

Planning, Analysis, & Competitiveness Subcommittee
Friday, May 4, 2018
11:00am-12:30pm EST
Meeting Summary

AGENDA

- Welcome
- Roll Call
- DOI Update
- Working Group Proposed Recommendations
 - Discussion
 - Vote
- New Business
- Adjourn

WELCOME AND DOI UPDATE

- The PAC Subcommittee recommendations will take up much of the time on the 6th including built in time to provide ample opportunity for overview and discussion.
- The agenda for Albuquerque will devote more time for debate. There will be space the day before for each of the sectors to meet and collaborate regarding questions and concerns. If Subcommittees wish to meet there will be space available but since the subcommittees are getting the recommendations four weeks in advance and will likely carve out time during subcommittee calls to discuss edits it will not be planned.
- June 6th will be one full day of the public meeting.
- RPC staff is working to provide updates on existing recommendations from the previous meeting.
- For groups that are just providing updates, work to prepare an update slide. These will be distributed in advance for the Committee to prepare questions.

WORKING GROUP REPORTS

Onshore

- *Recommendation: 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) Section 390 criteria are met.*
 - Will work to provide a bit more understanding for others on the subcommittee, provide some additional analysis.
 - VOTE: No objections to the recommendation. Planning, Analysis, and Competitiveness Subcommittee AGREES to more this recommendation forward.
- *Recommendation: Project-specific NEPA documents should be scoped to the actual impact of the project, 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 goes beyond the scope of the project.*

- The broad NEPA recommendation was approved in February and encompassed many things. This aspect focuses on scoping.
- The nature of the change is likely a policy statement.
- Answer to question of why this falls within the scope of the RPC: Reducing the NEPA timelines would increase competitiveness of federal lands and improving the DOI's processes are in the scope of the Committee.
- Suggestion to include language re: why looking at it, why able to look at it.
- VOTE: No objections. Planning, Analysis, and Competitiveness Subcommittee AGREES to move the NEPA scoping recommendation forward.
- *Recommendation: BLM should make common-sense changes to onshore orders 3, 4, and 5 to reduced their overly burdensome nature. The Onshore Working Group recognizes that there are many needed updates in the onshore orders, but recommends a targeted rulemaking to fix the retroactive aspects of the rule that threaten existing unitization and commingling agreements, which can make older fields uneconomic.*
 - High-level recommendation was approved in Houston. This is an attempt to add some detail re: what changes to onshore orders we were seeking.
 - The workgroup will provide more specifics with actual order numbers by next week.
 - VOTE: No objections. The Planning, Analysis, and Competitiveness Subcommittee AGREES to move forward with the recommendation.
- *Recommendation: BLM should use the opportunity as it updates IM 2009-78 to reduce the situations where the full NEPA process is required on non-federal wells that are being drilled horizontally into a minority of federal minerals.*
 - In the background section, should discuss what is meant by “minimum amount of NEPA.”
 - VOTE: No objections. The Planning, Analysis, and Competitiveness Subcommittee AGREES to move forward with the recommendation.
- *Recommendation: BLM should make upgrades to its systems (AFMSS II and LR2000) to enable better monitoring of aging unitization and commingling agreements and quicker processing.*
 - Working group noticed the backlog of unitization agreements and wonders if BLM could update its system to better monitor the backlog. Update from DOI that working on changes that will allow approval of CAs in more timely manner. Given this, the group agreed to TABLE the recommendation for the September meeting.

Alaska

- The Alaska Work Group is working to develop recommendations for the September meeting.
- Some discussion previously regarding transportation costs. Decision to bring a related recommendation through the offshore work group or through the FRV subcommittee. Still determining the best place to take it forward.
- Also, discussion regarding the 2019-2024 planning process. Generally, the Department planning includes holding a sale in 2019. From the state perspective, think sales in Alaska to be included in the overall plan. Interested in moving those projects forward but not yet settled on how to address.
- Finally, discussion about the national petroleum reserve. A lot of active specific NEPA processes. Lots of interest from workgroup in bringing forward recommendations to improve that process.

- Will work to develop slides to provide overview of these issues.

Future Studies

- Looking at what DOI does on modeling. Trying to find a date that works for representatives from BOEM, BSEE, and BLM to discuss and to see what exists.
- Will not have a recommendation for the June meeting but looking to develop one for the September meeting.
- Will prepare an update slide.
- Suggestion: Future Studies group could provide insight on whether a study is appropriate regarding the permitting process for coal.

Coal

- No recommendation at this point.
- In addition to what already looking at (such as the bidding process), will start to look at permitting process, what it looks like to take a coal investment from concept to shovel.
- For June meeting, will provide an update regarding the high level topics that are being discussed.

Non-Fossil

- *Recommendation: The Secretary shall plan a wind leasing program to bring at least 20 new gigawatts, on top of what is currently in planned leasing program being considered from BOEM, 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 4 lease sales on the United States Outer Continental Shelf of at least 500 megawatts each.*
 - Renewables: like the basic idea but suggest something smaller will be more practical.
 - Suggestion: clarify wording so we take the ambiguity out of what is currently planned.
 - Recommendation will be revised, but subcommittee chose to vote on the concept.
 - VOTE: No objections. The Planning, Analysis, and Competitiveness AGREES to move forward with this recommendation.
- *Recommendation: 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").*
 - Solar on public lands has become less competitive.
 - The six southwestern states mentioned are the best places for solar to be installed and want to be sure that federal land is made as competitive as private land.
 - VOTE: No objections. The Planning, Analysis, and Competitiveness AGREES to move forward with this recommendation.
- *Recommendation: The RPC recommends that the Secretary issue a Secretarial Order grandfathering projects that were under construction or development at the time the BLM 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)).

- This involves a competitive leasing tool. The rule did not grandfather in projects that had already applied for ROW grant with BLM. The recommendation aims to change that – if those with wind projects under development at the time rule issued elect to do so.
- This is not a revenue generating proposal but a fairness and equity issue.
- VOTE: No objections. The Planning, Analysis, and Competitiveness AGREES to move forward with this recommendation.
- *Recommendation: 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.*
 - Want to raise the awareness of this issue.
 - Impact on economy, impact on research
 - VOTE: No objections. The Planning, Analysis, and Competitiveness AGREES to move forward with this recommendation.

Offshore

- One recommendation, which is an outgrowth of a previous one regarding royalty relief for late life or challenging assets.
- *Recommendation: 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.)*
 - This would seek to improve the certainty and achievability of the policy and remedy risk of suboptimal production and suboptimal projects.
 - Royalty relief involves a suspension volume. This asset is late in life, not economic to keep it in production. If the operator did not have to pay royalties on a certain number of barrels, then could stay in life and continue to produce.
 - VOTE: No objections. The Planning, Analysis, and Competitiveness AGREES to move forward with this recommendation.

Next Steps

- Continue to look at your recs and at the recs of other folks.
- Next call on May 11th.

ROLL CALL

Attendees:

Randall Luthi, NOIA, Co-Director

Colin McKee, State of Wyoming, Co-Director

Matthew Adams, Cloud Peak

Stella Alvarado, Anadarko

Jim Bennett, BOEM

Paul Blair, Americans for Tax Reform
Sarah Coffman, BOEM
Rod Eggert, Colorado School of Mines
Wright Frank, BOEM
Josh Gange, BOEM
Emily Hague, API
David Kreutzer, The Heritage Foundation
Chris Mentasti, DOI/ONRR
Marisa Mitchell, Intersect
Annette Moore, BOEM
Pat Noah, ConocoPhillips
James Schindler, BOEM, RPC Executive Director
Kathleen Sgamma, Western Energy Alliance
Kevin Simpson, BLM
Deirdre McCarthy Gallagher, RPC Facilitator