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Offshore Energy Agency Appropriations, FY2023

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 act. Issues for FY2023 included determining the aggregate and program-level appropriations for each entity and considering several Biden Administration proposals.

P.L. 117-328, the Consolidated Appropriations Act, 2023, was enacted on December 29, 2022, with FY2023 appropriations for BOEM, BSEE, and ONRR. Because appropriations were not enacted by the start of the fiscal year, several continuing resolutions had earlier provided appropriations at FY2022 levels. Earlier House and Senate bills with FY2023 appropriations for the three entities included H.R. 8294, a consolidated appropriations measure passed by the House on July 20, 2022 (also see H.Rept. 117-400 on H.R. 8262, a stand-alone Interior bill), and S. 4686, introduced in the Senate on July 28, 2022.

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 \$237.4 million in total budget authority for BOEM for FY2023 (**Table 1**). This would have been a 15% increase over total FY2022 budget authority of \$206.7 million. P.L. 117-328 provided \$220.0 million in total FY2023 budget authority for BOEM, 6% more than the FY2022 total budget authority and 7% less than requested by the Administration. House-passed H.R. 8294 would have provided \$229.8 million, and S. 4686 contained \$232.6 million.

BOEM’s funding is contained in a single budget account, titled Ocean Energy Management. Within this account, the **Conventional Energy** activity (\$60.5 million FY2022; \$63.6 million FY2023 request; \$61.5 million enacted) funds administration of oil and gas leasing, including the development of five-year leasing programs. The joint explanatory statement (JES) for P.L. 117-328 directed that at least \$2.0 million of enacted BOEM FY2023 funding be used for work on geologic carbon sequestration and that BOEM build and support necessary expertise on this topic using funds from the budgets for Conventional Energy and Environmental Programs (also called Environmental Assessment).

The **Renewable Energy** activity (\$36.8 million FY2022; \$51.7 million FY2023 request; \$42.8 million enacted) supports BOEM’s management of renewable ocean energy resources. BOEM requested added funding to extend its workforce capacity and invest in research and stakeholder engagement, among other purposes. The JES directed BOEM to collaborate with maritime users and stakeholder groups in drawing project boundaries.

The **Environmental Assessment** activity (\$79.8 million FY2022; \$86.4 million FY2023 request; \$82.4 million enacted) supports BOEM’s assessments of environmental impacts of ocean energy activities. The JES directed that up to \$5.0 million of the enacted funds be used to establish a center for paleoenvironmental records of extreme events.

Table 1. BOEM, BSEE, and ONRR Appropriations, FY2022 and FY2023 (\$ millions)

Agency	FY2022 Enacted (P.L. 117-103)	FY2023 Request	House-Passed H.R. 8294	Senate S. 4686	FY2023 Enacted (P.L. 117-328)	% Change from FY2022
BOEM Total Budget Authority	206.7	237.4	229.8	232.6	220.0	+6%
BOEM Net Appropriation	163.7	200.4	192.8	195.6	183.0	+12%
BSEE Total Budget Authority	210.9	261.2	234.2	235.0	229.0	+9%
BSEE Net Appropriation	155.9	198.2	171.2	172.0	172.0	+10%
ONRR Total Appropriation	169.6	175.0	175.0	175.0	174.9	+3%

Source and Notes: JES for P.L. 117-328. Net appropriations reflect estimated offsetting collections. BSEE total budget authority for FY2022 includes a \$10.0 million rescission and excludes supplemental appropriations of \$0.2 million in P.L. 117-43 to address natural disasters.

The **Marine Minerals** activity (\$11.8 million FY2022; \$15.4 million FY2023 request; \$14.4 million enacted) 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 for its National Offshore Sand Inventory.

The **Executive Direction** activity (\$17.9 million FY2022; \$20.3 million FY2023 request; \$18.9 million enacted) covers leadership, budgeting, technology, and related activities. The requested increase was primarily to enhance program support for the Administration's clean energy priorities.

Net of estimated offsetting collections, BOEM's FY2023 request was \$200.4 million, 22% more than the net appropriation of \$163.7 million in FY2022. P.L. 117-328 provided \$183.0 million as the net FY2023 appropriation, 12% more than FY2022. The greater percentage increase from FY2022 in the net appropriation (+12%) versus the total budget authority discussed above (+6%) reflects that BOEM anticipated less in offsetting rental receipts and cost-recovery fees for FY2023 than were collected in FY2022.

BSEE Appropriations

The Administration requested \$261.2 million in total budget authority for BSEE for FY2023, a 24% increase over the FY2022 total budget authority of \$210.9 million in P.L. 117-103 (**Table 1**). P.L. 117-328 provided BSEE with total FY2023 budget authority of \$229.0 million, 9% more than FY2022 and 12% less than requested. House-passed H.R. 8294 would have provided BSEE with total FY2023 budget authority of \$234.2 million, and S. 4686 would have provided \$235.0 million.

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 (\$160.1 million FY2022; \$170.9 million FY2023 request; \$166.9 million enacted) 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. Most of BSEE's requested increase was for its renewable energy program.

The **Environmental Enforcement** activity (\$5.5 million FY2022; \$5.9 million FY2023 request; \$5.9 million enacted) supports BSEE's compliance with environmental statutes and its oversight and enforcement of environmental compliance by operators on the OCS. BSEE's requested increase was for its renewable energy program.

The activities for **Administrative Operations** (\$18.8 million FY2022; \$20.5 million FY2023 request; \$19.3 million enacted) and **Executive Direction** (\$18.4 million FY2022; \$18.8 million FY2023 request; \$18.8 million enacted) fund a range of administrative services as well as BSEE's executive offices. BSEE's FY2023 request included funding for zero-emission vehicles and the DOI-wide

Diversity, Equity, Inclusion, and Accessibility Initiative, among other activities.

BSEE's **Offshore Decommissioning** activity (\$3.0 million FY2022; \$30.0 million FY2023 request; \$3.0 million enacted) was established as a separate line item in FY2022, supporting closure and removal of offshore energy infrastructure when leases reach the end of their lifetimes. BSEE requested \$30.0 million for FY2023 to "properly plug and abandon" orphaned wells and pipelines for which no potentially liable party is available to decommission. However, P.L. 117-328 provided funding at the FY2022 level of \$3.0 million. The House committee report expressed "strong disagreement that the ultimate responsibility for these activities should fall to the American taxpayer."

The second BSEE account, **Oil Spill Research** (\$15.1 million FY2022; \$15.1 million FY2023 request; \$15.1 million enacted), funds research and planning for oil spill responses and supports Ohmsett, the National Oil Spill Response Research and Renewable Energy Test Facility. BSEE stated in its request that it would focus funding on renewable energy research in addition to oil spills. The JES directed BSEE to continue to work on facilities to test Arctic marine conditions for oil spill detection and response.

BSEE's requested net appropriation after offsetting collections was \$198.2 million, 27% more than the FY2022 net appropriation of \$155.9 million. P.L. 117-328 provided \$172.0 million as the net FY2023 appropriation, 10% more than FY2022.

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 FY2023, the Administration requested \$175.0 million for ONRR, an increase of 3% over the FY2022 funding of \$169.6 million (**Table 1**). The requested increase was mainly for information technology (IT) modernization. P.L. 117-328 provided \$174.9 million, roughly even with the request (less than 1% difference) and 3% more than FY2022.

General Provisions

Similar to previous Interior appropriations acts, P.L. 117-328 included a general provision (Section 107) authorizing BSEE to collect specified fees for inspections of offshore facilities. BSEE had requested that the fee amounts be increased to account for inflation, but P.L. 117-328 did not alter the fee amounts from recent years. BSEE had made a similar request in FY2022, which also was not adopted.

Additional Reading

For a broader overview of FY2023 Interior appropriations, see CRS Report R47253, *Interior, Environment, and Related Agencies: Overview of FY2023 Appropriations*.

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