

United States Senate

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

WASHINGTON, DC 20510-6175

BETTINA POIRIER, MAJORITY STAFF DIRECTOR
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November 18, 2013

The Honorable Sylvia Mathews Burwell
Director
The Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Director Burwell:

On September 15, 2011 your predecessor, Director Jacob Lew, provided comprehensive responses to requested information related to domestic energy development. This was in response to a January 14, 2011 letter I sent requesting such data. I am providing a copy of both my initial request letter as well and the response letter from former Director Lew for your reference. It has been two years since that correspondence, and I am now requesting an update on those figures with some additional information that should be readily available to your office.

Recent news makes clear that an update on revenues collected by the federal government from renewable energy projects in comparison to those paid by fossil fuels is in order. Specifically, the President's recent commitment to publish annual totals for fossil fuel "subsidies"¹ provides an important opportunity to compare revenue to subsidies on a per unit of energy basis across all sectors. As you are likely aware, the GAO has published data² clearly indicating that fossil energy generates far more revenue, both before and after any tax deductions or credits, or other federal benefits, on a per unit of energy basis. However, given the President's commitment related to traditional energy sources, it would be enlightening to update that data with an accounting from the Office of Management and Budget (OMB) for all energy sources.

Critical to the discussion of the management of our federal lands, both onshore and offshore, is energy development. As you are aware, just last month a lease sale for lands dedicated to producing solar energy did not receive a single bidder.³ In comparison, the most recent lease sale for waters in the Western Gulf netted approximately \$145 million in August 2013.⁴ In addition, despite holding lease sales for offshore wind which have been touted by this administration, not a single turbine has been erected offshore, and all indication is that the

¹ See *US will publish annual fossil fuel subsidies, Obama issues executive order on climate change*, Sustainable Business.com (Nov. 1, 2013, 1:20 PM), <https://www.sustainablebusiness.com/index.cfm/go/news.display/id/25326>

² See U.S. GOV'T ACCOUNTABILITY OFFICE, GAO-08-102, *Federal Electricity Subsidies: Information on Research Funding, Tax Expenditures, and Other Activities that Support Electricity Production (2007)*; see also Daniel Simmons, *How Taxpayer Money Gets Lost In the Wind*, U.S. News and World Report (April 2, 2013), <http://www.usnews.com/opinion/blogs/on-energy/2013/04/02/gao-report-unearts-duplicative-wind-initiatives>.

³ See Mark Jaffe, *1st auction of solar rights on public lands in Colorado draws no bids*, The Denver Post (Oct. 24, 2013), http://www.denverpost.com/breakingnews/ci_24379351/first-auction-solar-rights-public-lands-colorado-draws-no-one.

⁴ United States Dep't of the Interior, Bureau of Ocean Energy Mgmt., Gulf of Mexico Region, *Sale Day Statistics* (Aug. 28, 2013), available at <http://www.boem.gov/Sale-233-Statistics/>.

federal government will lose more money handing out taxpayer funded subsidies than the potential projects would generate in revenue for the treasury.⁵

Accordingly, I respectfully ask for an updated accounting of the following:

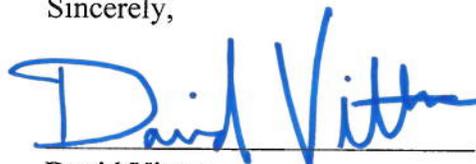
1. In terms of revenue generation year over year from domestic offshore energy production – considering bonus bids and royalty revenue, as well as rents and taxes from income for each energy source – what has been the net revenue each year from 2007, 2008, 2009, 2010, 2011, and 2012? And what is OMB (in consultation with the Department of the Interior) projecting to be the revenue in 2013, 2014, 2015, 2016 and 2017?
2. In terms of revenue generation year over year from domestic onshore energy production on federal lands – considering bonus bids and royalty revenue, as well as rents and taxes from income for each energy source – what has been the net revenue each year from 2007, 2008, 2009, 2010, 2011, and 2012? And what is OMB (in consultation with the Department of the Interior) projecting to be the revenue in 2013, 2014, 2015, 2016 and 2017?
3. What are the Department of Interior's revenue projections, both onshore and offshore, from lease sales in 2014 and 2015 for the following energy sources: oil and gas, coal, wind, and solar? In addition, please also provide net revenue from lease sales for each sector in 2011, 2012 and 2013.
4. How does OMB account for, and what methodologies does OMB use to measure, future revenue from all sources of domestic energy? Can these numbers be broken down by the type of energy resource and on a BTU or kilowatt/hour equivalent basis? Are ten-year advance revenue projections available for wind and solar? Please provide the ten-year revenue projections for each source of energy if available.
5. What has been the total revenue generation from renewable energy for FY 2011, 2012, and 2013, and what is OMB projecting to be the revenue in 2014, 2015, 2016, 2017 and 2018? Also, what has been the total amount of grants and subsidies paid out to renewable energy producers in FY 2011, 2012, and 2013 including all production tax credits and other grants or subsidies? What has been the total revenue from these same projects? Are there any projects, both onshore and offshore, in which OMB anticipates the subsidies to exceed the revenues?

⁵ See e.g. *Vitter: Administration Plans 2nd Offshore Wind Lease Sale Off East Coast*, Environment and Public Works Committee, (July 22, 2013) available at http://www.epw.senate.gov/public/index.cfm?FuseAction=Minority.PressReleases&ContentRecord_id=079ffda9-ab52-e4d4-de5a-c0d3d1cf458a

6. What companies and Venture Capital firms (including their start-up investments) are the top 15 recipients of federal grants, loans and subsidies for renewable energy, and what is the dollar figure for each firm from years 2009 through 2013?
7. Has OMB analyzed the renewable energy policies for the United Kingdom and Spain? Have either of these countries seen a reduction in energy prices for consumers as a result of their renewable energy or greenhouse gas policies? Have there been any negative economic impacts in either country OMB has analyzed as a result of such policies?
8. Has the majority of increased fossil energy production over the last four years occurred on federally managed or state and private lands? Please provide fossil energy production numbers for the last five years on federally managed lands excluding tribal lands.
9. For each BTU or BTU equivalent of energy produced how much revenue is generated for the federal treasury from natural gas, oil, coal, wind and solar? Please define how you made these determinations.
10. What is the correlation between an increase in energy prices and a decrease in consumers' purchasing power and a net drag on the economy? Does such a drag on the economy exist for which OMB accounts in developing any economic analysis?
11. When energy prices are raised on consumers and manufacturers due to federal policies and government mandates, has OMB studied which segments of the population are most significantly impacted? Which segments of our economy are most impacted by a change in energy prices? Do energy prices impact the United States' ability to create jobs or compete in international trade? How does OMB account for these factors in decision making?

As our nation continues to struggle through a sluggish economic recovery it is critical that federal energy decisions are adequately informed and Americans are able to transparently review economic data for major energy policy decisions.

Sincerely,



David Vitter

Ranking Member

Committee on Environment and Public Works