

Ocean Energy Task Force Interim Report

April 15, 2009

Mission of the Ocean Energy Task Force

On November 7, 2008, Governor John E. Baldacci established the Ocean Energy Task Force (“OETF”) pursuant to Executive Order. The primary elements of the OETF's mission are:

- development of a strategy to meet or exceed Maine’s goal to install 300 megawatts of offshore wind capacity by 2020¹ that includes a specific implementation plan;
- identification of opportunities and means to advance the development of tidal and wave power in Maine's coastal waters; and
- compilation and assessment of information and issues on oil and gas resources and exploration on the Outer Continental Shelf.

The Executive Order directs the task force to file an interim report by April 1, 2009.

Task Force Process: Organization and Work Plan

The task force developed a work plan focused on questions that must be addressed in order to fulfill the directives contained in the Executive Order. The task

¹ The Governor’s Task Force on Wind Power Development established state goals for the development of the state’s significant on- and offshore wind power resources, including hosting at least 2,000 megawatts of installed capacity by 2015 and 3,000 by 2020, at least 300 of which could be achieved with projects built offshore. *Final Report of the Task Force*, February 2008. The Legislature has incorporated these goals into the Maine Wind Energy Act at 35-A MRSA § 3404.

force recognizes that its work is in addition to and complements other state goals relating to increasing the state's energy independence, reducing greenhouse gases, stabilizing energy prices, and creating green jobs in Maine through energy efficiency, onshore renewable energy, distributed generation, and the like.

The task force identified and created subcommittees to focus on each of the following six main issue areas:

Subcommittee #1: Environmental and Human Impacts, Sean Mahoney, chair;

Subcommittee #2: Regulatory and Permitting Process, Kathleen Leyden, chair;

Subcommittee #3: Transmission, Grid Access, Utility Issues, David Flanagan, chair;

Subcommittee #4: Economic Development, New Technologies, Tim Agnew, chair;

Subcommittee #5: Tidal Power, Parker Hadlock, chair; and,

Subcommittee #6: Oil & Gas, Robert Marvinney, chair

In addition, the OETF expressed an interest in exploring actions Maine could take immediately to advance research and development of its ocean energy resources. A seventh subcommittee on Short Term Actions was established and is chaired by former Governor Angus King.

The full OETF has met four times, on December 10, 2008, and on January 14, March 11, and April 14, 2009. The next meeting of the task force is scheduled for May 8th. In addition, each of the seven subcommittees has met multiple times throughout February and March. These meetings have included and engaged many interested parties. Identification of matters recommended for consideration by the Legislature this session was a focal point for each subcommittee.

State - Federal Coordination

The task force has recognized that effective state-federal coordination, particularly on regulatory and related siting issues, will be a key part of its strategy to facilitate well-sited development of renewable ocean energy resources in Maine's coastal waters and adjoining federal waters. Accordingly, the task force and its subcommittees have reached out to federal agency personnel to engage them in policy discussions aimed at identifying opportunities for coordination and collaboration.

In addition, on April 6th, OETF co-chair Beth Nagusky met with Secretary of the Interior Salazar on behalf of the Governor and presented a statement on the work of the task force and a targeted request for federal assistance on key issues.

Public Involvement

The task force has had the benefit of significant and active public involvement. Meetings of the full task force and of its subcommittees have been well-attended. Over 140 persons have asked to be on the task force's interested party email distribution list. Many of these persons are participating actively in and making important contributions to the work of the task force and its subcommittees.

The State Planning Office established and is maintaining a project-specific website to keep the public informed of the task force's work.

<http://www.maine.gov/spo/specialprojects/OETF> . Meeting notices, minutes, presentations, and other related information are regularly posted.

Interim recommendation: Legislation to create state General Permits to facilitate ocean energy research and demonstration projects

As noted above, identification of matters recommended for consideration by the Legislature this session was a focal point for the task force and its subcommittees in the

initial phase of its work. Based on these deliberations, the task force is recommending enactment of state law to establish state General Permits to facilitate ocean energy research and demonstration projects in limited areas in Maine's coastal waters.

Subcommittees 2 and 7, in response to interest from the University of Maine and private renewable ocean energy developers, identified a need to facilitate the research, development, and demonstration of emerging renewable ocean energy technologies in deep waters.² Subcommittee 2 determined that changes in state law were needed to provide an appropriate vehicle for state review of such projects. Working with staff of the State Planning Office, Department of Environmental Protection, Land Use Regulation Commission, Department of Marine Resources, Inland Fisheries and Wildlife, and Bureau of Public Lands, these subcommittees developed draft legislation that has been reviewed by the OETF and interested parties and submitted to the Governor's Office on April 3rd as a unanimous task force recommendation.

The recommended legislation:

- Creates a streamlined 60-day DEP permitting process for offshore wind energy demonstration projects³ that are located in up to five specific areas in Maine's coastal waters, to be identified based on consideration of potential impacts on natural resources and existing uses, community support, and other factors ;
- Directs the Department of Conservation and State Planning Office, in consultation with the Departments of Marine Resources and Inland Fisheries and Wildlife and other state agencies, to implement a public outreach process to inform identification of these offshore areas, one of which, termed the Maine Offshore Wind Energy Research Center, would be for wind energy demonstration projects

² The offshore wind technology in depths of up to at least 60 meters, and possibly 90 meters, has been proven; technologies that would enable the placement of wind turbines on floating platforms or other structures in greater depths are now being explored.

³ In keeping with the nature of wave power opportunities identified by the task force to date, the legislation allows for testing of wave power technology that would be used in conjunction with a wind power generation system. The task force anticipates further consideration of wave power issues and opportunities in the next phase of its work.

conducted by or in cooperation with wind energy technology researchers at the University of Maine;

- Creates a streamlined DEP general permit for tidal power projects eligible for a Federal Energy Regulatory Commission pilot project; and
- Streamlines the state submerged lands lease permitting process for a wind power or tidal power demonstration project that receives a general permit as provided under the bill.⁴

The task force acknowledges that Governor's Office has submitted this legislation to the Revisor of Statutes, and anticipates that the Legislature will schedule a hearing to consider the bill later this month or in early May.

Next Steps

The task force and its subcommittees will continue to meet throughout the spring and summer to prepare a final report and recommendations by the October 31st deadline established in the Executive Order. The task force intends to focus on the following issues and tasks:

- Subcommittee #1 (environmental/human impacts): Continue to compile in GIS format all available data on fish and wildlife and human uses of the Gulf of Maine; identify critical data gaps; develop criteria that will help select sites for ocean renewable energy projects; and engage in public outreach to potentially affected communities and stakeholders
- Subcommittee #2 (regulatory/permitting): Identify any legislation needed to improve the efficiency of the state permitting processes governing the siting and permitting of commercial offshore wind, wave, and tidal

⁴ The task force recognizes that L.D. 1322, adjusting rental rates for submerged lands leases, is currently under discussion at the Legislature.

projects, including the associated transmission infrastructure; and continue discussions with federal agencies to ensure coordination and collaboration aimed at improving the efficiency of the permitting of ocean energy projects in both state and federal waters

- Subcommittee #3 (transmission/utility grid): Identify potential hurdles facing development of Maine's offshore wind, wave, and tidal power resources and the actions needed at the state, regional, and federal levels to incentivize such development. Questions being explored include: existing transmission capacity and constraints; transmission requirements and costs; integration of large quantities of intermittent resources into the electric grid; smart grid needs and penetration; and generator financial requirements and mechanisms to address them (e.g., contract issues, federal and state incentives)
- Subcommittee #4 (economic development/emerging technologies): Examine jobs potential and workforce development issues; identify incentives Maine currently provides and should provide to attract offshore renewable energy development and the manufacture of platforms, turbines and component parts; and explore actions to expand penetration of emerging technologies that will enable use of renewable energy to heat homes and power the transportation sector in Maine
- Subcommittee #5 (tidal): Identify Maine's tidal generation potential and the human and ecosystem impacts of tidal power development; review state and federal permitting requirements and recommend any changes needed to streamline and improve the efficiency of the permitting process for commercial tidal projects
- Subcommittee #6 (oil and gas): Provide an assessment of the oil and gas resource for Maine's Outer Continental Shelf and George's Bank as well

as the costs and benefits of the exploration and development of that resource, including the compatibility of such exploration and development with other existing and potential uses of the OCS and George's Bank

Conclusion

Prior to the establishment of the Ocean Energy Task Force, a large number of individuals, groups, and businesses were working hard to advance development of Maine's vast renewable ocean energy resources. Creation of the OETF has provided a forum to identify a strategy for focused, collaborative action to facilitate development of these clean energy resources and related business opportunities in a sustainable and environmentally responsible manner that benefits Maine people. This task force has helped spark the interest and excitement of the Maine public in a cleaner energy future that will reduce our dependence on imported fossil fuels and help stabilize the climate, while creating good jobs for Maine people.