

**Statement of
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**House Committee on Natural Resources
Subcommittee on Energy and Mineral Resources**

**Hearing on
“*Expanding Clean Energy on Public Lands*” & on
H.R. 3326, the Public Land Renewable Energy Development Act
May 24, 2021**

Chairman Lowenthal, Ranking Member Stauber, and Members of the Subcommittee, thank you for the opportunity to provide testimony on the development of renewable energy on public lands managed by the Bureau of Land Management (BLM) and on H.R. 3326, the Public Land Renewable Energy Development Act (PLREDA).

The efficient deployment of renewable energy from our nation’s public lands is crucial in achieving the Biden Administration’s goal of a carbon pollution-free power sector by 2035, as well as Congress’ direction in the Energy Act of 2020 (P.L. 116-260) to permit 25 gigawatts (GW) of solar, wind, and geothermal production on public lands by 2025. The BLM is engaging our Tribal partners, industry, stakeholders, and the states to increase opportunities for renewable energy development on public lands. H.R. 3326 aligns with the Administration’s goal to promote and expedite the responsible development of geothermal, solar, and wind energy projects, and we appreciate the interest of Rep. Levin and other members of this Committee in advancing legislation that supports this goal.

BLM Overview

This July, we will celebrate the 75th anniversary of the BLM, which was established in 1946 when President Truman merged the General Land Office and the U.S. Grazing Service. Like its predecessor agencies, the BLM has evolved over the years and adapted its mission to meet the needs of our nation and serve as a steward of our public lands and resources. One of the most significant changes occurred 45 years ago with the passage of the Federal Land Policy and Management Act of 1976 (FLPMA), which officially gave the BLM the multiple use and sustained yield mandate that guides all our land management decisions. This authority, given to the BLM by Congress, requires us to manage the lands in our care for the benefit of current and future generations of Americans. As we look forward to celebrating an important milestone in the history of our bureau, we also recognize an opportunity to reimagine how the BLM may fulfill its congressional mandate while addressing some of the most pressing challenges in our nation’s history – including those related to energy development, climate change, and transitioning to a clean energy economy.

The BLM manages approximately 245 million surface acres, located primarily in 12 western states, as well as 30 percent of the nation’s onshore mineral resources across 700 million

subsurface acres, overlain by properties owned by private landowners or managed by other Federal agencies. Under the BLM's multiple use mandate, the BLM manages public lands for a broad range of uses, such as renewable and conventional energy development, livestock grazing, timber production, hunting and fishing, recreation, and conservation – including protecting cultural and historic resources. Lands managed by the BLM also provide vital habitat for more than 3,000 species of wildlife and support fisheries of exceptional regional and national value.

Overall, commercial activities on public lands were estimated to generate more than \$111 billion in economic output in 2019, supporting nearly 500,000 jobs in timber, recreation, grazing, nonenergy minerals and the energy sector. That activity is the economic driver for local communities, as well as a significant generator of tax revenues that support state and local governments. While supporting the administration's goals related to addressing climate change and increasing renewable energy development on public land, the BLM will continue to carry out its multiple use and sustained yield mandate.

Executive Order 14008

President Biden issued Executive Order (EO) 14008, "Tackling the Climate Crisis at Home and Abroad," to restore balance on public lands and waters, create jobs, and provide a path to align the management of America's public lands and waters with our nation's climate, conservation, and clean energy goals. The EO provides direction for review of the BLM's renewable energy and oil and gas programs. Section 207 of EO 14008 sets ambitious renewable energy goals that will ensure America and the world can meet the urgent demands of the climate crisis, while empowering American workers and businesses to lead a clean energy revolution. The EO further directs the Secretary to review siting and permitting processes on public lands and in offshore waters to identify ways we can increase renewable energy production.

In addition to the EO, the Energy Act of 2020 directed the BLM to create Renewable Energy Coordination Offices (RECOs), and to set a national goal of at least 25 GW of onshore wind, solar, and geothermal energy production on Federal lands by 2025. The EO and Congressional direction provide the BLM a clear mandate to support and prioritize expanding renewable energy development on public lands. In our initial efforts to achieve these renewable energy goals, the BLM has assessed staffing levels related to our renewable energy program and developed a proposal for the establishment of the RECOs as directed by Congress.

We are also taking action to enhance coordination around permitting of renewable energy projects on BLM-managed lands. This effort includes developing an interagency Memorandum of Understanding to prioritize renewable energy-related activities as required by the Energy Act of 2020. The BLM has also prioritized a short list of key programmatic actions, regulation updates, and interim policies to facilitate renewable energy development on BLM lands in the short and medium term. Some of the efforts under consideration include updating the Solar Energy Zones that were designated in the Solar Programmatic Environmental Impact Statement completed in 2012, as well as the West-wide Energy Corridors that were designated in 2009 to facilitate pipelines and powerlines. These efforts also complement the provisions of H.R. 3326.

Renewable Energy Development on Public Lands

Solar and wind energy development projects on BLM-managed public lands are authorized as right-of-way (ROW) grants or leases under Title V of FLPMA, and the costs of processing applications for such authorizations are paid by project proponents. Geothermal development projects on public lands are authorized via the issuance of leases and the approval of drilling permits and utilization plans under the Geothermal Steam Act of 1970, as amended. All renewable energy projects require review under the National Environmental Policy Act (NEPA).

In December 2016, the BLM finalized the Competitive Processes, Terms, and Conditions for Leasing Public Lands for Solar and Wind Energy Development and Technical Changes and Corrections Rule (known as the Competitive Leasing Rule). Through competitive leasing, the BLM sought to incentivize developers to propose the most efficient and technologically appropriate developments for solar and wind projects, while ensuring an environmentally-sound approach and a means to ensure American taxpayers receive fair market value for the use of public lands and energy resources as required under Section 102 of FLPMA.

Through the Solar Programmatic Environmental Impact Statement, the BLM has designated 285,000 acres of Solar Energy Zones where development will be prioritized. We have identified another approximately 19 million acres of public lands with solar energy potential outside these zones in six southwestern states: California, Nevada, Arizona, New Mexico, Colorado, and Utah. The BLM also manages more than 20 million acres of public lands that have been identified with wind energy potential in 11 western states. In January 2013, the BLM finalized the Arizona Restoration Design Energy Project, which established 192,100 acres of renewable energy development areas on BLM-managed land throughout Arizona and established the Agua Caliente Solar Energy Zone. Similar to the Solar Energy Zones, the project development areas were identified based on development potential and avoiding conflicts with other resources, as well as prioritizing areas that have been previously disturbed.

Of note, in 2016, the BLM finalized the Desert Renewable Energy Conservation Plan (DRECP) in southern California. The DRECP is a landscape-level plan spanning more than 10 million acres of BLM-managed lands that supports renewable energy development, including through designation of Development Focus Areas, while conserving unique and valuable desert ecosystems and providing outdoor recreation opportunities. It is a collaborative effort between the BLM, the U.S. Fish and Wildlife Service, the California Energy Commission, and the California Department of Fish and Wildlife. The BLM will also engage with our Tribal partners on a programmatic agreement as we evaluate solar projects under the DRECP.

As of May 2021, permitted renewable energy projects on BLM-managed lands include 36 wind projects with a total capacity of over 2,900 MW and 37 solar projects with a total capacity of over 7,000 MW. The most recent large-scale approval of a project on BLM-managed lands occurred on May 3, 2021, when BLM announced the final approval of the Crimson Solar Project in the California desert. The Crimson Solar Project represents an investment of roughly \$550 million and has the potential to deliver enough electricity to power approximately 87,500 homes.

The BLM is also currently processing dozens of utility-scale renewable energy applications like the Oberon Solar Project in the DRECP, and unlocking new opportunities for renewable energy through new large-scale bulk-electricity transmission, such as Ten West Link in Arizona, and

Greenlink West and Greenlink North projects in Nevada. We anticipate supporting an additional 3,000 MW of renewable energy in FY 2021 towards the 2020 Energy Act's 25 GW goal.

Importantly, the BLM also has authority to manage the abundant geothermal resources across approximately 245 million acres of public lands, including 104 million acres of U.S. Forest Service lands. Geothermal was the first renewable energy that the BLM approved for production on public lands, with 2018 marking four decades since the first approved geothermal project in 1978. There are currently 47 operating power plants developing geothermal energy from BLM-managed lands, with a combined capacity of approximately 2,500 MW.

H.R. 3326, Public Land Renewable Energy Development Act

H.R. 3326 seeks to promote and expedite the development of geothermal, solar, and wind energy projects on Federal lands through the establishment of priority areas. The bill also promotes the distribution of revenue collected from wind and solar projects to states and counties where projects are sited and establishes a "Renewable Energy Resource Conservation Fund" as a vehicle to deliver additional conservation funding to Federal agencies, Tribes, states, and counties.

Definitions (Section 3)

Section 3 of H.R. 3326 outlines a number of definitions, including categories of lands with respect to their suitability for development of renewable energy. "Priority areas" are defined as lands identified through a land use planning process as a preferred location for renewable energy development. Priority areas include designated leasing areas identified under the Competitive Leasing Rule. "Variance areas" are defined as those areas potentially available for renewable energy development and where projects could be timely approved without a plan amendment, and in a manner that is consistent with the multiple use management prescribed by FLPMA, as well as with the renewable energy permitting goal of the Energy Act of 2020. The bill defines "exclusion areas" as land identified by the BLM as not suitable for renewable energy development. The BLM appreciates that the bill recognizes these categories, which provide more clarity to all stakeholders.

Land Use Planning Updates (Section 4)

Section 4 of H.R. 3326 requires the Secretary of the Interior to update the Final Programmatic Environmental Impact Statements (PEIS) for geothermal (issued October 2008), solar (issued July 2012), and wind (issued July 2005) to update renewable energy "priority" areas, which will also affect identified variance and exclusion areas. Under the bill, the Department is required to coordinate with state, Tribal and local governments, as well as industry stakeholders, to ensure priority areas are economically viable; that the areas minimize impacts on habitat, recreation, cultural resources, and other uses; and that they are consistent with the renewable energy permitting goal of the Energy Act of 2020 and the planning process set out in FLPMA. The bill directs the BLM to incentivize deployment of proposed renewable energy projects located in priority areas and to offer the opportunity for projects to participate in any regional mitigation plan developed for the relevant priority area.

While Section 4 provides for processing of site-specific permits to continue during these updates, this will not affect their existing status as being located in priority, variance, or exclusion

areas. Lastly, Section 4 directs the Secretary to review the adequacy of land allocations for priority, exclusion, and variance areas every ten years to encourage new renewable energy development opportunities, and exempts the DRECP plans from the application of this section until 2030.

The BLM supports the goals of H.R. 3326 to expedite permitting of renewable energy in the most suitable places on Federal lands. We believe that BLM-managed lands provide a tremendous opportunity to realize the potential of renewable energy. We acknowledge the importance of identifying low conflict priority and variance areas as directed in Section 4 for solar, wind, and geothermal and we are already contemplating a solar energy planning effort that would strategically revise relevant land use plans to accelerate project level environmental reviews for solar energy. The BLM plans to review the 2005 Wind PEIS and the 2008 Geothermal PEIS and then update them as needed pursuant to Section 7 of EO 14008. While undertaking these efforts, the BLM will coordinate with the U.S. Forest Service for geothermal planning on lands that are part of the National Forest System. The BLM is committed to engaging in an inclusive and equitable process in pursuit of a clean energy economy.

Limited Grandfathering of Rents & Fees (Section 5)

Section 5 would allow for limited grandfathering of rents and fees of project owners who applied for a ROW grant on or before December 19, 2016, and have not already formally agreed to rents and fees under the BLM's Competitive Leasing Rule.

The BLM appreciates the Sponsor's and Committee's attention to ensure regulatory and financial certainty to ROW grant holders. The BLM notes that the Energy Act of 2020 provided two new authorities to the BLM when considering rents, capacity fees and other recurring fees for new and existing wind and solar grants. With these new authorities, the BLM intends to undertake and complete a rulemaking that would comprehensively address rental rates and fees to promote the greatest use of wind and solar energy resources.

Revenue Distribution (Section 6)

Section 6 establishes a new revenue distribution structure for receipts from solar and wind development on public lands. Under the bill, beginning January 1, 2022, 25 percent of receipts would be allocated to the state within the boundary of which the revenue is derived; 25 percent to the counties within the boundaries of which the revenue is derived, split based on the percentage of land used in each county; 25 percent to the Secretary to administer BLM's renewable energy program; and 25 percent would be deposited in a new Renewable Energy Resource Conservation Fund (Fund). The Secretary would be permitted to make amounts in the Fund available to other Federal and state agencies and Tribes to protect and restore important fish and wildlife habitat and water resources, as well as to secure recreational access to Federal lands. The bill also provides an exception for revenue received from section 504(g) of FLPMA used for processing ROW applications, which gives the Department the authority to collect cost recovery revenue for the processing and monitoring of ROW applications.

The BLM recognizes the interests of states and counties in receiving additional revenue from local wind and solar projects, but also recognizes these provisions would reduce revenue to the Treasury. The BLM also appreciates the potential benefits that could come from the Fund

established by the bill, which would enhance outdoor recreation opportunities and support state and Tribal wildlife conservation efforts to mitigate potential impacts from renewable energy development. The President's American Jobs Plan includes investments that would achieve similar goals, and we look forward to working with the sponsor and others on the Committee to enact legislation achieving the President's goal.

The BLM appreciates that the bill provides an exception to its revenue allocation for revenue received from section 504(g) of FLPMA. If enacted, this exception would help ensure continued support for prioritization of renewable energy and energy transmission permit processing by retaining revenues received from local ROW grants. Currently, these funds are placed into a special account in the U.S. Treasury that the BLM uses to process thousands of ROW applications.

Conclusion

The Department and the BLM are committed to responsibly mobilizing the tremendous renewable energy resources of our nation's public lands, and we share the Committee's interest in identifying efficiencies in the development of those resources, consistent with environmental protections and public involvement in agency decision-making. The BLM looks forward to continuing to work with the Committee and the Congress on these important issues.