



Royalty Policy Committee

Wednesday, June 6th, 2018

U.S. DEPARTMENT OF THE INTERIOR





Registration

8:30a.m. – 9:00a.m.





Welcome, and Overview

9:00a.m. – 9:15a.m.





Fair Return and Value Subcommittee Presentation

Co-Director's Introduction: Matthew Adams, Cloud Peak Energy
Oil and Gas Payor Handbook: Gabrielle Gerholt, Concho Resources
Index Pricing: Pat Noah, ConocoPhillips Company
Marketable Conditions: Stella Alvarado, Anadarko Petroleum
Coal Benchmarks: Matthew Adams, Cloud Peak Energy
Audit: Greg Morby, Chevron

9:15a.m. – 10:00a.m.





Public Comment

10:00a.m. – 10:30a.m.





Break

10:30a.m. – 10:45a.m.





Planning, Analysis, & Competitiveness Subcommittee Presentation

Co-Director's Introduction: Colin McKee, State of Wyoming
Non-Fossil and Renewables: Marisa Mitchell, Intersect Power
Offshore Oil & Gas: Patrick Noah, ConocoPhillips Company

10:45a.m. – 12:00p.m.



Committee Voting: Planning, Analysis, & Competitiveness Subcommittee

Recommendations	Accept	Reject	Return
<p>The Secretary shall plan a wind leasing program to bring at least twenty additional gigawatts from offshore wind to the United States over the decade beginning in 2024. This goal shall be achieved by leasing at least two gigawatts annually through at least four lease sales on the United States Outer Continental Shelf (OCS) of at least five hundred megawatts each.</p>			
<p>In order to ensure the benefits of offshore energy and mineral development to all Americans it is necessary to expand the reach of the Outer Continental Shelf Lands Act (OCSLA) to the United States Territories; Guam, American Samoa, U.S. Virgin Islands, Commonwealth of the Northern Marianas and Puerto Rico.</p>			
<p>The Committee recommends that the Secretary direct the National Office of the Bureau of Land Management to issue an Instruction Memorandum to update and clarify solar energy right-of-way (ROW) acreage rent schedules, megawatt (MW) capacity fees, lease and grant renewal processes, bond requirements, and application priority for projects in the six southwestern states subject to BLM's Western Solar Plan (Arizona, California, Colorado, Nevada, New Mexico, and Utah), including guidance on the implementation of the rule on Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections, 81 Fed. Reg. 92,122 (Dec. 16, 2016) (the "Rule").</p>			
<p>The Royalty Policy Committee recommends that the Secretary issue a Secretarial Order that grandfathers projects which were under construction or development at the time the Bureau of Land Management issued its "Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections (81 Fed. Reg. 92122 (December 19, 2016)."</p>			





Lunch

12:00p.m. – 1:15p.m.





Planning, Analysis, & Competitiveness Subcommittee Presentation, Cont.

Onshore Oil & Gas: Kathleen Sgamma, Western Energy Alliance

Alaska: John Crowther, State of Alaska

Coal: Matthew Adams, Cloud Peak Energy

Studies: Emily Kennedy Hague, American Petroleum Institute

1:15p.m. – 2:45p.m.



Committee Voting: Planning, Analysis, & Competitiveness Subcommittee

Recommendations	Accept	Reject	Return
BLM should issue an Instruction Memorandum (IM) directing all field offices to issue Categorical Exclusions (CX) when any of the Energy Policy Act of 2005 (EPAAct 2005) Section 390 criteria are met.			
BLM should use the opportunity as it updates IM 2009-78 Processing Oil and Gas Applications for Permit to Drill for Directional Drilling into Federal Mineral Estate from Multiple-Well Pads on Non-Federal Surface and Mineral Estate Locations (otherwise known as the fee-fee-fed IM) to avoid unnecessary NEPA analysis of impacts to nonfederal surface when multi-well pads develop both federal and nonfederal minerals from off-lease, nonfederal surface locations. Similar, this guidance should avoid unnecessary analysis of horizontal wells that develop a minority of federal minerals.			
In an effort to reduce NEPA processing timelines and increase regulatory certainty on public lands, project-specific NEPA documents should be scoped to the actual impact of projects and limited to best-available information, tiering to existing environmental analyses already analyzed in prior NEPA documents. Project proponents should not be required to fund new research to produce data that go beyond the scope of the project.			
The Department of the Interior should rewrite Onshore Orders 43 CFR 3173 , 3174, and 3175 by adopting API standards and GPA standards in their entirety.			
This follows on the previous recommendation for Royalty relief for late life or challenging assets by adding specificity as committed in the last full RPC meeting. Offshore committee recommends appropriate DOI/agency personnel consider, in their review of potential avenues for improved achievability of existing statutory royalty relief options, such factors as enhanced oil recovery (EOR); high pressure/high temperature wells (HPHT); and reservoir depths. (NOTE: 20,000 feet TVDSS is a common marker for exceptionally challenging reservoir depth.)			





Break

2:45p.m. – 3:00p.m.





Tribal Affairs Subcommittee Presentation

Co-Director's Introduction: President Russell Begaye, Navajo Nation

TERA: Bidtah Becker, Navajo Nation Office of Natural Resources

Model Congressional Statute: Prof. Monte Mills, University of Montana School of Law

Taxation: Jackson Brossy, Navajo Nation Washington Office

3:00p.m. – 4:30p.m.



Committee Voting: Tribal Energy

Recommendations

Below is a list of functions that are regularly performed by states in managing the development of energy resources on private and state lands. The Tribal Energy Subcommittee recommends that the Secretary issue guidance clarifying that the following items are not inherently federal functions and therefore, appropriate for tribes to manage in a TERA:

- Surface and mineral leasing
- Oilfield regulation (APD approvals, site layout, sundry notices for petroleum operations)
- Approval of rights-of-way for access to energy development sites
- Inspection and enforcement of all permitted activities
- General land use management, such as determining what lands are available for leasing and under what conditions
- Plugging and abandonment of oil and natural gas wells and reclamation of abandoned energy development sites to return them to their original condition
- Management of wildlife and vegetation, including threatened and endangered species listed under the Endangered Species Act.

This is not a comprehensive list of all activities; it is a manageable number of activities for the Secretary to analyze to provide timely guidance. Finally, the Tribal Energy Subcommittee requests the Secretary to provide any additional guidance regarding inherent federal functions that the Secretary deems appropriate

Accept

Reject

Return





Wrap-up, Timeline, Conclusions, and Next Steps

Adjourn

4:30p.m. – 5:00p.m.

