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February 11, 2008

Ms. Cheryl Blundon
Minerals Management Service
381 Elden Street, MS-4024
Herndon, Virginia 20170-4817

Re: Comments of the National Hydropower Association (NHA) on the MMS information collection request (ICR) concerning the new Form MMS-0001, Lease of Submerged Lands for Alternative Energy Activities on the Outer Continental Shelf (OCS)

To Ms. Blundon:

The National Hydropower Association¹ appreciates this opportunity to once again comment on the development of the MMS program for alternative energy development on the OCS. The Association expresses its continued support of the Service's commitment to finalize the regulations for the program, as evidenced by the recent issuance of the final programmatic environmental impact statement, the interim policy on testing activities, and the draft form for leasing agreements with the MMS.

As to the leasing form, NHA will leave to its members, actual project developers and licensing consultants, to respond to the specifics of the form. However, the Association would once again like to reiterate key points made in previous filings to the MMS regarding the overall program.

First, regarding the interim policy on OCS testing activities, NHA continues to urge the Service to investigate mechanisms that would vest developers with a right of priority to testing sites for commercial development once the AEAU regulations are in place. Expenditures in time, resources and capital on a site for which the developer may ultimately lose access will be for some developers too high a risk to take.

While NHA would expect in most cases that the developer with an interim lease to an OCS site would submit the best application for a commercial lease, the process still sets up yet another layer of uncertainty and places additional unnecessary financial risk on a project.

Second, the Association strongly supports the ability of interim lease holders to sell power to the grid to generate revenue for a project. While the current policy does not allow project developers to do so, NHA believes this is a critical incentive for the program. The ocean and tidal power industries are at

¹ NHA is a non-profit national association dedicated exclusively to advancing the interests of the U.S. hydropower industry, including new water power technologies, such as ocean, tidal and instream hydrokinetic power. NHA's membership consists of more than 140 organizations including; public utilities, investor owned utilities, independent power producers, developers, equipment manufacturers, environmental and engineering consultants and attorneys. NHA's Ocean, Tidal and New Technologies Council has nearly 30 member companies, many of whom have new ocean, tidal and instream projects under development.

their beginning stages and any support from the federal government, including both regulatory flexibility and economic incentives, will help them to establish a foothold in the U.S. and thrive.

Interim lease projects for testing will be small in nature as should their impacts. NHA believes the MMS can find a way to manage the oversight of these projects while still allowing them to sell any power generated by their testing activities.

Lastly, NHA encourages the MMS to finalize discussions with the Federal Energy Regulatory Commission on the Memorandum of Understanding that would delineate the roles and responsibilities of the agencies, both of which have an interest in the development of ocean energy OCS projects.

NHA believes any barriers to both agencies signing the MOU can and should be overcome quickly. Regulatory certainty is an important factor in energy project development and the longer the MOU remains unsigned, the greater the negative impact to the industry.

Thank you for your consideration of these comments. As always, if there any questions please feel free to contact me or NHA's Jeffrey Leahey, Senior Manager of Government and Legal Affairs.

Sincerely,

A handwritten signature in cursive script, reading "Linda Church Ciocci". The signature is written in dark ink on a light-colored background.

Linda Church Ciocci
Executive Director