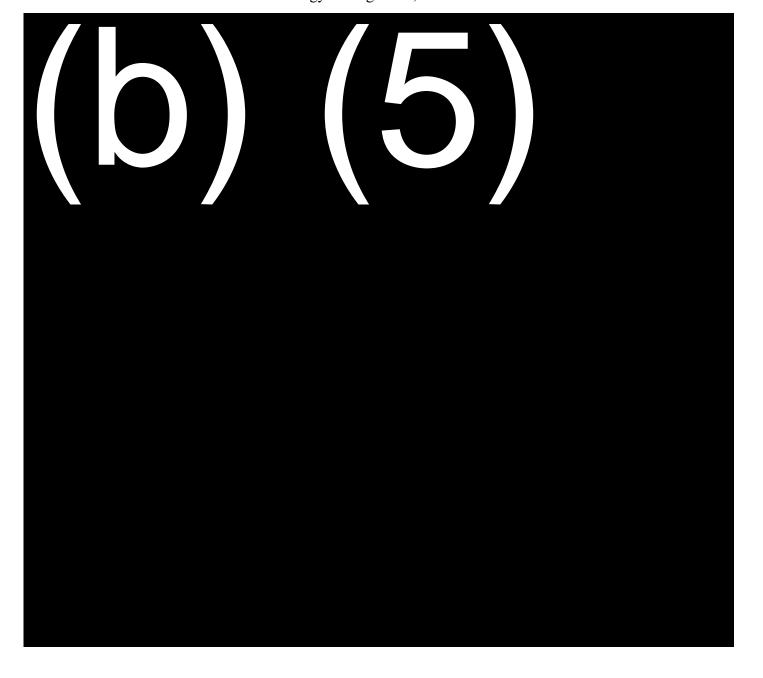
DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management (BOEM)

Notice of Cancellation of Cook Inlet Oil and Gas Lease Sale 258

[Docket No. BOEM-2022-XXXX]

AGENCY: Bureau of Ocean Energy Management, Interior





United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT WASHINGTON, DC 20240-0001

Memorandum

Principal Deputy Assistant Secretary - Land and Minerals Management To:

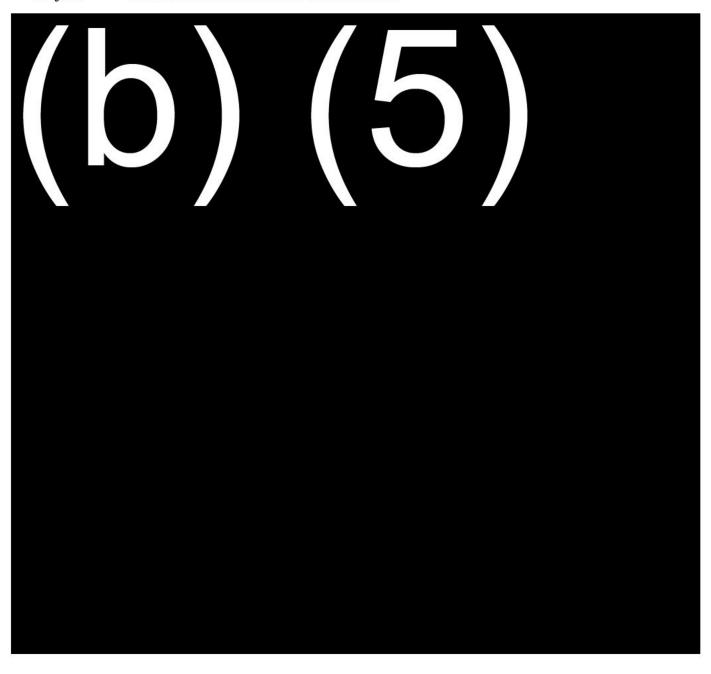
From:

Director

Amanda Lefton AMANDA **LEFTON**

Digitally signed by AMANDA LEFTON Date: 2022.05.13 14:05:48 -04'00'

Subject: Cancellation of Cook Inlet Lease Sale 258





United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT WASHINGTON, DC 20240-0001

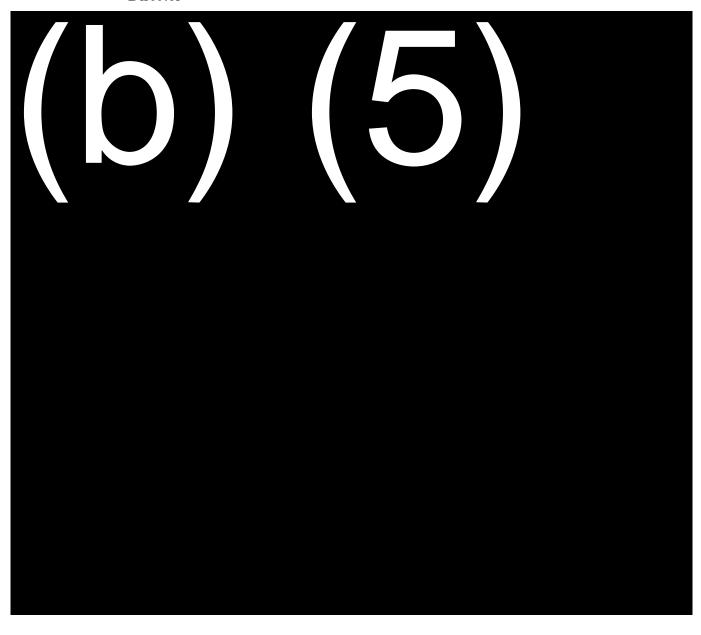
Memorandum

To: Laura Daniel-Davis

Principal Deputy Assistant Secretary Land and Minerals Management

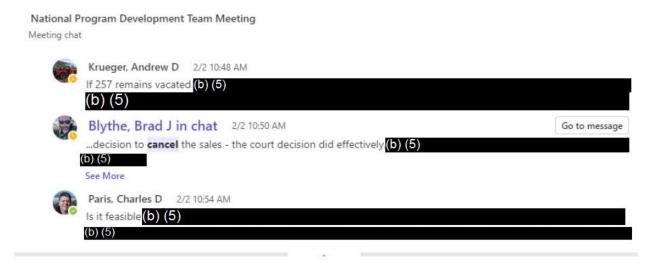
From: Amanda Lefton

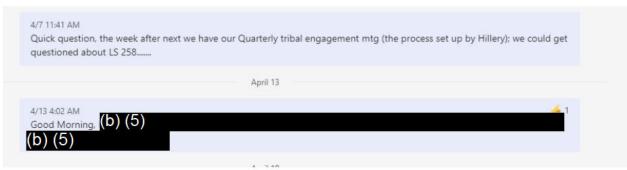
Director



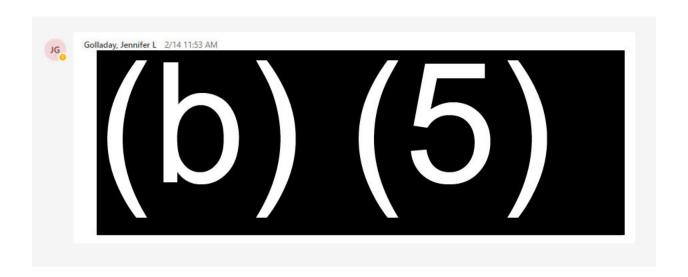
[2/16/21 11:49 AM] Storzer, Mark A

Forgot to include the language: BOEM announced the cancellation of the comment period and the live public hearings. A Federal Register Notice to Withdraw the Public Review Period has been prepared and is currently in the surname process. Thanks













Gulf of Mexico Lease Sale 259

Proposed Notice of Sale





National Outer Continental Shelf
Oil and Gas Leasing Program

Overview of the Development Process and Next Steps



