



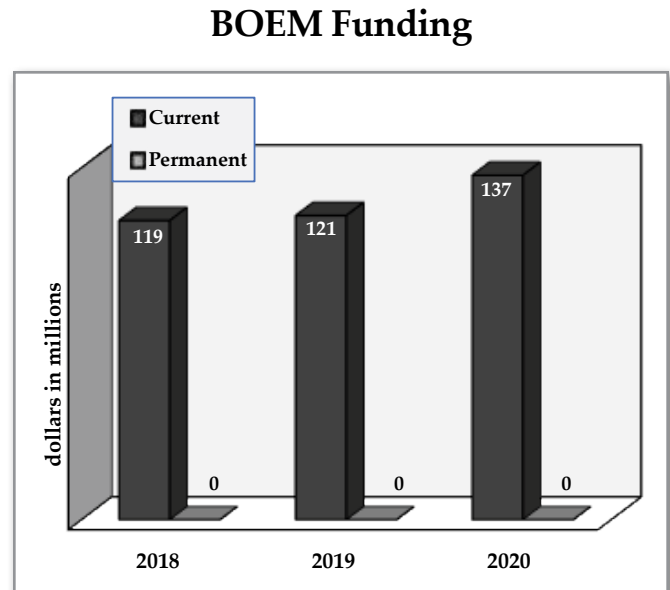
BUREAU OF OCEAN ENERGY MANAGEMENT

Mission—The Bureau of Ocean Energy Management (BOEM) manages development of the Nation’s offshore energy and mineral resources in an environmentally and economically responsible way.

Budget Overview—The 2020 budget includes \$193.4 million for BOEM programs, including \$136.9 million in current appropriations and \$56.5 million in offsetting collections from offshore rental receipts and other cost recoveries. BOEM estimates staffing will total 609 full-time equivalents in 2020.

Energy—BOEM manages development of the Nation’s offshore energy and mineral resources. The bureau conducts offshore leasing, inventories of oil and gas reserves, resource and economic evaluation, review and administration of oil and gas exploration and development plans, geological and geophysical permitting, risk management and financial assurance, conveyance of sand and gravel resources, renewable energy development, National Environmental Policy Act analysis, and environmental studies. BOEM plays a key role in achieving the Nation’s energy strategy by promoting energy security, environmental protection, and economic development through responsible, science-informed management of offshore conventional and renewable energy and mineral resources.

BOEM carries out these responsibilities while ensuring U.S. taxpayers receive fair market value for Outer Continental Shelf (OCS) lease activity and balancing the energy demands and mineral needs of the Nation with the protection of the human, marine, and coastal environments. As reflected in the 2020 budget, the 2019–2024 National OCS Oil



and Gas Leasing Program (National OCS Program) and its environmental component are priorities for the Department, advancing the Administration’s goal to ensure environmentally and economically responsible development of domestic energy resources.

Ocean Energy Management—The budget includes a total of \$193.4 million for BOEM’s ocean energy management activities, including renewable, conventional, environmental, and marine mineral activities. This represents BOEM’s entire program for the leasing and management of the Nation’s offshore energy and mineral resources.

The 2020 budget proposes \$64.1 million for conventional energy development. These funds support high priority offshore oil and gas development activities, including leasing, plan administration, economic analyses, and resource evaluation. The budget continues to support the implementation

BUREAU OF OCEAN ENERGY MANAGEMENT FACTS

- BOEM plays an important role in advancing the Administration's comprehensive approach to expanding environmentally and fiscally responsible development of domestic energy resources as part of a broad effort to secure the Nation's energy future, benefit the economy, and create jobs.
- As of February 1, 2019, BOEM manages about 2,623 active oil and gas leases on over 13.8 million OCS acres. In 2018, conventional energy generated \$106 million in rent, \$229 million in bonuses, and \$4.3 billion in royalties from production.
- Offshore Federal production in 2018 reached approximately 619 million barrels of oil (a record high) and 0.97 trillion cubic feet of gas, almost all of which was produced in the Gulf of Mexico. This accounted for about 16 percent of all domestic oil production and 3 percent of domestic natural gas production.
- In 2018, \$4 million in rent payments were collected on OCS renewable energy leases, and BOEM estimates annual rent payments to increase in 2019 to over \$5 million per year. To date, BOEM has generated over \$473 million in bonus bids from renewable energy lease sales it has conducted through the competitive leasing process.
- As part of its mandate to manage offshore resources, BOEM oversees the conveyance of OCS marine minerals, including sand and gravel resources used for coastal resilience projects.

of the 2019–2024 National OCS Program. These resources will enable BOEM to support the expanded leasing program within Alaska and the expected increase in exploration and development activities, fair market value tools, and coordination and implementation of offshore leasing strategies.

Another tenet of BOEM's mandate to manage offshore resources includes the conveyance of OCS marine minerals. The 2020 budget emphasizes the importance of BOEM's work in this area by proposing a new Marine Minerals budget activity line, funded at \$5.7 million. Marine minerals are used for beach nourishment and coastal restoration and resilience activities and result in the restoration of hundreds of miles of the Nation's coastline, protecting billions of dollars of infrastructure and important ecological habitat. As of February 1, 2019, BOEM has conveyed the rights to more than 147 million cubic yards of OCS sediment by executing 54 leases for projects in 8 States that have restored more than 321 miles of coastline. Although still a nascent component of BOEM's marine minerals activities, BOEM seeks funding in 2020 to initiate an OCS Critical Mineral Inventory to assess the Nation's supply of critical minerals important to U.S. advancements in manufacturing and technology.

The Energy Policy Act of 2005 authorizes the Department to grant leases, easements, or rights-of-way for activities on the OCS that produce or support production, transportation, or transmission of energy from renewable sources. The 2020 budget requests \$21.3 million for renewable energy activities, including permitting for the siting and construction of offshore wind farms on the OCS and other forms of renewable energy such as wave and current energy.

In 2020, BOEM will continue to advance renewable energy through an aggressive leasing program and streamlined permitting and National Environmental Policy Act processes. BOEM continues to support renewable energy development spurred by the renewable energy goals of Coastal States. To date, BOEM has conducted 8 competitive wind energy lease sales for areas offshore the Atlantic coast and has issued 16 commercial wind energy leases. Included in this total are the three Massachusetts commercial leases from BOEM's December 13, 2018 lease sale, which resulted in \$405.1 million in bonus bid revenue. BOEM is in the planning stages to identify additional potential lease areas offshore California, Hawaii, New Jersey, New York, North Carolina, and South Carolina.

Foundational to BOEM’s renewable and conventional energy efforts are its Environmental Programs, for which the 2020 budget requests \$85.1 million. These funds support scientific research needed to inform policy decisions regarding energy and mineral development on the OCS. This focus on environmental science ensures the transparent and accessible integration of applied science with BOEM’s environmental analyses in support of programmatic decisions. As noted above, the 2020 request for Environmental Programs continues to support the 2019–2024 National OCS Program. These additional resources will enable BOEM to

conduct the necessary programmatic environmental analyses, outreach and coordination with stakeholders, and to fund environmental studies and assessments specific to the planning areas under consideration.

The budget also provides \$17.1 million for Executive Direction for Bureau-wide leadership, direction, management, coordination, communications strategies, outreach, and regulatory development.

Fixed Costs—Fixed costs of \$1.0 million are fully funded.

SUMMARY OF BUREAU APPROPRIATIONS
(all dollar amounts in thousands)

Comparison of 2020 Request with 2019 CR

	2019 CR		2020 Request		Change	
	FTE	Amount	FTE	Amount	FTE	Amount
Current						
Ocean Energy Management.....	562	121,184	609	136,929	+47	+15,745
Subtotal, Current	562	121,184	609	136,929	+47	+15,745
Offsetting Collections	0	49,816	0	56,497	0	+6,681
TOTAL, BUREAU OF OCEAN ENERGY						
MANAGEMENT (w/ offsetting collections).....	562	171,000	609	193,426	+47	+22,426

HIGHLIGHTS OF BUDGET CHANGES

By Appropriation Activity/Subactivity

APPROPRIATION: Ocean Energy Management

	2018 Actual	2019 CR	2020 Request	Change
Renewable Energy				
Appropriation	14,601	17,135	15,384	-1,751
Offsetting Collections	7,075	4,541	5,941	+1,400
Subtotal, Renewable Energy	21,676	21,676	21,325	-351
Conventional Energy				
Appropriation	51,306	48,611	51,561	+2,950
Offsetting Collections	6,817	9,512	12,562	+3,050
Subtotal, Conventional Energy	58,123	58,123	64,123	+6,000
Environmental Programs				
Appropriation	38,525	42,316	51,911	+9,595
Offsetting Collections	35,309	31,518	33,199	+1,681
Subtotal, Environmental Programs	73,834	73,834	85,110	+11,276
Marine Minerals (<i>new</i>)				
Appropriation	0	0	3,879	+3,879
Offsetting Collections	0	0	1,850	+1,850
Subtotal, Marine Minerals (<i>new</i>)	0	0	5,729	+5,729
Executive Direction				
Appropriation	14,914	13,122	14,194	+1,072
Offsetting Collections	2,453	4,245	2,945	-1,300
Subtotal, Executive Direction	17,367	17,367	17,139	-228
Total Appropriation (<i>w/o oc</i>)	119,346	121,184	136,929	+15,745
Total Offsetting Collections	51,654	49,816	56,497	+6,681
TOTAL APPROPRIATION (<i>w/ oc</i>)	171,000	171,000	193,426	+22,426

Detail of Budget Changes

	<u>2020 Change from 2019 CR</u>		<u>2020 Change from 2019 CR</u>
TOTAL APPROPRIATION	+22,426		
Renewable Energy	-351	Marine Minerals (<i>new</i>)	+5,729
Renewable Energy Leasing	+500	Transfer from Conventional Energy	+2,728
Renewable Science and Research	-956	Transfer from Environmental Programs..	+2,059
Fixed Costs	+105	North Slope Sand/Gravel/Critical	
Conventional Energy	+6,000	Minerals	+942
Transfer to Marine Minerals Activity	-2,728	Executive Direction	-228
National OCS Oil and Gas		Staffing	-394
Leasing Program	+8,234	Fixed Costs	+166
Fixed Costs	+494	Subtotals for Changes Across	
Environmental Programs	+11,276	Multiple Subactivities	
Transfer to Marine Minerals Activity	-2,059	Fixed Costs	[+1,015]
Environmental Studies	-2,872		
National OCS Oil and Gas			
Leasing Program	+15,957		
Fixed Costs	+250		