



# OCEAN RENEWABLE ENERGY COALITION

*The National Trade Association for Hydrokinetic and Ocean Renewable Energy*

## **Marine & Hydrokinetic Energy:**

### *Meeting America's Environmental, Economic & Energy Needs*

Tapping our nation's abundant, renewable ocean energy resources will be critical to achieving President-elect Obama's call for an 80 percent reduction in greenhouse gas (GHG) emissions by 2050 and national renewable energy goals of 10 percent by 2012 and 25 percent by 2025. The offshore renewables industry is bringing us closer to meeting those goals by investing in demonstration and first generation commercial projects to prove the efficacy and environmental sustainability of ocean energy technologies. As we do so, there is an urgent need to address the jurisdictional battles and regulatory barriers to responsible commercial operations. In addition, we must plan thoughtfully and strategically for commercial-scale deployment in the foreseeable future.

Responsible commercial development of a robust offshore renewables industry can help address United States economic, energy, and environmental goals by:

- Producing renewable, GHG-free energy from our nation's own abundant ocean resources;
- Reducing our nation's reliance on oil imported from the Middle East, Venezuela, and other politically volatile areas;
- Revitalizing shipyards, coastal industrial parks and shuttered naval bases;
- Creating green jobs in coastal communities hit hard by our country's current economic crisis;
- Securing our nation's place in developing offshore renewable energy technologies to ensure that the U.S. is an exporter – not an importer – of these technologies;
- Providing low cost power for niche or distributed uses like desalination plants, aquaculture, naval and military bases, powering stations for hybrid vehicles and for offshore oil and gas platforms; and
- Promoting coastal planning that reflects the goals of bio-diversity, that maximizes best comprehensive use of resources, and that capitalizes on synergies between offshore industries.

In the sections that follow, we describe our commitment to a phased, adaptive and environmentally responsible approach to offshore renewable energy deployment. We also describe the industry's need for strategic assistance in avoiding wasteful regulatory duplication, organizing marine environmental data, and most importantly, getting the first generation of projects into the water. Please join us in endorsing these goals for our industry and the nation's renewable energy future.

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## 1. Rigorous Phased, Adaptive Approach to Deployment

To move the marine renewables industry forward, we must jointly commit to getting the first generation of projects into the water. Small demonstration and early-stage commercial projects should be deployed thoughtfully, monitored carefully, and managed adaptively in response to real water conditions. The following features are necessary characteristics of any successful regulatory program to expedite the deployment of the first generation of marine renewable energy projects:

- (1) Without sacrificing use of the best available data and the best professional judgment of federal, state and local resource agencies with jurisdiction to evaluate and authorize initial projects, move the regulatory focus from pre-deployment studies to rigorous post-deployment monitoring;
- (2) Manage projects adaptively, including phased expansion, based on identifiable performance standards to avoid, minimize or mitigate adverse observed effects;
- (3) Ensure that proposed studies and avoidance, minimization and mitigation measures are proportionate to the risks and scope of potential adverse impacts;
- (4) Provide funding and tax incentives to help developers move past the valley of death—the period of time it takes from concept to commercialization.

## 2. Respect resource agencies' mandates

We recognize and respect that the federal, state and local agencies entrusted with jurisdiction over our nation's waters, fish, wildlife and other natural resources take seriously their respective statutory mandates. Therefore, we seek to help these agencies effectively carry out their responsibilities without unduly delaying the emergence of marine renewable projects. These measures include:

- funding for studies, data and post-deployment monitoring to generate the kind of information that resource agencies need to engage in informed evaluation of marine renewables projects;
- training for agency personnel to educate them about marine renewable energy project development and potential effects of marine renewables projects and funding for designated marine renewables "experts" within federal and state resource agencies;

## 3. Avoid duplicative or wasteful efforts and clarify regulatory uncertainty

Marine renewables developers, resource agencies and NGOs simply don't have the time or the resources to engage in unnecessary duplicative processes or to participate in a protracted regulatory procedure only to discover that the rules of that process change midway through. Further, we acknowledge that delays caused by duplicative processes and regulatory uncertainty deter private investment in the marine renewables industry, thereby eliminating an important source of funding.

To address issues of duplication, waste and uncertainty, we endorse:

- creation of Joint Renewables Offices to encourage and formalize cooperation and information exchange between executive and independent agencies and liberal use of Memoranda of Understanding to delineate each agency's responsibility for segments of the

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- regulatory process;
- resolution of the Federal Energy Regulatory Commission and Department of the Interior's Minerals Management Service dispute over jurisdiction on the outer continental shelf.

#### **4. Abide by principles of proportionality**

In the real world, every action carries some impact, and some impacts are of greater concern than others. Costly and time-consuming pre-deployment studies and mitigation of unproven or insignificant impacts should not be required. We must also recognize that inaction and delay also have consequences, and that failure to accelerate deployment of commercial ocean energy project prolongs our dependence fossil fuels and unnecessary generation of GHGs. For these reasons, principles of proportionality taking into account the risks and scope of potential adverse impacts and national goals for promoting renewable energy and reducing GHG emissions must guide regulatory processes, decisions and mandates with regard to marine renewable development. This means that both the duration of the regulatory process, the timing and costs associated with mitigation and the number of studies must be proportionate to the anticipated effects.

#### **5. Share the costs of public benefits**

Marine renewables developers are pioneers creating innovative ways to extract clean renewable energy from our nations waters at a critical time when our nation must wean itself from foreign oil and address climate change. Moreover, marine renewables development can revitalize coastal communities, provide jobs and a potential product, i.e., energy technology to export overseas. The public at large stands to benefit from the commercialization of the marine renewables market and as such, should help fund necessary environmental studies—contributing to publicly available environmental data. Accordingly, we support federal and state funding for studies of impacts of marine renewables projects. At the same time, to ensure that the public receives a return on its investment, marine renewables developers who avail themselves of federal funding for studies must share the results, except where doing so would result in disclosure of proprietary or commercially sensitive information.

#### **6. Avoid reinventing the wheel**

Our nation's waterways have been the subject of development by other industries and study for decades, even centuries. Much information from proceedings involving placement of fiber optics cables, underwater transmission lines, oil platforms and other water based development project as well as a decade's worth of offshore wind operation overseas can yield generalized data that can help inform decision making and serve as a starting point for identifying future studies. We support cooperative efforts to gather this data as well as funding to create a national clearing house of information on the marine environment that is accessible to the public.

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## **7. Stand Accountable**

The success of any regulatory process hinges in large part on the trust among the parties. All participants in the process must stand accountable for their actions. When developers file applications for strategic reasons that they have no reasonable expectation of ever pursuing, or the cost and time it takes to get approvals is so drawn out and expensive the legitimacy of the regulatory process suffers. We support accountability in the marine renewable regulatory process for all participants.

For marine renewables developers, accountability means:

- (1) transparency about intended development;
- (2) full and public disclosure of a project's effects and development progress (with reasonable exceptions for proprietary or competitively sensitive confidential information); and
- (3) a commitment to file only bona fide development applications that developers reasonably believe are feasible and have a good faith intent to pursue.

For resource agencies, accountability means:

- (1) In evaluating applications, providing clear guidance on agency interests and information needed to meet clear statutory regulatory authorities; and
- (2) Adhering to deadlines set by mutually agreed upon schedules, or dictated by applicable statutes or regulations;

For NGOs, accountability means:

- (1) Providing fair consideration to bona fide marine renewables applications; and
- (3) Negotiating and participating in stakeholder processes.

## **8. Leverage technology to streamline the regulatory process and engage the public**

The Obama Administration has already launched a website, [change.gov](http://change.gov), to engage the public. Technology can streamline regulatory review and lighten the burden of developers, regulators, and the public. We support creation of electronic filing systems and online, readily accessible data bases that allow developers to submit a comprehensive application and revise it online and to put in place system to increase communication and interchange between agencies and between agencies and the public.

## **9. Move towards a system of coordinated waterway, ocean planning and a national energy plan.**

We recognize that for the marine renewables industry to thrive, it must be part of a broader system of coordinated waterway and ocean planning and a National Energy Policy. As we learn more, we expect that development will proceed more efficiently when viewed as a piece of more overarching comprehensive resource development and ocean planning programs and a piece of national energy policy.

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## **10. Marine Renewable Energy – Yes, We Can**

We stand on a new horizon of a promising technology. The marine renewable energy industry can make a significant contribution to national goals of reducing over-reliance on fossil fuels and to reducing GHG emissions. To do so, regulatory agencies must adopt and implement policies that promote rather than frustrate and delay deployment of demonstration and first state commercial projects. When it comes to marine renewables, we have a choice. We can continue policies that frustrate and delay this opportunity. Or, we can adopt and implement policies that promote deployment of this promising renewable energy technology. We in the marine renewables industry commit to work with the Obama Administration so it can say, yes, we can and will promote deployment of this exciting new technology.

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