



OFFICE OF  
**INSPECTOR GENERAL**  
U.S. DEPARTMENT OF THE INTERIOR

RECOVERY

## **RECOVERY OVERSIGHT ADVISORY**


Bureau of Land Management (BLM) Renewable Energy  
Recovery Act Projects



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U.S. DEPARTMENT OF THE INTERIOR

MAY 07 2010

To: Chris Henderson  
Senior Advisor to the Secretary for Economic Recovery and Stimulus

From: Robert A. Knox   
Assistant Inspector General for Recovery Oversight

Subject: Recovery Oversight Advisory – Bureau of Land Management (BLM) Renewable Energy Recovery Act Projects (ROO-ROA-BLM-3003-2010)

To safeguard taxpayer dollars, Congress provided us with funding to oversee and ensure accountability of the \$3 billion appropriated to the Department of the Interior (the Department) in the American Recovery and Reinvestment Act of 2009 (Recovery Act). We are focused on: preventing fraud, waste, and mismanagement; reducing misuse of dollars through early detection; and ensuring transparency in our oversight efforts. In our effort to collaborate with the Department, this memorandum highlights our observations of BLM's implementation of renewable energy projects funded by the Recovery Act. We were encouraged by BLM's use of Recovery Act funds for much-needed lands status updates and case records verification projects. We were also impressed with the detailed methodology of the Solar Energy Programmatic Environmental Impact Statement (PEIS). We have some concerns, however, about transparency and cost tracking associated with their Solar PEIS implementation.

We spoke to members of the BLM Renewable Energy Team, National Operations Center (NOC) officials working on Recovery funded renewable energy projects, BLM state officials tracking progress of renewable energy projects, and the BLM Recovery Act coordinator. We also interviewed the Department of Energy (DOE) Solar Team lead serving as the primary DOE contact on the Solar PEIS, and officials from Argonne National Laboratory (ANL), a DOE contractor-operated laboratory also working with BLM on the project.

We do not require an official response to this advisory, but we will post it on our Web site ([www.doioig.gov](http://www.doioig.gov)) and [Recovery.gov](http://Recovery.gov). Information contained in this advisory may also be included in our semiannual reports to Congress. Please feel free to contact me if you have any questions.

### **Background**

On March 11, 2009, Secretary of the Interior Ken Salazar established renewable energy development as a priority for the Department in Secretarial Order (SO) No. 3285: *Renewable Energy Development by the Department of the Interior*. The order calls for "identifying and prioritizing the specific locations in the United States best suited for large scale production of

solar [energy]...(e.g., renewable energy zones)”<sup>1</sup> and, “establishing clear policy direction for authorizing the development of solar energy on public lands.”<sup>2</sup>

BLM received \$320 million in Recovery Act funding and subsequently allocated approximately \$41 million of those funds to their Renewable Energy Program for 64 projects. As part of their Recovery Act Program Plan, the bureau proposed to use the funds “to support the NEPA [National Environmental Policy Act] requirements and other associated studies to establish Federal Renewable Energy Zones and lay the foundation for a more proactive and forward-thinking renewable energy program.” Specifically, \$13 million was allocated to a Solar PEIS project. The remaining \$28 million was reserved for other studies, including:

Land Reuse	(\$1.7 million)
Wildlife/Ecological Assessments	(\$3.25 million)
Cultural/Paleo Studies	(\$0.745 million)
Visual Resources	(\$2.39 million)
Technical Support	(\$0.615 million)
Case Records (LR2000)	(\$8.6 million)
Lands Status (GIS/GCDB)	(\$10.7 million)

The Solar PEIS, case records, and lands status projects comprise nearly 80 percent (\$32.3 million) of the \$41 million Recovery Act funds BLM has dedicated to renewable energy projects. As of March 2010, the bureau had obligated approximately \$18.2 million toward these efforts.

## Observations

### *Lands Status and Case Records Projects*

The lands status and case records projects comprise almost half (\$19.3 million) of BLM’s Recovery Act funds for renewable energy projects. The primary goal of these projects is to improve the quality of lands status records associated with the solar energy study areas identified in the Solar PEIS. Most of the projects are awarded under an Indefinite-Delivery/Indefinite-Quantity (IDIQ) contract and are managed centrally at the NOC.

According to a BLM official, much of BLM’s lands status data and case records information generally do not meet current national mapping accuracy standards, complicating the permit application process for potential renewable energy developers and other applicants. Consequently, ensuring accurate, updated data and information is the cornerstone of any BLM initiative involving land applications. These Recovery Act projects have accelerated BLM’s efforts to update lands status data and case records through an active contract vehicle that could be used for additional updates applicable to land uses besides renewable energy development.

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<sup>1</sup> SO No. 3285, § 5a(2).

<sup>2</sup> SO No. 3285, § 5c.

## *Programmatic Solar Energy Environmental Impact Statement Methodology*

BLM's primary purpose for conducting PEISs is to assess, on a very broad scale, the environmental impacts associated with utility-scale renewable energy development on public lands. The goal of such efforts is to streamline the application process for potential developers by reducing their effort and costs associated with subsequent environmental reviews needed prior to development. In the past, BLM has partnered with DOE and ANL to conduct PEISs for wind and geothermal energy development and for transmission corridors. According to BLM officials, however, these assessments, particularly the wind energy PEIS, were too broad in scope, resulting in little savings for developers.

In 2008, the bureau again partnered with DOE and ANL to begin work on a Solar PEIS. A year later, with the receipt of Recovery Act funds and the issuance of SO No. 3285, BLM dedicated \$13 million to the PEIS effort and increased the scope of the project significantly. Twenty-four specific study areas were identified for assessment of the potential for development of five solar technologies.<sup>3</sup> BLM officials, the DOE Solar Energy Team lead, and ANL officials told us that this new level of detail, which had been absent from previous studies, will go further in reducing analysis requirements previously borne by applicants and more effectively streamline the application process for future solar energy developers. All parties agreed that this new approach would serve as a model for future PEISs.

### *Transparency and Cost Tracking of the Solar PEIS*

While we were impressed with BLM's more detailed approach to conducting the Solar PEIS compared with past PEISs, we have concerns about the transparency and cost tracking of the effort, especially in light of the Recovery Act's heightened transparency and reporting requirements. According to BLM's December 31, 2009 project list, there are 13 separate \$1 million PEISs across six western states.<sup>4</sup> In actuality, there is only one \$13 million Solar PEIS effort centrally managed from the Washington office. This project consists of four separate projects: a visual resource management inventory and analysis contract (VRI) (\$1.5 million); a Cultural Survey contract (\$1 million); a contract to prepare a biological assessment (\$0.6 million); and an interagency agreement with ANL to conduct an environmental impact statement and record of decision (EIS & ROD) (\$9.9 million).<sup>5</sup>

The EIS & ROD covers 24 study sites in 13 regional areas. Each regional area is represented as a separate PEIS project on BLM's Recovery Act project list. Despite several other similar but non-solar related studies shown on BLM's project list, the VRI, cultural survey, and biological assessment projects associated with the Solar PEIS are not reflected on BLM's list. Rather, they are subsumed under the 13 reported PEIS projects with cost estimates shown as evenly allocated. Furthermore, current outlays for the effort are also displayed as mostly evenly distributed across the regional areas and do not appear to be tracked by study site or state.

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<sup>3</sup> The five technologies are Parabolic Trough, Power Tower, Solar Dish, Flat Panel Photovoltaic, and Concentrating Photovoltaic.

<sup>4</sup> The six western states are Arizona, California, Colorado, Nevada, New Mexico, and Utah (added later).

<sup>5</sup> Argonne National Laboratory was awarded an interagency agreement to conduct the EIS and ROD in September 2009. The VRI was issued as a task order on an already existing IDIQ contract. An additional \$0.7 million was recently added to the project due to an unanticipated change in scope. The Cultural Survey and Biological Assessments have not yet been awarded.

We are concerned that BLM's decision to track their centrally managed Solar PEIS effort as 13 separate projects with evenly distributed costs obscures the various components of the effort from public scrutiny, complicates project reporting requirements for the bureau, and potentially leaves the bureau open to the risk of cost overruns.

cc: Deputy Secretary, Department of the Interior  
Director, Bureau of Land Management  
Assistant Secretary – Policy, Management and Budget  
Director, Office of Acquisition and Property Management  
Director, Office Environmental Policy and Compliance  
Acting Director, Office of Financial Management  
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