

**STATEMENT OF DAVID J. HAYES, DEPUTY SECRETARY OF THE INTERIOR  
BEFORE THE SENATE APPROPRIATIONS SUBCOMMITTEE ON INTERIOR,  
ENVIRONMENT, AND RELATED AGENCIES  
ON THE 2011 PRESIDENT'S BUDGET REQUEST**

**March 9, 2010**

Madam Chairman and members of the Subcommittee I am pleased to have the opportunity to testify on behalf of the Department's Renewable Energy program. This is an exciting and unprecedented direction for the Department and we are moving rapidly to remove the barriers to renewable energy development in the United States – responsibly in a manner that protects the environment.

**Clean Energy Future**

During the first year of his Administration, President Obama has led the United States toward a clean energy future. A primary reason for delivering this change is that the United States cannot afford to fall behind in the energy technologies that will shape this century. We spend hundreds of billions of dollars each year on imported oil – our oil dependence poses risks to our national security.

Renewable energy development is one of President Obama's highest priorities, and the United States has come far in developing renewable resources this past year under the President's leadership. New jobs are being created and many more are coming in the clean energy sector. America's abundant natural resources can help us rise to meet the challenges we face.

The great promise of solar energy and other renewable resources has led us at the Department of the Interior to change how we do business. For the first time, environmentally responsible renewable energy development is a priority at this Department. Until now, our deserts, plains, forests, and oceans have been largely unexplored for their vast clean energy potential.

**Opportunities**

The possibilities are immense, and the opportunities are great. The Department oversees 20 percent of the Nation's lands and 1.7 billion offshore acres. The Department of Energy's National Renewable Energy Laboratory estimates the wind potential off the East Coast of the United States in the Atlantic Ocean to be more than 1,000 gigawatts, greater than our entire national electricity demand. Turbines are already springing up to capture the energy of the wind that blows across the Great Plains. We have huge solar potential in the deserts of the Southwest containing an estimated 2,300 gigawatts of energy capacity, not far from the great cities of Los Angeles, Las Vegas, and Phoenix. Geothermal energy opportunities are bubbling up across the country. We have great opportunities to increase hydropower production through improvements in efficiency, by adding power generation units to existing facilities, and through pumped storage.

During the past year, we offered new areas for oil and gas development, but instituted reforms to ensure we are offering leases in the right places and in the right way. Importantly, and relevant to today's hearing, we have also opened the new renewable energy frontier – not just for solar power, but also for wind, geothermal, and hydropower – on America's lands and waters that will help power our clean energy economy.

We have opened Renewable Energy Coordination Offices in California, Nevada, Wyoming and Arizona and established teams in six other states—Colorado, Idaho, Montana, New Mexico, Oregon/Washington and Utah—that are charged with expediting the required reviews of solar, wind, geothermal, and biomass projects and supporting the prompt permitting of appropriate transmission-related projects on our public lands.

We worked with the Federal Energy Regulatory Commission to develop and enter into a Memorandum of Understanding that resolved jurisdictional concerns that had resulted in the delay of renewable energy projects on the OCS. We have also put in place long-awaited offshore renewable energy rules, creating the first-ever framework for offshore renewable energy development, which we expect to result in the development of significant offshore wind energy potential. We subsequently awarded four exploratory leases for wind energy production on the OCS offshore of New Jersey and Delaware.

The Secretary recently announced that the Minerals Management Service will establish an Atlantic renewable energy regional office – this will be the first Federal office specifically supporting renewable energy development on the OCS. Two weeks ago the Secretary met with the governors of eleven Atlantic coast states that are considering the development of offshore wind energy projects to explore how to support and coordinate the development of this new industry. All agreed that the U.S. cannot be left behind and that cooperative planning is needed to move forward. The Secretary established a consortium of Federal agencies and Atlantic States to pro-actively determine the best sites for renewable energy development rather than let the applications drive the process. As the Department explores the potential for renewable energy in offshore areas, wind energy production in the Atlantic offers great promise. This collaboration will allow us to move smartly to identify the areas most suitable for development and streamline the permitting process.

As we open this new energy frontier, new development and new technology deployment on public lands will help solve key challenges in reliability, storage, and transmission of renewable energy and ultimately could mean lower costs to the private market in meeting energy demands.

We cannot afford to fall behind in the development of solar energy technologies. Over the past year, as we have worked to make the President's vision a reality, there has been much discussion in the media about the development of these technologies in other nations. We have heard that China is now the world leader in the manufacture of solar panels and wind turbines, and it has targeted the development of renewable and low-carbon energy as a priority. A number of European countries, including Spain and Germany, have developed aggressive policies that have led to expanded development of renewable, specifically solar, energy.

The Department's vast land ownership and the breadth of our management responsibilities over those lands puts us in a unique and important role with regard to the domestic development and transmission of solar energy. The possibility of capturing the sun's abundant energy and making it usable as a clean, non-polluting source of power; the potential of American ingenuity to drive more efficient applications; and the promise of additional jobs for the new energy economy are ensuring that we at the Department are moving quickly to responsibly develop this tremendous energy potential on our public lands.

Renewable energy was the subject of Secretary Salazar's first Secretarial Order, issued in March 2009. That Order made facilitating the production, development, and delivery of renewable energy, including solar energy, on public lands and the Outer Continental Shelf top priorities at the Department. The Secretary has pledged that these goals will be accomplished in a manner that does not ignore, but protects our signature landscapes, natural resources, wildlife, and cultural resources.

### **Moving Forward**

Over the past year we have worked diligently to prioritize the development of renewable energy on our public lands and our offshore waters. Last June, Secretary Salazar and Senate Majority Leader Harry Reid announced the identification of 1,000 square miles, 24 tracts of Bureau of Land Management-administered land, in the West as Solar Energy Study Areas. We are fully evaluating these areas for their suitability from an environmental and resource perspective and for the large-scale production of electricity from solar energy.

Along with the Department of Energy, we are preparing a Solar Energy Development Programmatic Environmental Impact Statement, due for public release in late 2010. This EIS will be a landscape-scale plan for siting solar energy projects on our public lands in the Southwest that have been identified as having the best potential for utility-scale solar energy development. The BLM has identified approximately 23 million acres with solar energy potential, including the 24 Solar Energy Study Areas, which are being reviewed as part of this process to evaluate the environmental suitability of solar energy development across the West. The Solar Energy Study Areas alone have the technical potential to generate nearly 100,000 megawatts of solar electricity, enough to power millions of American homes. The public comment period on these solar study areas closed in September 2009, and we are evaluating the comments we received.

We believe that landscape-scale planning and zoning for solar projects on our public lands will provide a more efficient process for permitting and siting of this type of development.

To further our goals, we have announced 34 "fast track" renewable energy projects. Fast-track projects are those where the companies involved have made sufficient progress in the environmental review and permitting process and they could potentially be cleared for approval by December 2010, thus making them eligible for economic stimulus funding under the American Recovery and Reinvestment Act of 2009.

Fourteen of the 34 fast-tracked projects are solar energy projects. These include several different types of concentrated solar thermal technologies – like solar engine, parabolic trough, and power

tower – and photovoltaic cells, and are located in Arizona, California and Nevada. All are currently undergoing detailed environmental impact reviews, and if ultimately approved, some 5,000-6,000 megawatts of new capacity could be permitted for construction by the end of this year. Moreover, our analysis indicates that tens of thousands of jobs could be created in the development of these projects alone.

In this same vein, last fall Secretary Salazar and California Governor Schwarzenegger announced a Memorandum of Understanding between the State and the Department that will expedite the process of siting, reviewing, approving and permitting renewable energy projects on Department-managed lands in California.

We must also recognize that the development of transmission capacity for this new energy production is a crucial element. Developing solar and other renewable energy resources, which are often located in remote areas, will require new transmission capacity to bring this clean energy to the population centers where it is needed. The Department has already identified and designated more than 5,000 miles of transmission corridors on the lands it manages to facilitate the siting and permitting of transmission lines in the right ways and in the right places, and we are processing more than 30 applications for major transmission corridor rights-of-way on the lands we manage, with seven applications in Idaho, California and Nevada that could add more than 1,000 miles of new transmission, on the “fast track” to potential permitting this year.

This Administration is working smartly to cut through bureaucratic barriers. In October 2009, the Administration announced that nine Federal agencies, including Interior, had signed a Memorandum of Understanding designed to expedite the siting and permitting of electric transmission projects on Federal lands. This agreement commits the participating agencies to close coordination and a number of procedures to improve the Federal process under existing authorities, including establishing a single point of contact for all required Federal authorizations.

## **Budget**

The 2011 budget supports our efforts to create clean sources of energy using the Nation’s vast domestic resources. The New Energy Frontier initiative invests \$73.3 million in renewable energy programs, an increase of \$14.2 million over 2010. The initiative includes \$3.0 million for BLM to focus on the environmental elements of renewable energy projects, \$3.2 million for MMS region-specific planning needs, \$3.0 million for USGS to analyze and document the effects of renewable energy on wildlife populations, \$4.0 million for FWS to carry out endangered species consultation and other wildlife conservation efforts and provide timely environmental review of projects, and \$1.0 million for BIA to support renewable energy development efforts on tribal lands.

The Department has a High Priority Performance Goal to increase approved capacity for solar, wind, and geothermal energy resources on Interior managed lands, while ensuring full environmental review, by at least 9,000 megawatts by the end of 2011.

The Department is redoubling efforts to evaluate existing applications for renewable energy projects. The BLM is currently processing approximately:

- 130 applications for utility-scale solar projects that involve approximately 77,000 megawatts and 1.2 million acres of public land;
- 22 geothermal development plans that total 761 MW
- 249 applications for wind energy applications – 207 for testing; and
- 42 applications for wind energy projects that involve 5,861 MW

### **Conclusion**

Thank you for the opportunity to testify on behalf of the Department's Renewable Energy program and thank you for your leadership to advance responsible renewable energy development. This is a breakthrough time for the nation's energy future. We will continue to work with you to ensure a balance between meeting the nation's energy needs and careful stewardship of our natural and cultural resources, in partnership with local communities across the country. This concludes my written statement. I am pleased to answer any questions you may have.