



State of Louisiana

**DEPARTMENT OF ENERGY
AND NATURAL RESOURCES**

Federal Legislative Update

Revenue Sharing & WRDA 2024

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Revenue Sharing

Current Law on Revenue Sharing - Onshore Energy

Revenue sharing is the when the Federal government returns a percentage of funds generate from federal lands or waters to the host state and/or community.

Revenue sharing began in 1920 with the Mineral Land Leasing Act.

However, the Federal government does not conduct revenue sharing equally for all energy forms. For example, onshore revenue sharing is not capped, while offshore revenue sharing is.

Onshore oil, gas, and coal has revenue sharing:

- ▶ 50% to host state
- ▶ 40% goes to Reclamation Fund (supports irrigation and dams)
- ▶ 10% to Treasury
- ▶ Alaska has distinct policies

Onshore geothermal has revenue sharing:

- ▶ 50% to host state
- ▶ 25% to host county
- ▶ 25% to Treasury

No federal revenue sharing program exists for onshore renewables (wind or solar):

- ▶ 100% to Treasury
- ▶ 0% to host state



Current Law on Revenue Sharing - Offshore

Revenue sharing is allowed from **offshore oil & gas** development through GOMESA.

- ▶ First \$1 billion per year of eligible revenue is shared (resulting in a cap) according to the following percentages:
 - ▶ GOMESA states of TX, LA, MS and AL and coastal counties receive 37.5% of such funds up to \$375 million.
 - ▶ Land and Water Conservation Fund receives 12.5% up to \$125 million
 - ▶ Treasury receives 50% and 100% after cap is reached.
- ▶ Only includes leases from 2007 onward
- ▶ Sequestration applies, reducing distributed funds by 5.7%

No federal revenue sharing program exists for **offshore wind** development - or any other future energy resource - in federal waters.

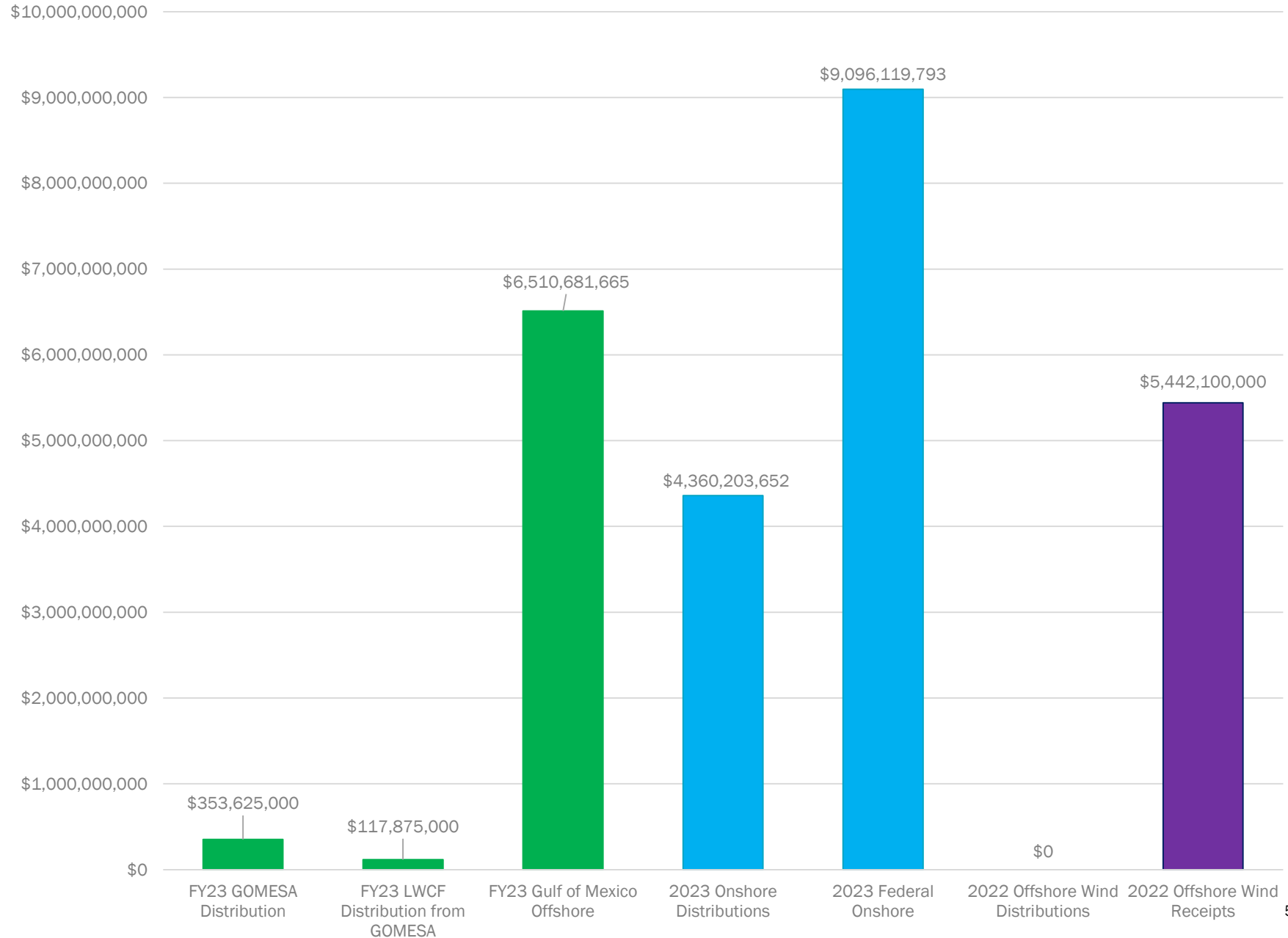
- ▶ 100% of funds go to U.S. Treasury
- ▶ 0% to host state.



Federal Mineral Revenue Sharing

NOTE: The data used in this graph is from the the Office of Natural Resources Revenue (ONRR) of the Department to the Interior.

Comparison of Revenue Sharing with States
among Gulf of Mexico Oil & Gas (GOMESA), Onshore Oil and Gas, and Offshore Wind



Legislation Related to Increasing Revenue Sharing

RISEE Act

RISEE initiates for the first time revenue sharing from offshore wind development

- ▶ 37.5% to coastal states based on distance from project
- ▶ 12.5% to National Ocean and Coastal Security Fund
- ▶ Includes all offshore wind leases since 2022

RISEE increases revenue sharing from offshore oil and gas development for GOMESA states

- ▶ Eliminates statutory cap of \$375 million for revenue sharing and \$125 million cap for stateside Land & Water Conservation Fund

In 2022, RISEE passed the Senate Energy and Natural Resources Committee with a unanimous vote. Neither NC Senator serves on this committee.

BREEZE Act

BREEZE initiates for the first time revenue sharing from offshore wind development

- ▶ 50% to coastal states based on distance from project
- ▶ 37.5% to North American Wetlands Conservation Act grants
- ▶ Applies only to future offshore wind leases

BREEZE increases revenue sharing from offshore oil and gas development for GOMESA states

- ▶ Raises percentage shared from 37.5% to 50%
- ▶ Eliminates statutory cap of \$375 million for revenue sharing and \$125 million cap for stateside Land & Water Conservation Fund
- ▶ Exempts GOMESA from sequestration

In 2023, BREEZE passed the House twice in a largely Republican energy package (H.R. 1). The NC delegation voted along party lines.



Authorized Uses for RISEE Act Funding

37.5% - Funding to States from Adjacent Leases

- ▶ Coastal protection, conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses
- ▶ Mitigation of damage to fish, wildlife, or natural resources, including fisheries science/research
- ▶ Implementation of a federally approved marine, coastal, or conservation management plan
- ▶ Mitigation of the impact of Outer Continental Shelf activities through onshore infrastructure
- ▶ Planning assistance and administrative costs

12.5% - Formula funding through National Coastal Resilience Fund

- ▶ Scientific research for changing environmental conditions
- ▶ Enhanced resiliency of infrastructure and communities, including project planning/design
- ▶ Habitat protection and restoration
- ▶ Monitoring and reducing damage to natural resources and marine life
- ▶ Efforts supporting sustainable seafood production



Entrance to Pt. Fourchon, LA, through Belle Pass. Beach restoration funded through revenue sharing.



Construction of Bucktown Living Shoreline project on Lake Pontchartrain in Jefferson Parish, LA, funded through revenue sharing.

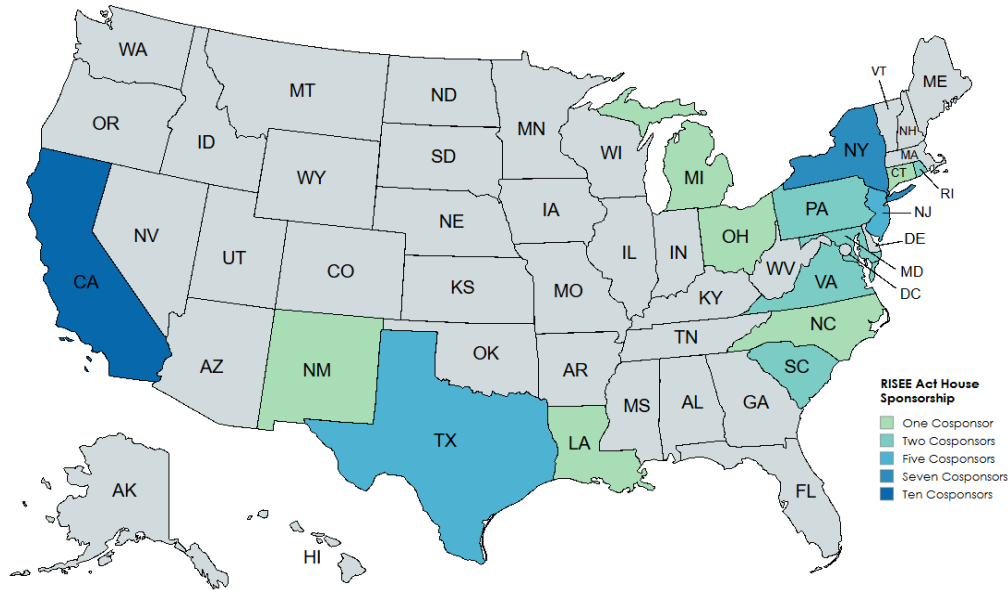
RISEE Act Funding Versatile, Relevant to Coasts

Survey of Project Types Funded through GOMESA in TX, LA, MS, and AL

- ▶ **Coastal protection:** Breakwaters, shoreline protection, erosion control measures, drainage canals
- ▶ **Conservation:** Land acquisition, development of nature parks
- ▶ **Coastal restoration:** Wetlands construction, beach restoration, dune construction, beneficial use of dredged material projects coastal stream restoration, water quality projects, environmental water control structures, wastewater improvements, litter and marine debris reduction, removal of derelict vessels, removal of storm damaged infrastructure
- ▶ **Hurricane protection:** Storm surge and tidal protection levees, levee lifts, floodwalls, locks, pumps and pump stations
- ▶ **Mitigation of damage to fish, wildlife, or natural resources:** native vegetative plantings, construction of bird habitat, oyster habitat creation, artificial reefs, contaminant removals
- ▶ **Fisheries science/research:** coastal science and research, studies of marine mammals and sea turtles, ecological assessments
- ▶ **Infrastructure directly affected by coastal wetland losses / mitigation of the impact of Outer Continental Shelf activities through onshore infrastructure:** improving access to environmental resources, improvements to fisheries infrastructure such as docks and boat ramps, ecotourism projects, observations equipment for coastal hazards such as high frequency radar
- ▶ **Planning assistance and administrative costs:** Resiliency planning, state agency funding



RISEE Act Congressional Support

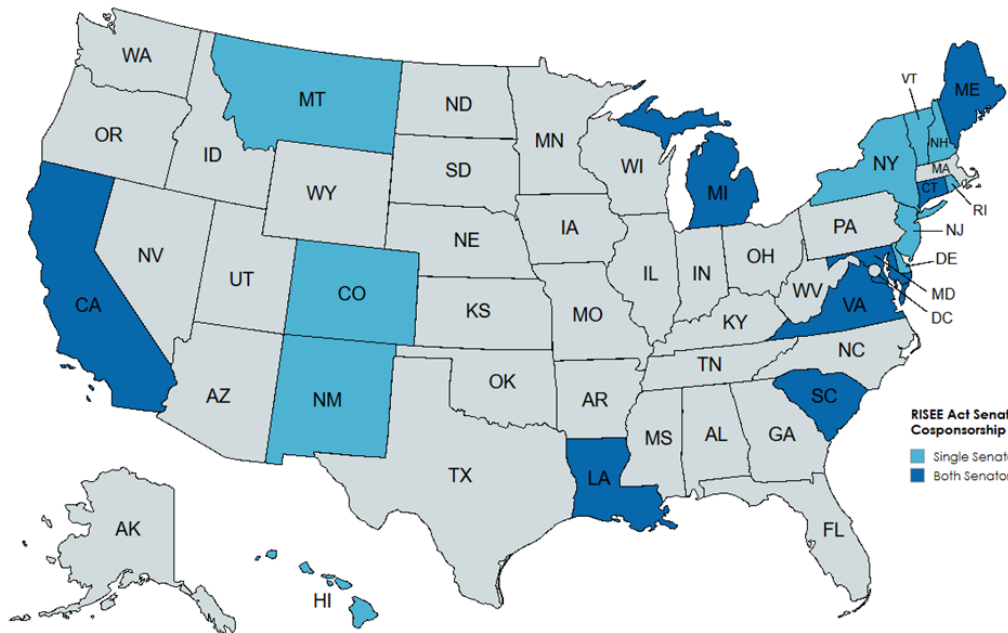


Support Tally

House: 44 cosponsors, 35 D and 9 R

Senate: 26 cosponsors, 20 D and 6 R

North Carolina's Congressman Don Davis (D-NC-1) is an original cosponsor of the RISEE Act.



SHORES Fly-In

Sharing Offshore Revenues from Energy Sources



83

*SHORES Members
Participated*



105

*Different Congressional
Office Meetings*



31 *States*

2 *Territories*

Senate Committee to Vote on RISEE Act - Tomorrow!

RISEE Act poised to advance through Senate Energy & Natural Resources Committee

- Senator Whitehouse and Senator Cassidy's bill, [S. 373, the RISEE Act](#), believe RISEE is likely to pass the Committee by a voice vote at 9:30 EST on November 19.
- Chairman Manchin may discuss how the high cost of the RISEE Act must be offset before final passage.
- Should this procedural hurdle be overcome, the RISEE Act sponsors will push Congressional Leadership hard to get it included in an end-of-the-year package.
- Challenges include generating enough member enthusiasm, securing a legislative vehicle, successfully claiming a pay-for to offset the cost, and overriding Committee-level leadership.



SENATE COMMITTEE ON
**ENERGY &
NATURAL RESOURCES**

HEARINGS AND BUSINESS MEETINGS
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Business Meeting to Consider Pending Legislation

November 19, 2024 09:30 AM

The business meeting will be held on Tuesday, November 19, 2024, at 9:30 a.m., in Room 366 of the Dirksen Senate Office Building in Washington, D.C.

The purpose of the business meeting is to consider pending legislation listed in the agenda below.

The business meeting will be webcast live on the committee's website, and an archived video will be available shortly after the business meeting concludes.

Agenda

1. [S. 254](#), a bill to amend the Omnibus Parks and Public Lands Management Act of 1996 to provide for the establishment of a Ski Area Fee Retention Account, and for other purposes. (Mr. Bennet).
2. [S. 373](#), a bill to modify the disposition of certain outer Continental Shelf revenues and to open Federal financial sharing to heighten opportunities for renewable energy, and for other purposes. (Mr. Whitehouse).
3. [S. 482](#), a bill to amend the Klamath Basin Water Supply Enhancement Act of 2000 to provide the Secretary of the Interior with certain authorities with respect to projects affecting the Klamath Basin watershed, and for other purposes. (Mr. Wyden).
4. [S. 620](#), a bill to provide for the distribution of certain outer Continental Shelf revenues to the State of Alaska, and for other purposes. (Ms. Murkowski).

Outcome of Carolina Long Bay Lease Sale

Biden-Harris Administration Announces Winners of Carolina Long Bay Offshore Wind Energy Auction

Sale results in \$315 million total in winning bids for two lease areas and a \$42 million investment in domestic supply chain and workforce training

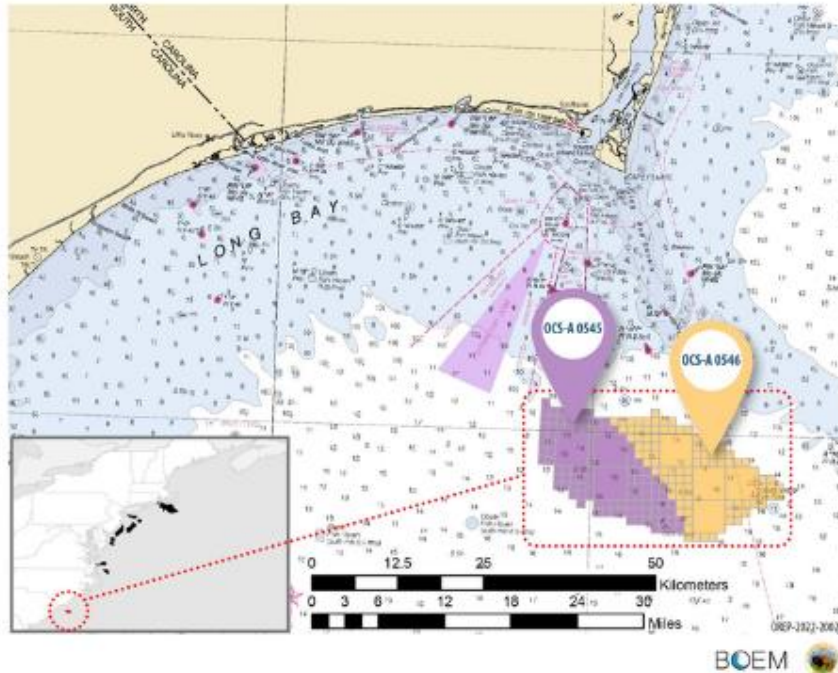
20% was offered as bidding credits for workforce and supply chain.

Therefore, only \$273M is available for revenue sharing.

Provisional Winners of the CAROLINA LONG BAY Lease Areas, \$315M in High Bids

OCS-A 0545
TotalEnergies
Renewables USA, LLC
\$160M

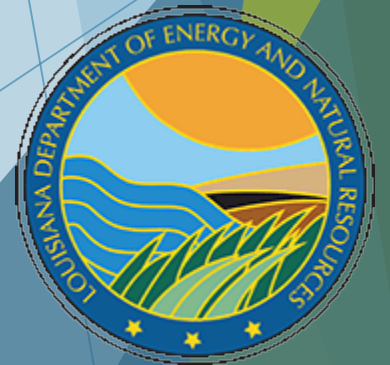
OCS-A 0546
Duke Energy
Renewables Wind, LLC
\$155M



Lease sale occurred on May 11, 2022 - RISEE Act eligible

North Carolina Impact from Carolina Long Bay Lease Sale

- Based off the distance from the lease center, North Carolina and South Carolina would be eligible to share cash revenues from this lease sale totaling \$273 million.
- North Carolina would likely receive a higher percentage of the 37.5% state share that equals \$102 million since its nearest shoreline is closer.
- Estimating NC would receive between \$55 - \$65 M from this sale.



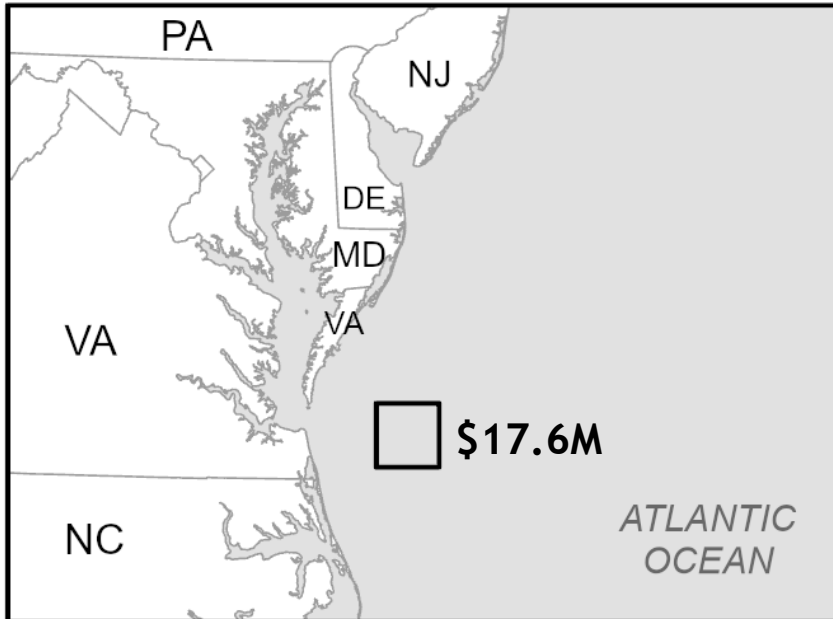
Outcome of Central Atlantic Wind Lease Sale

Biden-Harris Administration's Central Atlantic Offshore Wind Lease Sale Yields Nearly \$93 Million

Leased areas have the potential to power over 2.2 million homes with clean energy, continuing Administration's historic actions to grow the American offshore wind industry

\$23M of \$93M was offered in the form of bidding credits for workforce, supply chain, and fisheries mitigation.

Therefore, only \$70M is available for revenue sharing.



Lease sale occurred on August 14, 2024 - RISEE Act eligible

North Carolina Impact from Central Atlantic Sale

- Virginia Electric and Power Co. provisionally won 176,505 acres with a \$17.65 million bid, showing a value of \$100 an acre. \$13.2 million in cash.
- Based off the distance from the lease center, Virginia and North Carolina would be eligible to share revenues from this lease sale.
- North Carolina would likely receive a smaller percentage of the 37.5% state share that equals \$6.6 million
- Estimating NC would receive around \$2 M.



Funding to North Carolina from RISEE Act

North Carolina Funding

- ~ \$55 - \$65 million from Carolina Long Bay
- ~ \$2 million from Central Atlantic Lease Sale 1
- \$12.7 million formula funding through National Coastal Resilience Fund
- Portion of future rental and operating fees from eligible wind projects.
- Competitive National Coastal Resilience Fund grants
- Potential funding from future wind lease sales, such as proposed Central Atlantic Lease Sale 2



North Carolina's coast would receive an estimated \$70 - \$80 million upon enactment of the RISEE Act.



What happens when the revenues arrive?

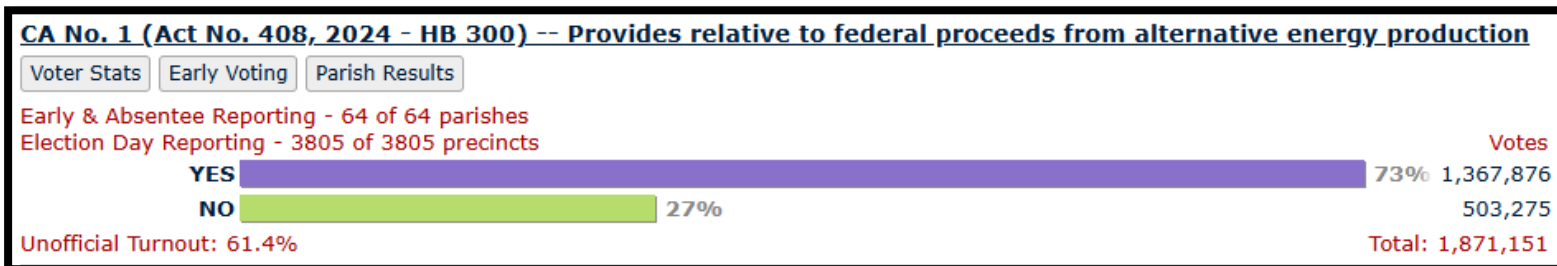
States must deploy the funding in line with the eligible uses, which require a coastal nexus. However, states have substantial discretion on how to do that. The Federal government has minimal oversight, but the RISEE Act would ensure transparency.

Only GOMESA revenue sharing has eligible uses to comply with, which align with the offshore wind uses in the RISEE Act. Each GOMESA state has assigned a lead state agency to process the funds. The influence of the Governor and State Legislature varies.

Louisiana Example

Louisiana has constitutionally dedicated any receipts from any form offshore energy to its Coastal Trust Fund, which the state's Coastal Protection and Restoration Authority spends down to implement its Legislature-endorsed coastal master plan.

This month, Louisiana's voters ratified a constitutional amendment to dedicate all offshore wind and alternative energy to the coast with 73% support. Every parish voted in favor.



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WRDA 2024

House, Senate have passed their WRDA Versions

The Water Resources Development Act (WRDA) of 2024 would provide policy direction to the U.S. Army Corps of Engineers as well as authorizations for projects and studies.

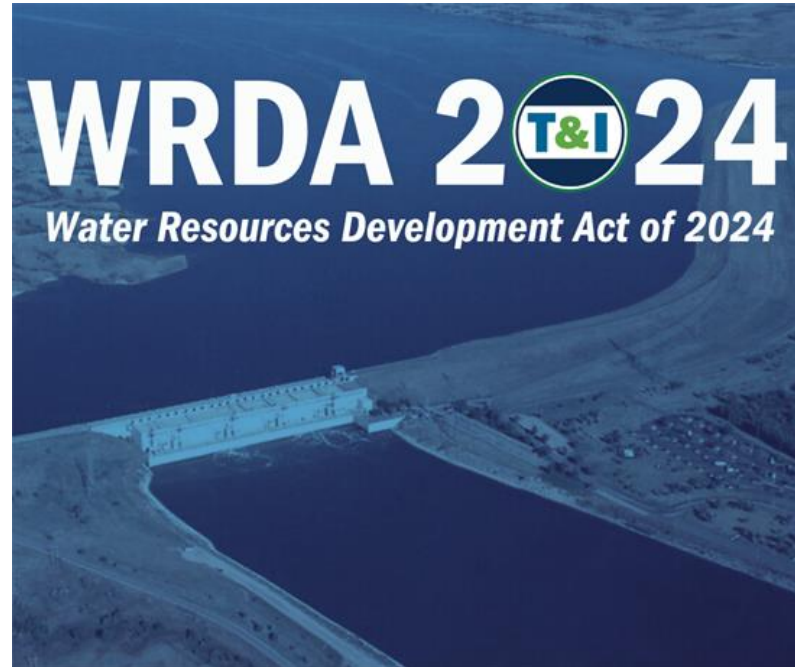
On July 22, the House passed its version of WRDA, [H.R. 8812](#), by a 359 - 13 vote.

On August 1, the Senate passed its WRDA, [S. 4367](#), unanimously.

The Committees of Jurisdiction are informally conferencing the two bills together, seeking to produce a consensus product for final passage this year.

Congress intended to fend off controversial topics in this election-year WRDA, so the bill may be able to pass on its own. Alternatively, it could be attached on a must-pass legislative vehicle as an amendment.

Should that occur, it will be the sixth time in a row that WRDA has passed on a biannual basis.



*North Carolina's
Congressman David Rouzer
and Congresswoman Valerie
Foushee serve on the
jurisdictional committee,
House Transportation &
Infrastructure*



North Carolina Coastal Priorities in WRDA 2024

Provision	Policy Goal
Advancing National Coastal Mapping Program	Allows USACE to map inland and coastal waterways to identify hazards leading to flood risk. Provision builds upon WRDA 2022 authority related to a NC Coastal Mapping Pilot Program.
Clarify Local Use of Dredged Material Sites	Allows non-federal entities to use dredged material disposal sites that USACE has access to, instead of a recent policy that effectively prohibited that use.
Improve Flood Resilience and Coastal Storm Risk Management	Authorize three flood risk management studies: Jackeys Creek, Northeast Cape Fear River & Black River, and Highway 53 between I-40 & HWY 50. Also authorize Bald Head Island Coastal Storm Risk Management study for beach nourishment.
Support North Carolina's Environmental Infrastructure	Increase authorized funding for environmental infrastructure in NC, which allows for better wastewater treatment, drinking water, storm water management, and restoration.
Faster review of critical North Carolina Projects	Allows for faster completion of the USACE Chief's report to allow for authorization of beach nourishment for Surf City and flood risk management for Tar Pamlico River Basin.
Involve UNC Wilmington	Makes UNC Wilmington an authorized institute of higher education for research with USACE on flood mitigation, coastal resiliency, ecology, water quality, and more.

Information drawn from Congressman Rouzer's [press release](#).



Relevant Legislation Left for 2024

Legislation	Chance of Passing	Commentary	Coastal Connection
National Defense Authorization Act	Very High	Passed yearly for 60+ years	NDAA was vehicle for WRDA 2022, so perhaps WRDA 2024 rides on this.
Continuing Resolution into next Congress	Medium	Preference of House Republicans and likely the President-elect	No earmarks would be included. Extra items could be attached, but difficult to do so.
FY 2025 Appropriations Omnibus	Medium	Preference of Senate Democrats and White House	Includes earmarks. Historically, this large omnibus can carry other bills (RISEE?).
2024 Disaster Supplemental	Medium High	Hurricanes Milton and Helene and Key Bridge are drivers	Opportunity for North Carolina funding after Hurricanes Helene and Milton.
Water Resources Development Act of 2024	High	Passed biannually for past decade and intended to be noncontroversial	Authorizes Army Corps projects and programs to benefit NC's coast.
Manchin-Barrasso Permitting Reform	Low	Republicans eyeing broader reform post election	Topical connection to revenue sharing. RISEE could be an added incentive.



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QUESTIONS?