

October 10, 2006



# Ocean Energy Development and the Role of the Federal Energy Regulatory Commission



# Federal Energy Regulatory Commission



- Independent Regulatory Agency
- Five member Commission
  - Appointed by President
  - Confirmed by the Senate

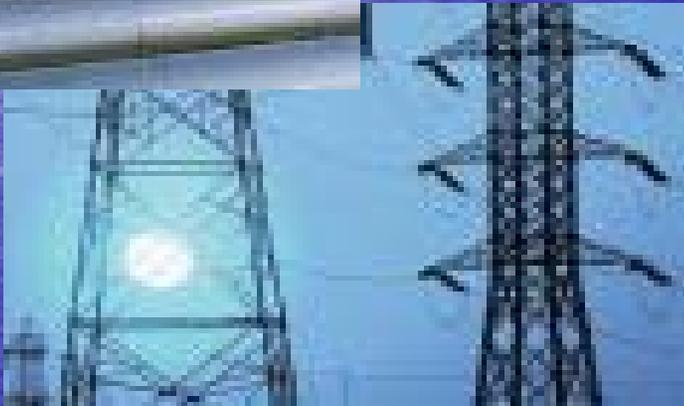




# Regulation

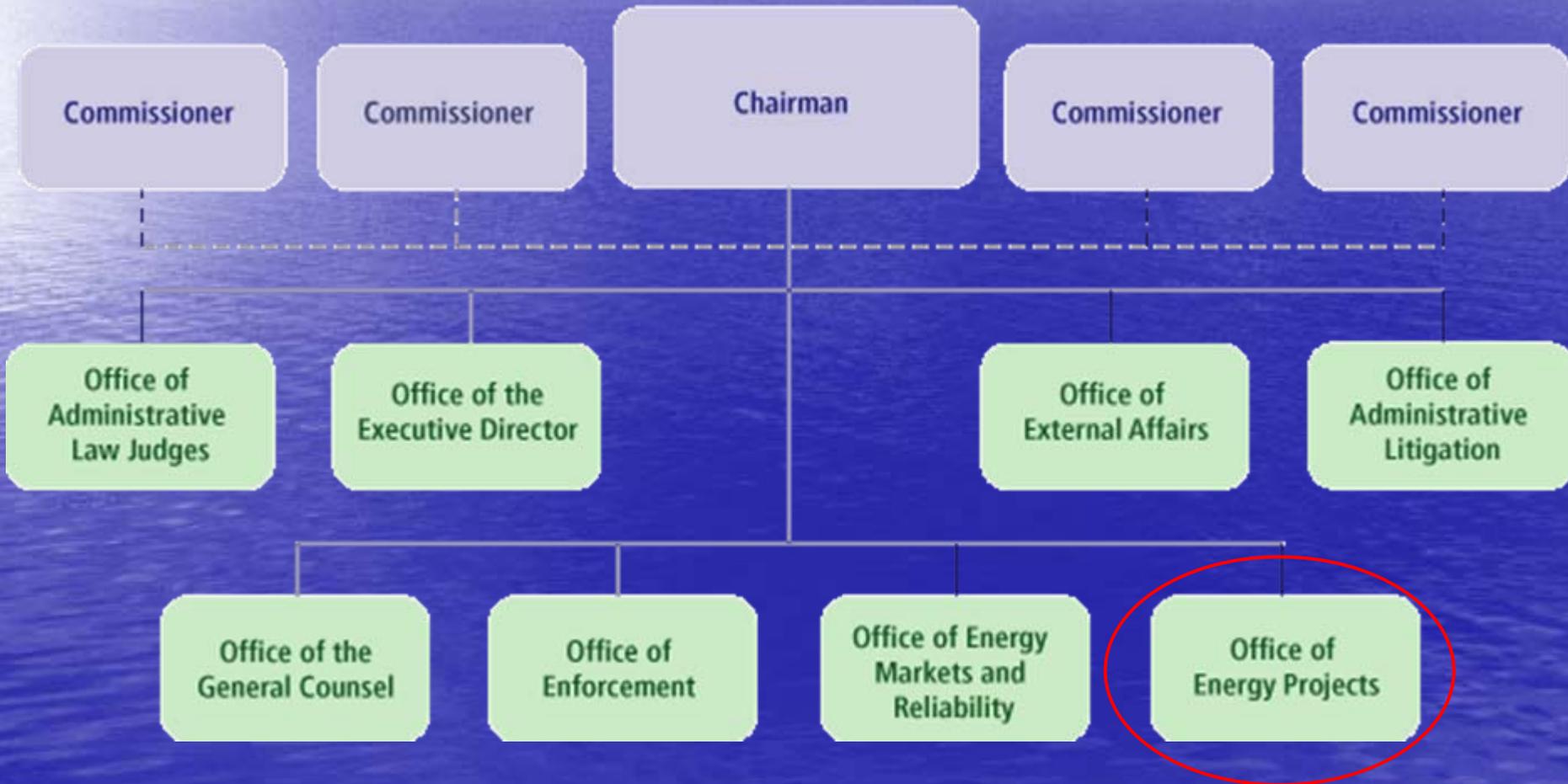
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- Electric Power
- Natural Gas
- Oil Pipelines
- Hydroelectric Projects





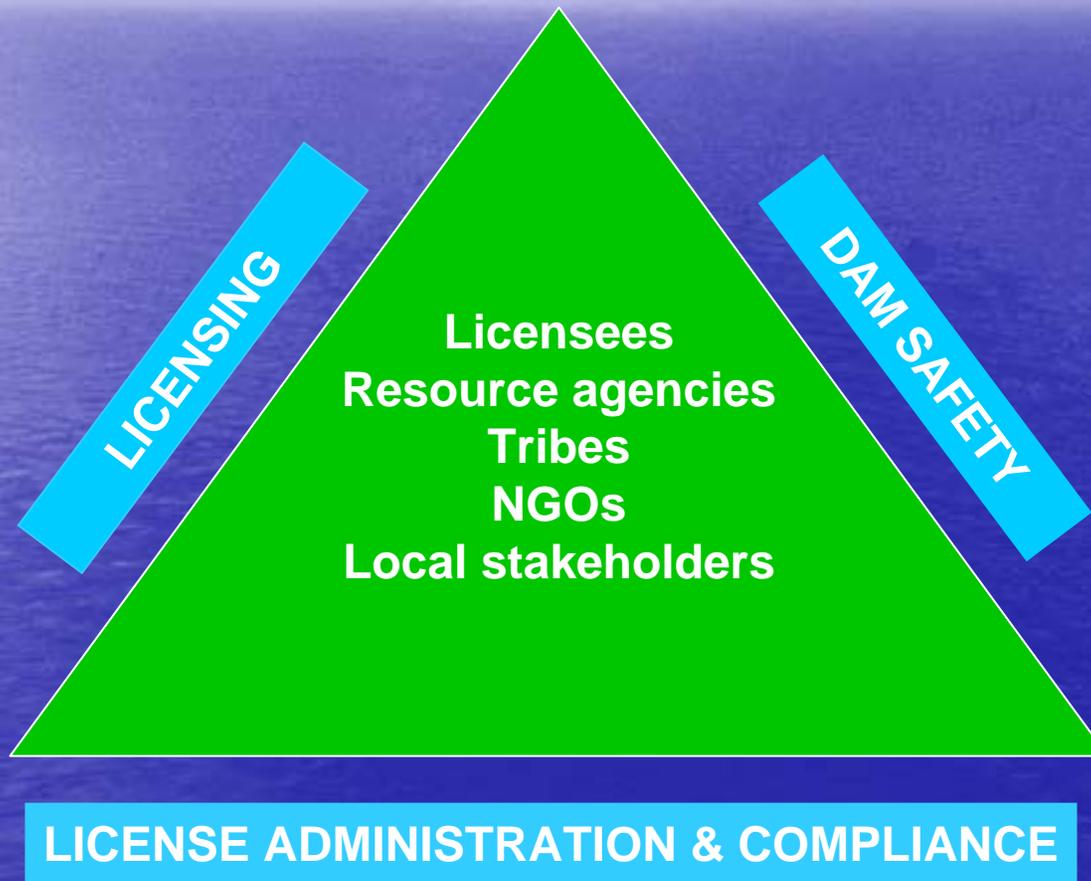
# The Commission





# Hydropower Program

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# FERC Jurisdiction

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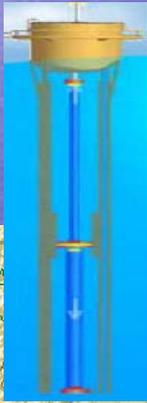
- Located on a navigable waterway
- Occupies lands of the United States
- Affects interstate or foreign commerce
- Uses surplus water from a federal dam





# FERC Jurisdiction: Ocean Energy

- AquaEnergy Group, 102 FERC ¶ 61,242
  - Makah Bay Project, DI02-3



- Technology considered a hydropower project
- Located in navigable waters
- Occupies Federal Lands (Indian Reservation and National Marine Sanctuary)
- Connected to the interstate electric power system



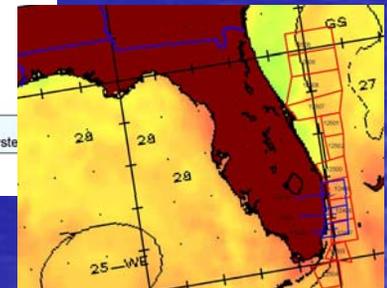
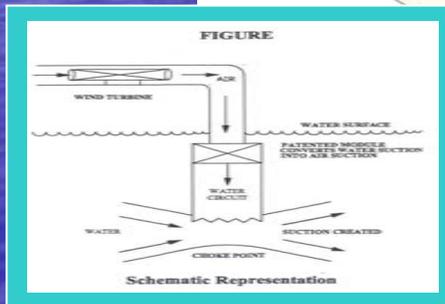
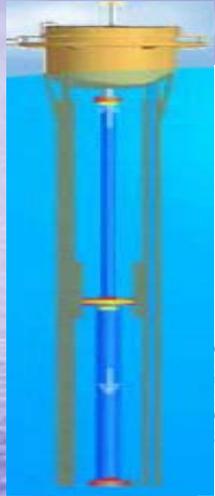
# Preliminary Permits

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- Issued for three years to study site
- Maintains priority of application for license while permittee completes studies for license application
- Short application



# Projects with Preliminary Permits





# Test Projects

- Verdant Declaratory Order, 111 FERC ¶ 61,024
  - Roosevelt Island Tidal Energy Project, P-12178
    - Experimental technology
    - Short term installation for conducting studies
    - Test project does not transmit into, or displace power from, the national electric energy grid





# Licensing Processes

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- Integrated Licensing Process (ILP)
  - Traditional Licensing Process (TLP)
  - Alternative Licensing Process (ALP)

## Prefiling:

- Consult with interested parties
- Conduct studies
- Prepare license application

## Postfiling:

- FERC conducts environmental analysis
- Staff recommendation to Commission
- Commission decision on license



# Licensing Processes

## ILP, TLP, ALP

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- Crafted before wave and tidal technologies
- Flexible approach to licensing new technology
- Re-evaluating existing processes



# Integrated Licensing Process (ILP)

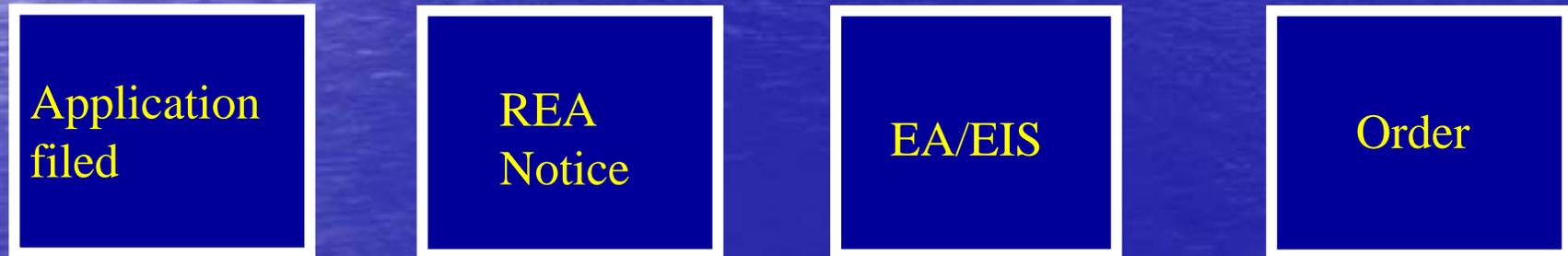
Pre-filing



1 year

1-2 years

Post-filing



1.5 years



# Recommendations

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- Identify and engage agencies and other stakeholders early in the process
  - Process plan
  - Other relevant permits, state regulations, etc.
  - Agreements
- Communicate concerns to the Commission and make suggestions



# The Commission...

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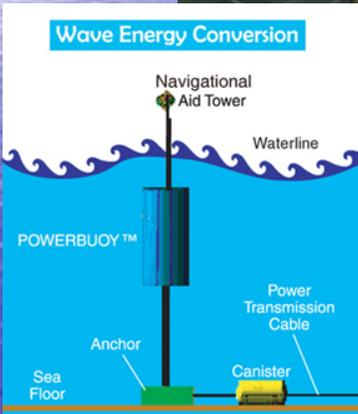
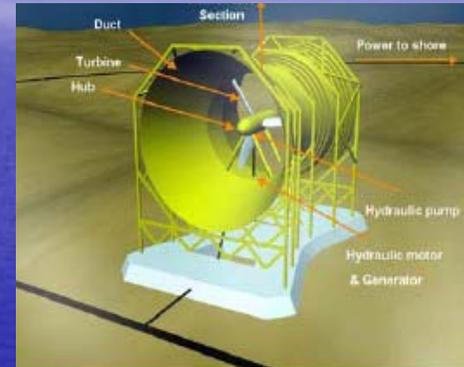


"...recognizes the value of developing additional sources of electrical energy and...innovative technology..."  
(Makah Bay Order)

... gives "equal consideration" to fish, wildlife, recreational, and other aspects of environmental quality.  
(Federal Power Act)



# Questions



Ann Miles

202 502-6769  
annfmiles@ferc.gov