



Statement of

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Chairman Murkowski, Ranking Member Manchin, and Members of the Committee, good morning. The Congressional Research Service (CRS) appreciates the opportunity to testify about the legislation under discussion today and about revenue sharing from offshore and onshore energy development on federal lands. My name is Laura Comay, and I am a Specialist in Natural Resources Policy for CRS. The focus of my testimony, as requested by the committee, is on the revenue-sharing provisions of S. 2418 (related to offshore oil and gas development in the Gulf of Mexico and Alaska) and the revenue-sharing provisions of S. 2666 (related to solar and wind energy development on onshore federal lands). In accordance with our enabling statutes, CRS takes no position and makes no recommendations on these bills or on other legislative or policy matters. My testimony draws on my own area of specialization at CRS—federal management of offshore energy activities on the U.S. outer continental shelf—and on the input of other CRS colleagues who cover onshore energy development and broader energy policy issues.

S. 2418 and Offshore Oil and Gas Revenue Sharing

S. 2418, the Conservation of America’s Shoreline Terrain and Aquatic Life Act, would make changes to offshore oil and gas revenue distribution for two regions of the U.S. outer continental shelf (OCS), the Gulf of Mexico region and the Alaska region. The collection and distribution of federal revenues from offshore oil and gas activities are governed by several laws. The Outer Continental Shelf Lands Act (OCS Lands Act, 43 U.S.C. §§1331-1356b), which applies broadly throughout the OCS, authorizes the Department of the Interior (DOI) to collect bonus bids, rents, royalties, and other fees or payments from offshore oil and gas leasing. Under this law, revenues generated from projects located within 3 nautical miles of state waters are shared with coastal states at a rate of 27% (a provision sometimes referred to as “Section 8(g)” revenue sharing based on its placement in the law).¹ Other than Section 8(g) revenue sharing, the OCS Lands Act directs that all federal revenues from offshore leasing be deposited to the U.S. Treasury as miscellaneous receipts.²

Two subsequent laws specified certain dispositions of the offshore revenues that go to the U.S. Treasury under the OCS Lands Act. First, the Land and Water Conservation Fund Act (LWCF Act, 54 U.S.C. §200302) directed that up to \$900 million annually in offshore oil and gas revenues be deposited into the Land and Water Conservation Fund (LWCF) for purposes including federal land acquisition and grants to states for outdoor recreation.³ Second, the National Historic Preservation Act (NHPA; 54 U.S.C. §303102) provided for annual deposits of \$150 million from offshore oil and gas revenues to the Historic Preservation Fund (HPF) to carry out the act’s historic preservation purposes.⁴ In addition, a more recent statute, the Gulf of Mexico Energy Security Act of 2006 (GOMESA, P.L. 109-432, 43 U.S.C. §1331 note), established a new state revenue-sharing framework to operate alongside the Section 8(g) revenue sharing. GOMESA provided for revenues from specified leases in the Gulf (outside the Section 8(g) area) to be shared with the states of Alabama, Louisiana, Mississippi, and Texas at a rate of 37.5%, as well as with the state grant program funded by the LWCF at a rate of 12.5%.⁵

¹ 43 U.S.C. §1337(g). For tracts lying partially within the 3-nautical-mile zone, a portion of revenues corresponding to the portion of the tract that falls within that zone is shared at the rate of 27%.

² Ibid.

³ The funding is available only if appropriated in discretionary appropriations. For more information on the LWCF, see CRS Report RL33531, *Land and Water Conservation Fund: Overview, Funding History, and Issues*, by Carol Hardy Vincent.

⁴ This funding, like the LWCF funding, is available only if appropriated in discretionary appropriations. For more information on the HPF, see CRS Report R45800, *The Federal Role in Historic Preservation: An Overview*, by Mark K. DeSantis.

⁵ Unlike the main funding provided by the LWCF Act, the LWCF state grant funds provided by GOMESA are available without further appropriation (i.e., as mandatory funding). As discussed below, a cap applies to the revenue shares for both the states and the LWCF.

Gulf of Mexico Revenue-Sharing Changes in S. 2418

Title I of S. 2418 would amend GOMESA by making several changes to its revenue-sharing program for leases in the Gulf. First, the bill would expand GOMESA's definition of "qualified" OCS revenues that are to be shared with the states and the LWCF. Under the current "Phase II" of GOMESA, which began in FY2017, the geographic area of GOMESA revenue sharing encompasses nearly all parts of the Gulf (outside the Section 8(g) area) that are not under a leasing moratorium. Despite this widespread geographic range, some Gulf leases do not qualify for any revenue sharing under GOMESA, because the law applies only to leases that were entered into on or after the date of GOMESA's enactment (December 20, 2006). It appears from leasing data maintained by the Bureau of Ocean Energy Management (BOEM) that approximately 61% of the more than 2,500 active leases in the Gulf of Mexico were entered into on or after that date and thus would qualify for revenue sharing under GOMESA's current terms.⁶ S. 2418 would broaden the qualified leases to include any leases entered into on or after October 1, 2000. Based on the BOEM data, this would appear to increase the percentage of qualifying leases to approximately 66%.⁷ These percentages represent a snapshot, because the numbers of active leases on either side of the qualifying date will change over time as existing leases terminate and new leases are entered into.

It is unclear how much additional revenue might be available to states and the LWCF as a result of the proposed increase in the number of covered leases. Revenue amounts vary from lease to lease, based on the volume of production from each lease, the prices for which commodities are sold, and the royalty terms of the lease, among other factors. Data are not publicly available on revenues generated from the 2000-2006 leases in previous years. Further, past revenues may not be a guide to future amounts, because revenues from an individual lease may vary significantly from year to year, especially in the context of volatile oil and gas prices.

S. 2418 also would increase, for all leases covered by GOMESA, the percentage of qualified revenues that are shared with the states of Alabama, Louisiana, Mississippi, and Texas and their "coastal political subdivisions" (CPSs).⁸ Currently, GOMESA provides for 37.5% of qualified revenues to be shared with these states and CPSs, and for 12.5% of the qualified revenues to be shared with the LWCF state grant program. The remaining 50% of qualified revenues are deposited in the U.S. Treasury. Additionally, for revenues from the Phase II areas (where the large majority of Gulf oil and gas production occurs), the amount that can be shared with the states/CPSs and LWCF combined is capped at \$500 million annually through FY2055, except in FY2020 and FY2021, when the cap is \$650 million.⁹ S. 2418 would eliminate the cap entirely after FY2019, and also would change the sharing percentages so that 50% of qualified revenues would be shared with the states and their CPSs, while 37.5% would go to the U.S. Treasury. The 12.5% going to the LWCF state grant program would remain the same. The bill also would potentially affect shared revenues by amending the Balanced Budget and Emergency Deficit Control Act of 1985

⁶ CRS calculations from BOEM Data Center, "Lease Area Block Online Query," at <https://www.data.boem.gov/Leasing/LeaseAreaBlock/Default.aspx>; and from CRS communication with BOEM Office of Legislative Affairs, November 1, 2019. Data as of November 3, 2019. Includes leases with status codes "Primary" (a lease within the initial 5-, 8-, or 10-year contract), "Prod" (a lease held by production of a mineral), and "Unit" (a lease, or portion thereof, included in an approved unit agreement). Also see BOEM, "Combined Leasing Report, as of October 1, 2019," at <https://www.boem.gov/Combined-Leasing-Statistics-October-2019/>. CRS calculations exclude 9 leases that were entered into after GOMESA's enactment but do not qualify for GOMESA revenue sharing because they fall within in the Section 8(g) revenue-sharing area, which is not eligible for GOMESA revenue sharing. Three additional leases, which CRS included in the calculation, lie partly in the Section 8(g) area.

⁷ *Ibid.* The calculation excludes 13 leases lying within the Section 8(g) revenue-sharing area, and includes 5 leases lying partly within that area.

⁸ GOMESA (P.L. 109-432, Section 102(10)) defines a *coastal political subdivision* as a political subdivision of a Gulf producing state that lies at least partly within the state's coastal zone (as defined in the Coastal Zone Management Act of 1972, 16 U.S.C. 1453) and is not more than 200 nautical miles from the geographic center of any leased tract.

⁹ P.L. 115-97, Section 20002, amended GOMESA to raise the cap to \$650 million for FY2020 and FY2021.

(2 U.S.C. 905(g)(1)(A)) to provide that GOMESA revenues shared with the states and CPSs would not be subject to sequestration orders issued under that statute.

The proposed changes would increase the proportion of revenues shared with the states and CPSs, and would correspondingly decrease the share going to the U.S. Treasury. To illustrate, in the two years since the start of GOMESA Phase II, totals of \$188.0 million (FY2018) and \$214.9 million (FY2019) were shared with the states/CPSs. Had the revenue-sharing percentage for the states/CPSs in those years been 50% rather than 37.5%, the state/CPS shares would have been approximately \$250.7 million and \$286.6 million, respectively, with correspondingly lower deposits to the U.S. Treasury. During those years, an elimination of the cap would not have contributed to a change in revenue amounts, because revenues were not sufficient for the cap to be invoked. The most recent projections published by DOI, in the Department's FY2020 budget justification, suggest that the caps would not be invoked through at least FY2023 under current law. (For FY2024, the final year projected, DOI estimates that the collective state and LWCF share from qualified leases would be \$500.1 million, so the cap would reduce this amount to \$500.0 million.)¹⁰ These DOI budget projections could change in response to future developments, such as changes in oil and natural gas prices. Over the long term, added state revenues attributable to elimination of the cap are uncertain and would depend on many factors, including oil and gas prices, federal offshore leasing policies, and industry investment decisions.

In addition to changing the structure for revenue distribution, S. 2418 would change the purposes for which states and CPSs are allowed to use GOMESA revenues. Currently the law provides five allowed uses for the revenues:

1. Projects and activities for the purposes of coastal protection, including conservation, coastal restoration, hurricane protection, and infrastructure directly affected by coastal wetland losses.
2. Mitigation of damage to fish, wildlife, or natural resources.
3. Implementation of a federally approved marine, coastal, or comprehensive conservation management plan.
4. Mitigation of the impact of OCS activities through the funding of onshore infrastructure projects.
5. Planning assistance and the administrative costs of complying with GOMESA. (No more than 3% of a state or CPS's total revenues may be used for this purpose.)

S. 2418 would add a sixth allowed use: "Planning, engineering, design, construction, operations, and maintenance of one or more projects that are specifically authorized by any other Act for ecosystem restoration, hurricane protection, or flood damage prevention." Potential examples of projects that might be covered under the new use would be authorized Army Corps of Engineers projects that match the stated purposes.¹¹ The proposed new use does not appear to be specific to coastal projects, thus potentially allowing for GOMESA funds to be spent in some cases on congressionally authorized projects within the Gulf producing states that may be distant from the coast. Uses of the funds would still have to comply with any other applicable federal and state laws.¹²

¹⁰ DOI, *Budget Justifications and Performance Information, Fiscal Year 2020: Office of the Secretary, Department-Wide Programs*, Table 6, p. MLR-15, at https://www.doi.gov/sites/doi.gov/files/uploads/fy2020_os_budget_justification.pdf. The projections refer to revenues that would be collected in each fiscal year. Under GOMESA, revenues collected in a given fiscal year are shared with the states and the LWCF in the following fiscal year.

¹¹ For more information on Corps projects authorized in periodic Water Resources Development Acts, see CRS In Focus IF11322, *Water Resources Development Act: Primer*, by Nicole T. Carter and Anna E. Normand. The projects typically have a federal-nonfederal cost share.

¹² For example, Louisiana's state constitution (Article VII, Section 10.2(E)) contains requirements for the uses of federal funds

Alaska Revenue-Sharing Changes in S. 2418

Title II of S. 2418 would establish an offshore revenue-sharing program in the Alaska region similar to GOMESA's program for the Gulf, although with some differences. The proposed Alaska program would apply to all federal offshore oil and gas leases in the Alaska region, except for near-shore leases subject to Section 8(g) revenue sharing (within 3 nautical miles of state waters).¹³ In other words, the program would apply to leases from which revenues currently would go entirely to the U.S. Treasury. Under the new program, revenues from the eligible leases would be split, with 50% going to the U.S. Treasury, 42.5% to the State of Alaska, and 7.5% to Alaska's CPSs, defined as "county-equivalent subdivision[s]" lying at least partly in Alaska's coastal zone (as defined in the Coastal Zone Management Act of 1972, 16 U.S.C. 1453) and within 200 nautical miles of a leased tract on the Alaska OCS. The bill also would include as a CPS any "municipal subdivision" that the state determines is a "significant staging area for oil and gas servicing, supply vessels, operations, suppliers, or workers," thus potentially allowing for some inland areas to be defined as CPSs and receive a share of revenues. Ten percent of the CPS share (0.75% of total revenue) would be reserved for these municipal subdivisions. S. 2418 would allow the state and CPSs to use the shared revenues for purposes similar to those in GOMESA, and would also allow some uses not included in GOMESA, including planning and assistance to build "healthy and resilient communities," installation and operation of energy systems that reduce costs and greenhouse gas emissions, programs at state higher education institutions, and any other uses that the Alaska governor, with approval of the state legislature, determined to be appropriate.

A state/CPS revenue share of 50%, as proposed in S. 2418 for both Alaska and the Gulf producing states, would be similar to the revenue percentage that states typically receive under the Mineral Leasing Act (MLA, 30 U.S.C. §191) for onshore oil and gas revenue sharing from federal lands in their state.¹⁴ Stakeholders have debated the extent to which federal offshore oil and gas revenues should be shared with coastal states at similar percentages to onshore revenues. Some states have contended that a comparable revenue share from federal offshore activities is needed to mitigate environmental impacts of offshore development to their coasts and to maintain the necessary support structure for the offshore oil and gas industry. Some other stakeholders have advocated that revenues from federal waters should be used for broader federal purposes, such as deficit reduction or federal conservation programs with a nationwide scope. In the case of the revenue changes proposed in S. 2418 for both Alaska and the Gulf, the tradeoff would be reductions in funding going to the U.S. Treasury; that is, the higher state share would come from revenues currently being deposited to the Treasury as miscellaneous receipts.

The current context for the proposed Alaska program is significantly different than that for the Gulf, in that federal oil and gas leasing on the Alaska OCS currently generates relatively little revenue compared with the Gulf. Alaska has 54 active federal offshore leases (in contrast to the 2,500+ leases in the Gulf), and annual revenues from those leases have ranged between \$5.3 million and \$11.2 million over the past three fiscal years (FY2017-FY2019), in contrast with Gulf revenues that exceeded \$3 billion in each of those years.¹⁵ With respect to potential future revenues from new leases on the Alaska OCS, any near-term

from OCS activities.

¹³ Section 8(g) areas also are excluded from Gulf of Mexico revenue sharing under GOMESA.

¹⁴ Alaska is an exception under the MLA, in that it generally receives 90% of all revenues collected on public domain leases, although separate statutes specific to certain areas—including the National Petroleum Reserve in Alaska (NPR-A) and the Coastal Plain of the Arctic National Wildlife Refuge (ANWR)—provide for a 50% revenue share with the state from leases in those areas (42 U.S.C. §6506a(l); 16 U.S.C. §3143 note).

¹⁵ Alaska total active leases are from BOEM, Combined Leasing Report, as of October 1, 2019, at <https://www.boem.gov/Combined-Leasing-Statistics-October-2019/>. Gulf of Mexico total active leases are from BOEM Data Center, "Lease Area Block Online Query," at <https://www.data.boem.gov/Leasing/LeaseAreaBlock/Default.aspx> (see footnote 6 for additional information), and reflect some leases issued after October 1, 2019. Revenue amounts are from the Office of Natural Resources Revenue

revenues would likely come from bonus bids, as new offshore leases in the region have been estimated to take up to three decades to reach production, given ice-constrained exploration seasons, infrastructure challenges, and regulatory complexity.¹⁶ The extent of future revenues from the Alaska OCS would be influenced by many factors, one of which is judicial action related to President Obama's indefinite withdrawal of large portions of the Beaufort and Chukchi Sea planning areas from leasing consideration, under presidential authority provided by Section 12(a) of the OCS Lands Act (43 U.S.C. §1341(a)).¹⁷ Because the Beaufort and Chukchi Seas are estimated to hold the highest oil and gas resource potential in the region, congressional, administrative, and judicial decisions for this area would strongly influence future Alaska OCS revenues.

S. 2666, Section 9, and Onshore Solar and Wind Revenue Sharing¹⁸

Section 9 of S. 2666, the Public Land Renewable Energy Development Act of 2019, would require that revenues from solar and wind development on specified onshore federal lands be shared with states and counties, and also would require that some of the revenues be set aside for a program to facilitate renewable energy permitting and for a fund to enhance resource conservation and recreational access in areas where renewable energy projects are located. As previously agreed, CRS testimony focuses on this revenue-sharing provision of S. 2666 and does not cover other aspects of the bill, such as those related to land use planning, environmental review, permit coordination, geothermal leasing, and determination of rental rates for onshore renewable energy projects on federal land. CRS is available to follow up with the committee on any questions on these other aspects of the bill after the hearing.

Authorizations for Onshore Federal Solar and Wind Energy Projects

The general statutory framework for solar and wind energy development on federal lands is contained in Title V of the Federal Land Policy and Management Act of 1976 (FLPMA; 43 U.S.C. §§1701 et seq.), particularly in its provisions for right-of-way (ROW) grants (43 U.S.C. §§1761-1772).¹⁹ The law's ROW provisions apply to the Bureau of Land Management (BLM) in DOI and the Forest Service (FS) in the Department of Agriculture. Title V of FLPMA authorizes the Secretary of the Interior (managing BLM lands) and the Secretary of Agriculture (managing FS lands) to “grant, issue or renew rights-of-way over, upon, under or through” their administered lands for “systems for generation, transmission and distribution of electric energy.”²⁰ BLM manages 246 million acres of public lands under FLPMA's multiple-use mission, which generally includes livestock grazing, energy and mineral development, recreation, timber production, watershed protection, and wildlife and fish habitat, among others. FS manages the 193 million acres of the National Forest System, also under a multiple-use mission, including livestock grazing, energy and mineral development, recreation, timber production, watershed protection, and wildlife and fish habitat.²¹ BLM and FS each administer ROWs on their respective lands

(ONRR), “Federal Revenue Data,” at <https://revenue.data.doi.gov/explore/revenue/>.

¹⁶ See, e.g., National Petroleum Council, *Arctic Potential: Realizing the Promise of U.S. Arctic Oil and Gas Resources*, 2015, and *Supplemental Assessment*, 2019, at <https://www.npcarcticreport.org/>.

¹⁷ In March 2019, the U.S. District Court for the District of Alaska vacated President Trump's modification of President Obama's withdrawal, ruling that the OCSLA does not give the President authority to revoke prior presidential withdrawals under Section 12(a). *League of Conservation Voters v. Trump*, 363 F.Supp.3d 1013 (D.Alaska 2019).

¹⁸ This portion of the testimony was prepared in collaboration with Marc Humphries, CRS Specialist in Energy Policy.

¹⁹ The term *right-of-way* is defined in FLPMA (43 U.S.C. §1702) as “an easement, lease, permit, or license to occupy, use, or traverse public lands granted for the purpose listed in subchapter V of this chapter.”

²⁰ 43 U.S.C. §1761(a)(4). Lands designated as wilderness are excluded from the authority for ROWs.

²¹ Multiple-Use and Sustained-Yield Act of 1960, P.L. 86-517, 16 U.S.C. §§528-531.

(in contrast to the administration of subsurface resources, where BLM manages leasing and development for all federal subsurface lands, covering more than 700 million acres.)

For all energy development, BLM and FS go through a land use planning process to identify lands that could be made available for leasing, ROW grants, or special use permits (as applicable to each agency). Under BLM regulations,²² the agency may identify in its land use planning documents “designated leasing areas” (DLAs), which are preferred locations for solar or wind energy competitive leasing. The regulations include two competitive leasing systems for ROWs for renewable energy projects, one within the DLAs and one outside the DLAs. BLM uses a lease as the ROW instrument within DLAs.²³ Within the DLAs, lease sales are held by BLM on its own initiative or by nomination. The competitive bidding system includes at least a minimum cash bid (with possibly a bonus bid), rents, and capacity fees. Under FLPMA, BLM is generally required to receive fair market value for the use of federal lands. Bidding may be by any type of competitive system, such as sealed bid, oral auction, or electronic bidding. Minimum bids are established by BLM on a sale-by-sale basis. The initial lease inside the DLA is for a term of 30 years.

BLM also may accept applications for solar and wind ROW grants in areas outside of DLAs or may offer such areas competitively on its own initiative.²⁴ According to DOI, the current regulations were established in part to facilitate the development process and to create incentives to promote solar and wind energy within the DLAs.²⁵

Revenues from solar and wind ROWs on BLM lands include rents and fees. Rent is calculated by multiplying the number of acres of the ROW by the annual per-acre zone rate, established in a rent schedule for solar and wind energy.²⁶ In addition to the acreage rent, BLM charges a megawatt (MW) capacity fee based on the approved MW capacity of the solar or wind authorization. The fee is calculated by taking the approved megawatt capacity of the solar or wind project times a calculated MW rate.²⁷ These acreage rents and MW capacity fees are deposited in the U.S. Treasury and are not shared with the states. Also, BLM generally collects fees associated with application processing and other administrative costs for wind and solar ROWs, which are retained by the agency on a cost recovery basis under FLPMA.

The Forest Service does not have regulations that specifically address solar and wind energy ROWs, so its laws and regulations generally applicable to ROWs would apply to solar or wind projects.²⁸ Applicants seeking to make use of FS lands for such a project would apply for a special use permit under the generally applicable regulations for such authorizations. According to FS’s policy guidance for wind energy permitting, the agency may charge land use rental fees and processing and monitoring fees for wind energy permits.²⁹ The processing and monitoring fees are retained by the agency to cover the costs of performing those activities.³⁰ The land use rental fees are subject to existing FS statutory revenue-

²² 43 C.F.R. Part 2800.

²³ 43 C.F.R. §2809. Also see BLM, “Solar Energy Program: Right-of-Way (ROW) Authorizations,” at <http://blmsolar.anl.gov/program/authorization-policies/row-authorizations/>.

²⁴ 43 C.F.R. §2804. Also see BLM, “Solar Energy Program: Right-of-Way (ROW) Authorizations,” at <http://blmsolar.anl.gov/program/authorization-policies/row-authorizations/>.

²⁵ 81 *Federal Register* 92122, December 19, 2016.

²⁶ The Solar and Wind Energy Rent Schedule is available at BLM Instruction Memorandum Number 2017-096, *Acreage Rent and Megawatt Capacity Fees (years 2016-2021) for Solar and Wind Energy ROW Grants and Leases*, September 14, 2017, <https://www.blm.gov/policy/im-2017-096>.

²⁷ The MW rate is calculated by taking the net capacity factor times MW/hour price times the rate of return required times the number of hours per year.

²⁸ See 36 C.F.R. 251 Subpart B, “Special Uses.”

²⁹ Forest Service Handbook (FSH) 2709.11, Chapter 70. The first utility-scale wind project on FS lands began operations in 2017.

³⁰ 36 C.F.R. §251.58(c)-(d).

sharing requirements, which provide for 25% of the average gross revenue generated over the previous seven years to be shared with the counties containing those lands and to be used for road and school purposes.³¹ The remainder of the land use rental fee would go to the U.S. Treasury.³²

S. 2666 Provisions on Solar and Wind Energy Revenue

S. 2666 would establish requirements for BLM and FS to disburse revenue derived from solar and wind energy projects to the states (25%) and counties (25%) from which the energy was produced.³³ It also would establish a permit processing improvement program and a Renewable Energy Resource Conservation Fund. Until 2040, the permit processing improvement program would receive 15% of the revenues from solar and wind and the Renewable Energy Resource Conservation Fund would receive 35% of the funds. After 2040, the permit program would receive 10% of revenues and the fund 40%. Because the proposed provisions would collectively account for 100% of the revenues, no revenue would be allocated to the General Fund of the U.S. Treasury.

The bill would require that the state and county shares of solar and wind revenues be used in a manner consistent with uses specified for mineral leasing revenues in Section 35 of the MLA (30 U.S.C. §191). The MLA directs that revenue shares shall be used by states and their subdivisions “as the legislature of the State may direct giving priority to those subdivisions of the State socially or economically impacted by development of minerals leased under this chapter, for (i) planning, (ii) construction and maintenance of public facilities, and (iii) provision of public service.” S. 2666 further specifies that the revenue shares to counties would be additional to any payments received by the county under the Payments in Lieu of Taxes (PILT) program.³⁴

The Renewable Energy Resource Conservation Fund established by the bill would be available at the Secretary of the Interior’s discretion to federal, state, local, and tribal agencies in regions hosting renewable energy projects on federal lands. The funding could be used for restoring and protecting fish and wildlife habitat or water resources, or for preserving and improving recreational access to federal lands and waters.

Conclusion

This concludes my prepared remarks. Thank you for the opportunity to testify, and I look forward to responding to any questions you may have. If additional research and analysis related to this issue would be helpful, my CRS colleagues and I stand ready to assist the committee.

³¹ 16 U.S.C. §500. Congress has at times authorized an alternative to the revenue-sharing payment under the Secure Rural Schools and Community Self-Determination Act (SRS, P.L. 106-393, 16 U.S.C. §§7101-7153). For more information on SRS, see CRS Report R41303, *Reauthorizing the Secure Rural Schools and Community Self-Determination Act of 2000*, by Katie Hoover.

³² FS does not have comparable guidance specific to solar energy projects.

³³ If the revenue is derived from land spanning multiple counties, then the 25% county share would be split according to the percentage of the land in each county. It is unclear how the revenue-sharing provisions in S. 2666 would interact with existing FS revenue-sharing requirements under 16 U.S.C. §500.

³⁴ It is unclear how this PILT provision would interact with the existing statutory formula for issuing PILT payments. For more information on PILT, see CRS Report RL31392, *PILT (Payments in Lieu of Taxes): Somewhat Simplified*, by Katie Hoover.

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