

110TH CONGRESS
2^D SESSION

H. R. 7142

To provide for assessment and identification of sites as appropriate for the location of offshore renewable electric energy generation facilities, to provide funding for offshore renewable electric energy generation projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 26, 2008

Mr. DELAHUNT (for himself, Mr. MICHAUD, and Mr. MCGOVERN) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Natural Resources and Science and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for assessment and identification of sites as appropriate for the location of offshore renewable electric energy generation facilities, to provide funding for offshore renewable electric energy generation projects, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Offshore Renewable
5 Energy Development Act”.

1 **SEC. 2. FINDINGS.**

2 The Congress finds the following:

3 (1) The United States needs additional sources
4 of renewable energy in order to address the problems
5 of climate change, meet renewable energy portfolio
6 standards, diversify our energy mix, and become
7 more energy independent. The development of a di-
8 verse supply of energy and additional alternatives to
9 foreign fuels is important for our national security.

10 (2) The coastal waters of the United States
11 possess significant offshore wave, tidal, and wind en-
12 ergy resources. The National Renewable Energy
13 Laboratory has stated that these wind, wave and
14 tide, and ocean-based sources of energy possess over
15 50 percent of America's total renewable energy po-
16 tential.

17 (3) The Department of Energy estimates that
18 more than 900,000 megawatts (MW) of potential re-
19 newable energy exists off the coasts of the United
20 States. This amount of energy is roughly the total
21 current United States-installed electrical capacity of
22 the entire country, and most of this energy is located
23 near major population centers, where energy costs
24 are high. 900,000 megawatts of offshore wind gen-
25 eration capacity would produce about 3,547,800,000
26 megawatt hours of electricity each year. This is the

1 same amount of energy as is contained in
2 1,927,042,446 barrels of oil, or about 25 percent of
3 total oil consumption in the United States each year.

4 (4) Offshore wind energy alone has the poten-
5 tial to produce about 3,548 billion kilowatt-hours of
6 electricity per year, which is 87 percent of the elec-
7 tricity generated in the United States in 2006.
8 Slightly more than half of the country's identified
9 offshore renewable energy is located off the New
10 England and Mid-Atlantic Coasts.

11 (5) Approximately 90 percent of the 900,000
12 MW of potential offshore wind energy is located in
13 Federal waters, beyond 5 nautical miles from shore.
14 Approximately 10 percent (98,000 MW) is estimated
15 to be near shore in waters less than 30 meters deep.

16 (6) In Europe, governments have recognized the
17 enormous potential for offshore renewable energy,
18 have identified sites for offshore energy, and have
19 developed ambitious policy goals based on harnessing
20 this resource. Germany and the other States of the
21 European Union have been working towards a target
22 of 12 percent renewable energy by 2010. Because
23 this target was surpassed in 2007. On April 26,
24 2008, Germany announced that this target would
25 rise to 27 percent by 2020.

1 (7) With regard to wind energy, most of these
2 European sites are in deeper waters where cutting-
3 edge technology is being developed to harness these
4 offshore wind energy resources. The current depth of
5 existing technology is 120 feet, but newer tech-
6 nologies are being pilot tested for even deeper wa-
7 ters.

8 (8) Offshore ocean energy development can gen-
9 erate hundreds of thousands of jobs. According to
10 the Renewable Energy Policy Project, 74,000 MW of
11 renewables, primarily from wind energy in the
12 United States would require 380,000 new manufac-
13 turing jobs for component parts; 36,000 U.S. firms
14 already produce similar products that could serve
15 the growing market

16 (9) The United States also possesses the sci-
17 entific and technical capacity to generate renewable
18 energy from the ocean, including from wave, wind,
19 and tidal sources. Scientists and other industry ex-
20 perts believe that, at a minimum, the United States
21 Government should provide a policy framework to
22 guide the appropriate development of these re-
23 sources. Such a framework is imperative for the
24 identification of offshore sites and the rapid develop-
25 ment of these resources in general.

1 **SEC. 3. IDENTIFICATION OF OFFSHORE SITES FOR ALTER-**
2 **NATIVE ENERGY FACILITIES.**

3 (a) IN GENERAL.—The Secretary of Energy, in con-
4 sultation with the Secretary of Commerce and State coast-
5 al zone management agencies administering coastal zone
6 management programs approved under the Coastal Zone
7 Management Act of 1972 (16 U.S.C. 1451 et seq.), shall
8 enter into agreements with persons described in subsection
9 (b) providing for assessment and identification by such
10 persons of sites in the coastal zone (as that term is defined
11 in that Act) and in the exclusive economic zone of the
12 United States that are appropriate for the location of fa-
13 cilities to generate renewable electric energy.

14 (b) ELIGIBILITY TO PERFORM ASSESSMENTS AND
15 IDENTIFICATION.—The Secretary of Energy shall enter
16 into agreements under subsection (a) only with persons
17 who do not and will not have any direct financial interest
18 in any offshore renewable electric energy generation
19 project, including State agencies referred to in subsection
20 (a), local and regional governments, and universities and
21 other academic institutions.

22 (c) CONSISTENCY WITH COASTAL ZONE MANAGE-
23 MENT PROGRAMS.—For purposes of section 307 of the
24 Coastal Zone Management Act of 1972 (16 U.S.C. 1456),
25 any activity for the construction, operation, or mainte-
26 nance of a facility for offshore renewable electric energy

1 generation in a location that is identified under this sec-
2 tion as appropriate for that type of facility is deemed to
3 be consistent with the enforceable policies of any approved
4 State coastal zone management program of any affected
5 coastal State.

6 **SEC. 4. OFFSHORE ELECTRIC POWER GENERATION FUND.**

7 (a) ESTABLISHMENT OF FUND.—There is hereby es-
8 tablished within the Treasury of the United States a trust
9 fund to be known as the Offshore Electric Power Genera-
10 tion Trust Fund (hereinafter in this section referred to
11 as the “Fund”), consisting of such amounts as may be
12 transferred to the Fund as provided in this section.
13 Amounts in the Fund may be used only to finance projects
14 approved by the Secretary of Energy under this section.

15 (b) TRANSFER OF AMOUNTS.—Subject to annual ap-
16 propriations, the Secretary of the Treasury shall transfer
17 to the Fund out of the general fund of the Treasury of
18 the United States \$100,000,000 for each fiscal year after
19 the enactment of this section.

20 (c) INVESTMENT OF FUND MONEYS.—

21 (1) IN GENERAL.—It shall be the duty of the
22 Secretary of the Treasury to invest such portion of
23 the Fund as is not, in the Secretary’s judgment, re-
24 quired to meet current withdrawals. Such invest-
25 ments may be made only in interest-bearing obliga-

1 tions of the United States or in obligations guaran-
2 teed as to both principal and interest by the United
3 States. For such purpose, such obligations may be
4 acquired on original issue at the issue price or by
5 purchase of outstanding obligations at the market
6 price. Any obligation acquired by the Fund may be
7 sold by the Secretary of the Treasury at the market
8 price.

9 (2) INTEREST AND PROCEEDS.—The interest
10 on, and the proceeds from the sale or redemption of,
11 any obligations held in the Fund shall be credited to
12 and form a part of the Fund.

13 (d) AVAILABILITY OF AMOUNTS FROM FUND.—
14 From amounts available in the Fund (including any
15 amounts not obligated in previous fiscal years), the Sec-
16 retary of Energy is authorized to provide grants to private
17 and public entities (or public-private partnerships) in the
18 United States to stimulate the development of offshore re-
19 newable electric energy generation. The Secretary shall
20 provide such grants only to entities that themselves pro-
21 vide funds on a matching basis. Such grants shall be pro-
22 vided for programs or projects that achieve one or more
23 of the following objectives:

24 (1) Technical research related to offshore en-
25 ergy development.

1 (2) Planning and siting of offshore energy de-
2 velopment projects.

3 (3) Demonstration and pilot offshore renewable
4 energy generation projects, particularly those which
5 may subsequently be expanded to a commercial
6 scale.

7 (4) Expansion, to a commercial scale, of dem-
8 onstration and pilot offshore renewable energy gen-
9 eration projects funded under paragraph (3).

10 (5) Job training and career assistance under
11 section 4.

12 (e) DESIGNATION OF SITES.—The Secretary of En-
13 ergy, in consultation with the Governors of affected coast-
14 al States, and after public notice and opportunity for com-
15 ment, shall designate sites throughout the coastlines of the
16 United States that the Secretary finds provide the greatest
17 potential for being suitable and appropriate for the devel-
18 opment of offshore renewable energy generation. No funds
19 may be made available under this section for the planning,
20 siting, or development of any project that is not located
21 in a site designated by the Secretary under this section.

22 **SEC. 5. OFFSHORE RENEWABLE ENERGY TECHNOLOGY DE-**
23 **VELOPMENT FUNDING.**

24 (a) OFFSHORE SITE ASSESSMENT AND PLANNING
25 ASSISTANCE.—There is authorized to be appropriated to

1 the Secretary of Energy \$25,000,000 to assist coastal
2 States in planning to identify appropriate sites for off-
3 shore renewable energy projects, including sites appro-
4 priate for demonstration and testing of offshore wind,
5 wave, and tidal energy technologies.

6 (b) OFFSHORE RENEWABLE ENERGY TECHNOLOGY
7 DEVELOPMENT ASSISTANCE.—There is authorized to be
8 appropriated \$160,000,000 for offshore renewable energy
9 research and development, and technology development as-
10 sistance. Funds appropriated under this subsection shall
11 be used to promote advances in technology in collaboration
12 with marine renewable energy centers and technology
13 manufacturers. Such funds may also be used to provide
14 infrastructure assistance for projects at sites that are
15 identified under section 3, that are approved in a State’s
16 coastal zone management plan.

17 (c) MARINE RENEWABLE ENERGY CENTERS.—There
18 is authorized to be appropriated by the Secretary of En-
19 ergy and the National Science Foundation a total of
20 \$80,000,000 to establish and support marine renewable
21 energy centers. Funds appropriated under this subsection
22 shall be used to facilitate private- and public-sector col-
23 laborations in offshore renewable energy. Marine renew-
24 able energy centers to which such funds are provided shall
25 use such funds to work with State officials in planning

1 and designation of offshore renewable energy sites, identi-
2 fying economic development opportunities for affected
3 coastal communities, and coordinating the establishment
4 of test centers.

5 (d) MARINE RENEWABLE ENERGY TESTING.—There
6 is authorized to be appropriated to the Secretary of En-
7 ergy \$100,000,000 to establish and support the testing
8 and validation of offshore wave, wind, and tidal energy
9 technologies, including wind energy blades, offshore plat-
10 forms, and emerging offshore renewable energy tech-
11 nologies. Funds appropriated under this subsection shall
12 be used for the development and operation of test center
13 facilities, including in-water test sites, and for the moni-
14 toring of the performance of technologies and of environ-
15 mental impacts for a period of 3 years.

16 (e) STREAMLINED PERMIT PROJECTS.—There is au-
17 thorized to be appropriated to the Secretary of Interior
18 \$20,000,000 for streamlined permitting for individual and
19 multiple offshore renewable energy technology demonstra-
20 tion sites and projects that promote closer science and
21 technology interaction with the Department of Energy, the
22 National Science Foundation, and other permit issuing
23 agencies.

24 (f) EDUCATION, OUTREACH, STRATEGIC PLANNING
25 AND COLLABORATION.—There is authorized to be appro-

1 priated to the Secretary of Energy \$40,000,000 for other
2 resources needed to address, through the National Renew-
3 able Energy Laboratory, regional strategic planning, pub-
4 lic education, and outreach to promote a better public un-
5 derstanding of the benefits of offshore renewable energy
6 and to assess large-scale project siting issues.

7 (g) JOB TRAINING AND CAREER PROGRAM.—The
8 Secretary of Energy may carry out a program to provide
9 job training and career assistance in the offshore renew-
10 able generation industry.

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