

October 10, 2024

## Offshore Energy Agency Appropriations, FY2025

Three entities in the Department of the Interior (DOI) share responsibility for managing the nation's ocean energy resources on almost 2.5 billion acres of the U.S. outer continental shelf (OCS). The Bureau of Ocean Energy Management (BOEM) administers offshore energy leasing and mineral development, the Bureau of Safety and Environmental Enforcement (BSEE) oversees offshore operational safety and environmental protection, and the Office of Natural Resources Revenue (ONRR) manages public revenues from federally regulated offshore and onshore energy and natural resource projects. BOEM, BSEE, and ONRR receive appropriations in the annual Interior, Environment, and Related Agencies appropriations bill. Issues include determining the aggregate and program-level appropriations for each entity and considering certain Biden Administration proposals.

On July 24, 2024, the House passed an FY2025 Interior appropriations bill, H.R. 8998 (H.Rept. 118-581), with funding for BOEM, BSEE, and ONRR. On July 25, 2024, the Senate Committee on Appropriations reported S. 4802 (S.Rept. 118-201) with FY2025 appropriations for the three entities.

Total budget authority for BOEM and BSEE includes both discretionary appropriations and *offsetting collections* derived from a portion of OCS rental receipts, cost-recovery fees, and (for BSEE) inspection fees. The discretionary appropriations for each fiscal year are reduced by the amount of eligible fees and receipts collected, so that the final amount appropriated to each agency is the net of those collections. Discussions of account- and activity-level funding in the sections below refer to total budget authority, regardless of offsets. ONRR's funding does not include offsetting collections.

### BOEM Appropriations

The Biden Administration requested \$242.0 million in total budget authority for BOEM for FY2025 (Table 1). This

would be a 15% increase over total FY2024 budget authority of \$211.2 million provided in P.L. 118-42, the Consolidated Appropriations Act, 2024. House-passed H.R. 8998 would provide \$199.1 million in total FY2025 budget authority for BOEM, 6% less than FY2024 and 18% less than requested by the Administration. Senate committee-reported S. 4802 would provide BOEM with total budget authority of \$216.0 million, 2% more than FY2024 and 11% less than the request.

BOEM's funding is contained in a single budget account, titled Ocean Energy Management. Within this account, the **Conventional Energy** activity (\$59.0 million FY2024 enacted; \$67.5 million FY2025 requested; \$60.0 million H.R. 8998; \$61.0 million S. 4802) funds administration of oil and gas leasing, including development of five-year leasing programs. BOEM's requested funding increase was to maintain baseline capacity and develop an offshore carbon sequestration program, as authorized in P.L. 117-58, the Infrastructure Investment and Jobs Act (IIJA).

The **Renewable Energy** activity (\$41.1 million FY2024 enacted; \$52.0 million FY2025 requested; \$28.0 million H.R. 8998; \$41.9 million S. 4802) supports BOEM's management of renewable ocean energy resources. BOEM's requested changes were to maintain baseline capacity, expedite permitting, increase tribal engagement, advance wind energy leasing off U.S. territories, and improve information management.

The **Environmental Assessment** activity (\$79.1 million FY2024 enacted; \$86.7 million FY2025 requested; \$79.1 million H.R. 8998; \$80.2 million S. 4802) supports BOEM's responsibilities for assessing the environmental impacts of ocean energy activities to inform planning and policy decisions. BOEM sought increases to maintain baseline capacity, enhance its Environmental Studies Program, support tribal co-stewardship, and develop an offshore carbon sequestration program.

**Table 1. BOEM, BSEE, and ONRR Appropriations, FY2024 and FY2025 (\$ millions)**

Agency	FY2024 Enacted (P.L. 118-42)	FY2025 Request	House-Passed H.R. 8998	House Bill % Change from FY2024	Senate-Reported S. 4802	Sen. Bill % Change from FY2024
BOEM Total Budget Authority	211.2	242.0	199.1	-6%	216.0	+2%
BOEM Net Appropriation	155.2	187.0	144.1	-7%	161.0	+4%
BSEE Total Budget Authority	220.4	252.6	220.4	—	226.0	+3%
BSEE Net Appropriation	154.4	181.6	156.4	+1%	162.0	+5%
ONRR Total Appropriation	167.9	176.0	160.4	-4%	169.4	+1%

**Source and Notes:** Data from House and Senate Appropriations Committees. Net appropriations reflect estimated reductions to discretionary appropriations from offsetting collections.

The **Marine Minerals** activity (\$13.8 million FY2024 enacted; \$14.8 million FY2025 requested; \$13.8 million H.R. 8998; \$14.3 million S. 4802) supports management of offshore non-energy minerals, particularly sand and gravel, as well as BOEM's assessment of critical minerals on the OCS. BOEM requested increased funds to maintain baseline capacity.

The **Executive Direction** activity (\$18.1 million FY2024 enacted; \$21.0 million FY2025 requested; \$18.1 million H.R. 8998; \$18.7 million S. 4802) covers leadership, budgeting, technology, and related activities. The requested increase was to maintain baseline capacity and support BOEM's Office of Diversity, Inclusion, and Civil Rights.

Net of estimated offsetting collections, BOEM's FY2025 request was \$187.0 million, 21% more than the net appropriation of \$155.2 million for BOEM in FY2024. Net of offsetting collections, H.R. 8998 would provide \$144.1 million for BOEM, 7% less than enacted for FY2024 and 23% less than requested for FY2025. S. 4802 would provide \$161.0 million, 4% more than FY2024 enacted and 14% less than requested for FY2025.

## BSEE Appropriations

The Administration requested \$252.6 million in total budget authority for BSEE for FY2025, a 15% increase compared with the FY2024 total budget authority of \$220.4 million in P.L. 118-42. House-passed H.R. 8998 would provide BSEE with total FY2025 budget authority of \$220.4 million, level with FY2024 and 13% less than the request (**Table 1**). Senate committee-reported S. 4802 would provide BSEE with total budget authority of \$226.0 million, 3% more than FY2024 and 11% less than requested.

BSEE's funding is appropriated under two budget accounts, Offshore Safety and Environmental Enforcement (OSEE) and Oil Spill Research. Under the OSEE account, the **Operations, Safety, and Regulation** activity (\$160.3 million FY2024 enacted; \$164.6 million FY2025 requested; \$160.3 million H.R. 8998; \$151.9 million S. 4802) supports BSEE's development of regulations and safety standards, review and approval of OCS operating permits, inspections of facilities and equipment, and oversight of operator safety programs, among other activities. BSEE's request included a funding increase to build its carbon sequestration program, as authorized in the IIJA. BSEE's request also proposed to reduce contracting services in order to focus on internal safety research projects.

The **Environmental Enforcement** activity (\$5.6 million FY2024 enacted; \$7.6 million FY2025 requested; \$5.6 million H.R. 8998; \$6.8 million S. 4802) supports BSEE's compliance with environmental statutes and its oversight and enforcement of environmental compliance by operators on the OCS. A portion of BSEE's requested increase was for tribal engagement.

The activities for **Administrative Operations** (\$18.5 million FY2024 enacted; \$19.8 million FY2025 requested; \$18.5 million H.R. 8998; \$18.1 million S. 4802) and **Executive Direction** (\$18.0 million FY2024 enacted; \$21.0 million FY2025 requested; \$18.0 million H.R. 8998; \$18.6 million

S. 4802) fund a range of administrative services as well as BSEE's executive offices. BSEE's FY2025 request included increased funding for zero-emission vehicles.

BSEE's **Offshore Decommissioning** activity (\$2.9 million FY2024 enacted; \$12.0 million FY2025 requested; \$2.9 million H.R. 8998 and S. 4802) supports closure and removal of infrastructure when leases reach the end of their lifetimes. BSEE requested \$12.0 million for FY2025 to "properly plug and abandon" orphaned wells and pipelines for which no liable party is available to decommission. In the past, some appropriators have expressed opposition to such decommissioning costs being borne by taxpayers.

BSEE proposed a new budget activity in the OSEE account for FY2025, **Renewable Energy Operations**, reflecting BSEE's growing responsibilities in this area since the first offshore wind projects in federal waters began commercial operations in late 2023 and early 2024. The new budget activity would include responsibilities previously funded under other line items. BSEE requested \$12.6 million for FY2025 for Renewable Energy Operations. S. 4802 would provide the requested amount, while H.R. 8998 does not establish this as a new budget activity.

The second BSEE account, **Oil Spill Research** (\$15.1 million FY2024 enacted, FY2025 requested, H.R. 8998, and S. 4802), funds research and planning for oil spill responses and supports Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility.

BSEE's requested net appropriation after offsetting collections was \$181.6 million, 18% more than the FY2024 net appropriation of \$154.4 million. Net of offsetting collections, H.R. 8998 would provide \$156.4 million, 1% more than FY2024 and 14% less than the FY2025 request. S. 4802 would provide net appropriations of \$162.0 million, 5% more than FY2024 and 11% less than the request.

## ONRR Appropriations

ONRR, which manages revenues from both offshore and onshore energy, is funded within the broader appropriation for DOI's Department-Wide Programs. For FY2025, the Administration requested \$176.0 million for ONRR, a 5% increase over the FY2024 funding of \$167.9 million (**Table 1**). H.R. 8998 would provide \$160.4 million, 4% less than enacted for FY2024 and 9% less than the FY2025 request, while S. 4802 would provide \$169.4 million, 1% more than FY2024 enacted and 4% less than the FY2025 request.

## Legislative Provisions

BSEE's budget proposed a legislative provision to raise inspection fees to reflect inflation and to change facility inspection fees from a per-year to a per-visit basis. H.R. 8998 and S. 4802 do not include the requested changes.

BOEM's budget proposed an extension of authority for BOEM and BSEE to accept contributions of money and services. H.R. 8998 would extend the authority through FY2029, and S. 4802 would extend it permanently.

Laura B. Comay, Specialist in Natural Resources Policy

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