

**STATEMENT OF
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SECRETARY OF THE INTERIOR
BEFORE THE
SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES
ON ENERGY DEVELOPMENT ON THE PUBLIC LANDS
AND OUTER CONTINENTAL SHELF
MARCH 17, 2009**

Thank you, Chairman Bingaman, Senator Murkowski, and Members of the Committee, for giving me the opportunity to come before you today to discuss energy development on public lands and the Outer Continental Shelf (OCS) under the Department of the Interior's jurisdiction. This is my first hearing before you since my confirmation as Secretary of the Interior and it is an honor to be here.

President Obama has pledged to work with you to develop a new energy strategy for the country. His New Energy for America plan will create a clean energy-based economy that promotes investment and innovation here at home, generating millions of new jobs. It will ensure energy security by reducing our dependence on foreign oil, increasing efficiency, and making responsible use of our domestic resources. Finally, it will reduce greenhouse gas emissions.

During his visit to the Department for our 160th anniversary celebration two weeks ago, the President spoke about the Department's major role in helping to create this new, secure, reliable and clean energy future. The vast landholdings and management jurisdiction of the Department's bureaus, encompassing 20 percent of the land mass of the United States and 1.7 billion acres of the Outer Continental Shelf, are key to realizing this vision through the responsible development of these resources.

These lands have some of the highest renewable energy potential in the nation. The Bureau of Land Management has identified a total of approximately 20.6 million acres of public land with wind energy potential in the 11 western states and approximately 29.5 million acres with solar energy potential in the six southwestern states. There are also over 140 million acres of public land in western states and Alaska with geothermal resource potential.

There is also significant wind and wave potential in our offshore waters. The National Renewable Energy Lab has identified more than 1,000 gigawatts of wind potential off the Atlantic coast, and more than 900 gigawatts of wind potential off the Pacific Coast.

Renewable energy companies are looking to partner with the government to develop this renewable energy potential. We should responsibly facilitate this development.

Unfortunately, today, in BLM southwestern states, there is a backlog of over 200 solar energy applications. In addition, there are some 20 proposed wind development projects on BLM lands in the west. These projects would create engineering and construction jobs.

To help focus the Department of the Interior on the importance of renewable energy development, last Wednesday, March 11, I issued my first Secretarial Order. The order makes facilitating the production, development, and delivery of renewable energy top priorities for the Department. Of course, this would be accomplished in ways that also protect our natural heritage, wildlife, and land and water resources.

The order also establishes an energy and climate change task force within the Department, drawing from the leadership of each of the bureaus. The task force will be responsible for, among other things, quantifying the potential contributions of renewable energy resources on our public lands and the OCS and identifying and prioritizing specific “zones” on our public lands where the Department can facilitate a rapid and responsible move to significantly increased production of renewable energy from solar, wind, geothermal, incremental or small hydroelectric power on existing structures, and biomass sources. The task force will prioritize the permitting and appropriate environmental review of transmission rights-of-way applications that are necessary to deliver renewable energy generation to consumers, and will work to resolve obstacles to renewable energy permitting, siting, development, and production without compromising environmental values.

Accomplishing these goals may require new policies or practices or the revision of existing policies or practices, including possible revision of the Programmatic Environmental Impact Statements (PEISs) for wind and geothermal energy development and the West-Wide Corridors PEIS that BLM has completed, as well as their Records of

Decision. The Department of Interior will work with relevant agencies to explore these options.

We will also, as I have said before, finalize the regulations for offshore renewable development authorized by section 388 of the Energy Policy Act of 2005, which gave the Secretary of the Interior authority to provide access to the OCS for alternative energy and alternate use projects. This rulemaking was proposed but never finalized by the previous Administration.

For these renewable energy zones to succeed, we will need to work closely with other agencies, states, Tribes and interested communities to determine what electric transmission infrastructure and transmission corridors are needed and appropriate to deliver these renewable resources to major population centers. We must, in effect, create a national electrical superhighway system to move these resources from the places they are generated to where they are consumed. We will assign a high priority to completing the permitting and appropriate environmental review of transmission rights-of-way applications that are necessary to accomplish this task.

Developing these renewable resources requires a balanced and mindful approach that addresses the impacts of development on wildlife, water resources and other interests under the Department's management jurisdiction. I recognize this responsibility, and it is not a charge I take lightly.

At the same time, we must recognize that we will likely be dependent on conventional sources – oil, gas, and coal – for a significant portion of our energy for many years to come. Therefore it is important that the Department continue to responsibly develop these energy resources on public lands.

In the past 7 weeks, the Department has held seven major oil and gas lease sales onshore, netting more than \$33 million for taxpayers. And tomorrow I will be in New Orleans for a lease sale covering approximately 34.6 million offshore acres in the Central Gulf of Mexico. This sale includes 4.2 million acres in the 181 South Area, opened as a result of the Gulf of Mexico Energy Security Act. Continuing to develop these assets, through an orderly process and based on sound science, adds important resources to our domestic energy production.

Based on this approach, I announced last week that I would be hosting four regional public meetings next month in order to gather a broad range of viewpoints from all parties interested in energy development on the OCS. In addition, I directed the Minerals Management Service and the U.S. Geological Survey to assemble a report on our offshore oil and gas resources and the potential for renewable energy resources, including wind, wave, and tidal energy. The results of that report will be presented and discussed with the public.

The meetings will be held in Atlantic City, New Jersey, New Orleans, Louisiana, Anchorage, Alaska, and San Francisco, California, during the first two weeks in April.

These meetings are an integral part of our strategy for developing a new, comprehensive, and environmentally appropriate energy development plan for the OCS. I have also extended the comment period on the previous Administration's proposed 5-year Plan for development by 180 days. We will use the information gathered at these regional meetings to help us develop the new 5 year plan on energy development on the OCS.

Similarly, again based on sound science, policy and public input, we will move forward with a second round of research, development, and demonstration leases for oil shale in Colorado and Utah. While we need to move aggressively with these technologies, these leases will help answer the critical questions about oil shale, including about the viability of emerging technologies on a commercial scale, how much water and power would be required, and what impact commercial development would have on land, water, wildlife, communities and on addressing global climate change.

We are also proceeding with development onshore, where appropriate, on our public lands. As I noted above, the responsible development of our oil, gas and coal resources help us reduce our dependence on foreign oil, but this development must be done in a thoughtful and balanced way, and in a way that allows us to protect our signature landscapes, natural resources, wildlife, and cultural resources.

We also need to ensure that this development results in a fair return to the public that owns these federal minerals. That's why the President's 2010 Budget includes several proposals to improve this return by closing loopholes, charging appropriate fees, and

reforming how royalties are set. Of course, I'll be happy to discuss these in more detail after the Administration's full budget request is released in the coming weeks.

Implementation of the President's energy plan will ultimately focus the nation on development of a new green economy and move us toward energy independence, and I and my team are working hard to put that plan into place.

Mr. Chairman, I know you and the Committee, along with the Majority Leader and others in Congress, are working hard on these issues. I believe we are being presented today with an historic opportunity to enhance our economy, our environment, and our national security. Too much is at stake for us to miss this opportunity.

Thank you, Mr. Chairman and Members of the Committee. I am happy to answer any questions that you may have.