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Fairbanks Daily News-Miner, December 7, 2008; http://www.newsminer.com/news/2008/dec/07/alaska-groups-prepare-obama-administration/

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http://www.delawareonline.com/article/20081206/BUSINESS/812060320/1003

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Obama drops windfall tax on gas companies
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Shell sets undersea record with completion of well
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Team Obama: New National Security Adviser, Jim Jones, Puts Energy First
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Federal agency completing key study on Cape Wind project
Cape Cod Times, December 1, 2008;
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Alaska groups prepare for Obama administration
Fairbanks Daily News-Miner, December 7, 2008; http://www.newsminer.com/news/2008/dec/07/alaska-groups-prepare-obama-administration/

ANCHORAGE, Alaska -- With President-elect Barack Obama soon to be sworn in, lobbying is under way in the nation's capital on numerous Alaska issues, including Arctic oil and gas exploration, funding for rural development and the environment.

Local environmentalists were in Washington, D.C., last week hoping to help set the new Democratic administration's agenda. A coalition of 29 environmental groups has drawn up a 391-page set of recommendations that gives Alaska issues top priority.

The groups want to cancel or postpone offshore oil lease sales scheduled for the Arctic, toughen permitting for leases already sold, and provide permanent protection for a region inside the National Petroleum Reserve Alaska.

With any major political transition, lobbying for appointments is intense. For Alaska, the biggest appointment is generally Secretary of the Interior, whose department controls half of Alaska's lands, including its national parks and wildlife refuges, as well as the oil and gas efforts of the Minerals Management Service.

Since the election, more than a dozen names have been in play for the top job at Interior.

By the end of last week, the two names on top of the list were both Democratic congressmen: Raul Grijalva of Arizona, a Hispanic leader representing the Tucson area, and Mike Thompson of California, whose district extends from Napa Valley up the northern California coast.

Thompson is backed by sportsmen's groups. Environmentalists have made no endorsements yet.

Other key jobs potentially in play are the federal Alaska gas line coordinator's job, now held by former state Senate president Drue Pearce, a Republican, and the federal co-chairman of the Denali Commission, George Cannelos.

After the Interior secretary is named, an important position to be filled is the special Interior assistant for Alaska affairs. Environmentalists filled the job in the Clinton administration, while George W. Bush split the post between here and Washington, starting off with an oil industry advocate in Anchorage.

Some of the Obama transition team members on environmental and energy matters have experience in Alaska issues from the Clinton years. These include Donald Barry, who served at Interior as Assistant Secretary for Fish and Wildlife and Parks, and John Leshy, who was Interior's top lawyer and a former aide to Rep. George Miller, D-Calif.

Leshy is a leader of the Interior transition team. Another is Bob Anderson, a former Native American Rights Fund lawyer who represented Katie John in her precedent-setting legal fight over federal subsistence fishing. Anderson now directs the Native American Law Center at the University of Washington law school. He is a member of the Minnesota Chippewa tribe.

The environmentalists' wish list for Alaska includes undoing several Bush administration land swaps that have not been completed, including exchanges that would open the Yukon Flats National Wildlife Refuge to oil and gas development and allow construction of a road across Izembek National Wildlife Refuge.

They also want to expand roadless-area protections for the Tongass National Forest, referring to logging on federal lands there as a "global warming subsidy."

Many of the environmentalist goals fit naturally with Obama's pledge to address climate change and move America away from an oil-based economy, said Earthjustice lawyer Eric Jorgenson, who traveled from Juneau to Washington last week.

"Under Bush, there was a rush to lease really the entire Arctic," Jorgenson said, referring to future lease sales listed under the federal five-year plan.

Cape Wind clears hurdle
Cape Cod Times, December 6, 2008;
http://www.capecodonline.com/apps/pbcs.dll/article?AID=/20081206/NEWS/812060314

By Patrick Cassidy

WOODS HOLE — The Coast Guard commander responsible for the waters off southeastern New England announced yesterday that the proposed Nantucket Sound wind farm poses no significant problem for marine radar.

During a follow-up conference call with participants of an October workshop, Coast Guard Capt. Raymond Perry said if the developer adheres to proposed mitigation techniques and Coast Guard conditions the project is "doable."

"The Coast Guard has to make the assessment on whether we can do this project or not," Perry said. "I'm telling you right now that I have already made that determination."

Opponents of the project have said that a federal review of the proposed wind farm is being rushed and that — among a litany of other concerns — the turbines would be dangerous to recreational boaters, fishermen and ferries in the sound.

The plan by Cape Wind Associates LLC to build 130 wind turbines in the sound is at a critical juncture, with a final environmental report from U.S. Minerals Management Service expected out by the end of the year. Minerals Management Service is the lead federal agency to review Cape Wind, but as many as 19 cooperating agencies including the Coast Guard are participating in the process.

Perry released his conclusion after reviewing results of a $100,000 study commissioned by the Coast Guard on the potential effects of the wind turbines on marine radar.

The study, performed by Maryland-based Technology Service Corp., included up to 100 gigabytes in video of radar screens that showed various scenarios in which the wind turbines could interfere with radar, Perry said.

Although it was not possible to distribute the video because of its size, Perry suggested participants in the marine radar workshop, including ferry captains and other opponents of the project, view the video at Coast Guard facilities in Massachusetts or Rhode Island. Comments on the study must be received by Monday, Perry said.

The Minerals Management Service has agreed to wait until after Dec. 15 to release its final environmental report, so the Coast Guard can submit its recommendation, he said.

Perry examined two basic scenarios in his analysis of the marine radar study, he said.

In a situation where a vessel is operating in the vicinity of the proposed wind farm, he concluded there should be few problems assuming that the "rules of the road" for maritime navigation are followed.

"It's basically just like operating along an island with channels along the way and people entering and exiting an existing channel," Perry said.

But in a situation where vessels would be operating inside the wind farm, using marine radar would be more "problematic," he said. "We found it very difficult for one vessel to see another vessel," Perry said of such a scenario.

In such a situation, mariners would have to concentrate above and beyond what is normally expected of them, he said.

But, Perry said, measures proposed by Cape Wind and terms and conditions that the Coast Guard has required would limit the risks of collision. Some of the mitigation techniques included existing Coast Guard regulations, according to Edward LeBlanc, chief of the Coast Guard Waterways Management Division. Public education and a control center to monitor and communicate with traffic among the turbines would also help, LeBlanc said.

Traffic management methods are also a possibility, including specially marked lanes such as those that already exist in at least one European wind farm, he said.

Critics of Cape Wind who took part in yesterday's conference call said the Coast Guard review was rushed, and they questioned their ability to analyze the Coast Guard study's finding in the limited time Perry gave them. "I just have to let you know that the process is killing us here," said Wayne Kurker, owner of Hyannis Marina and co-founder of the anti-Cape Wind group, the Alliance to Protect Nantucket Sound. "We have to object to it."

Glenn Wattley, president and CEO of the alliance, said his group's experts would not have enough time to analyze the study and there was not enough information presented during yesterday's conference call in any case.

"There's controversy over whether we're even looking at the appropriate turbines for this process," he said, noting that the GE 3.6 megawatt turbine Cape Wind planned to use may not be available.

Other critics said the study as presented was incomplete.

"To make it available in this form is of no value," said retired Coast Guard Adm. John F. McGowan, of the McGowan Group, a consulting company that released an oil spill assessment critical of Cape Wind in 2005. "My simple suggestion would be to take the time that's needed."

Bluewater pushes ahead
Delaware News Journal, December 6, 2008;
http://www.delawareonline.com/article/20081206/BUSINESS/812060320/1003

By AARON NATHANS

Delaware's major renewable energy project -- the Bluewater Wind offshore wind farm -- is still a go, even as credit markets tighten company officials say.

That's true even given significant debt problems faced by Bluewater's Australian parent company, Babcock and Brown. On Thursday, Babcock persuaded creditors to refinance its debt, providing a lifeline to a company whose stock price has plummeted in recent months.

The Bluewater project is still several years away from construction. Company officials have targeted 2011 to start building the project, which is slated for more than 11 miles off Rehoboth Beach. That is the year when the company would buy its turbines, and need to tap heavily into the credit markets, company officials say.

The first turbines are expected to spin as early as 2012.

On Friday, Hunter Armistead, head of Babcock's North American Energy Development Group, said through a spokesman that the company is "fully committed to this project, and looking forward to working with Delaware on it."

The spokesman, Matt Dallas, said Babcock has 20 wind farms operational in the United States, and will open five more before the year is over.

"Our North American wind energy business is very strong and continuing to be a core business of Babcock and Brown going forward," Dallas said.

Bluewater can't get started on getting federal permits until the Minerals Management Service finalizes its rules for offshore power generating facilities. It is expected to do so by Jan. 20. Permitting is expected to take until the end of 2011.

Oil industry adjusts to lower prices
Christian Science Monitor, December 5, 2008; http://www.csmonitor.com/2008/1205/p02s01-usec.html

But some wildcatters pack up their drill bits as the exploration rush has cooled.

By Michael B. Farrell

Houston - Oil's swan dive from a record high of $147 a barrel last summer to a trading price of $46.10 Thursday, the lowest level in nearly four years, has rattled America's energy industry. But it hasn't flattened it – so far.

What the price drop does mean is that some oil-patch wildcatters have packed up their drill bits as the rush for new domestic exploration has cooled since summer.

"Six months ago everything was roses, and nobody in this business had any inkling that oil prices would decline virtually $100 a barrel," says Alex Mills, president of the Texas Alliance of Energy Producers. Now, he says, "some people have already pulled back on their drilling programs."

No doubt, profits for Big Oil will tumble from this year's record highs. And because of the tightening credit market, many producers – majors and independents – will shut down drilling rigs and trim production in the year ahead.

Fifty-seven percent of the chief financial officers at US oil and gas companies said it's "credit capacity restraints" that will be their most significant challenge in 2009, according to a survey released Tuesday by the accounting firm BDO Seidman.

The oil executives' No. 2 concern is falling prices. While some oil traders are speculating that crude could sink to $30 a barrel in the first quarter of 2009, the outlook from the Energy Information Administration (EIA) has average prices for next year at $63.50.

Sixty-dollar-a-barrel oil is a strong price for the industry, say energy experts and insiders – still higher than 2005 prices.

"The oil industry never imagined that prices would go to $147," says Amy Myers Jaffe, an energy expert at Rice University in Houston. "Obviously, some things have changed if you are a consumer and you are going to the pump, but really, from the industry's point of view, nothing has changed."

For the majors – who have very deep pockets and long-term outlooks – this might be the case. Chevron, which posted $7.89 billion in earnings in the third quarter this year, says its capital program – money intended for finding and developing new sources of energy – will probably remain at a 2008 level of $22.9 billion next year.

"We have experienced a number of years of strong earnings and cash flow that have enabled us to invest in high-quality projects that are either now on line or will start up in the coming year," said Chevron spokesman Kurt Glaubitz in an e-mail response to questions.

Chevron, Exxon Mobil, BP, Royal Dutch Shell, and ConocoPhillips collectively earned $44.4 billion from July 1 to Sept. 30, a 58 percent jump over that period a year earlier, according to the Associated Press, mainly because of the steady climb in prices that peaked at $147 per barrel on July 11.

The rapid fall since then is largely due to grim economic forecasts and the slowdown in overall global demand. While the Organization of Petroleum Exporting Countries (OPEC) is expected to lower production levels at a meeting in Algeria on Dec. 17, the EIA says that oil prices will "primarily depend on the magnitude and duration of the economic downturn as well as OPEC and non-OPEC behavior."

The industry has certainly endured down cycles before and will again, says Sara Banaszak, an economist with the American Petroleum Institute, an industry group. But producers and drillers will back off more expensive, or marginal, operations, she says.

"When demand is high, more marginal resources will go into production." Now, Ms. Banaszak says, "higher-price areas will come out of production.... The marginal fields are the ones that respond to changes in price and demand."

Bruce Vincent, president of the Houston-based independent oil and gas company Swift Energy, takes a somewhat Darwinian view of the price plunge. It gets rid of many of the upstarts who were trying to cash in on rising prices, he says.

To be successful in this business, says Mr. Vincent, requires patience and prudence. But it also requires adjusting to markets. Swift, which is one of the top 50 energy companies in the United States, will have to reduce capital budgets and release some rigs, he says.

Drilling rig counts are already down across Texas, the largest US petroleum producer. Rigs, used to explore for oil and gas, dropped from 925 on Oct. 17 to 899 as of Nov. 14, according to Mr. Mills of the Texas Alliance of Energy Producers.

"Some drilling companies have laid down some of their rigs. Whether they'll let those crews go or not remains to be seen," Mills says.

But industry experts and insiders alike don't foresee large-scale layoffs, such as those during previous slumps.

Oil's Slide Set to Leave Dark Trail
WSJ, December 5, 2008; http://online.wsj.com/article/SB122843588512681303.html?mod=googlenews_wsj

Price Dive Threatens Renewables Push, Production Projects; a Bust in Texas

By ANN DAVIS, BEN CASSELMAN and CAROLYN CUI

Already in free fall, the price of oil could soon push much lower as the effects of a global recession take hold.

Crude fell $3.12, or 6.7%, to settle at $43.67 a barrel on the New York Mercantile Exchange on Thursday. Many oil-industry insiders and traders now say prices could slump much lower, into the $30s, before supply cuts push prices back up, perhaps much later into next year. The changes come from a combustible mix of factors -- a rise in inventories, shifts in the quality of oil used by refiners, and severely deteriorating demand.

"I don't think we're through with the drop. I don't know where it stops, but I don't think we're through," said Steve Chazen, president and chief financial officer of Los Angeles-based Occidental Petroleum Corp.

Lower oil prices are a short-term gain for consumers and businesses, from carpooling parents to households using heating oil to airlines. But a sustained decline in the price of oil also has painful downsides. Energy-driven economies -- in areas from Texas and Alaska to Venezuela and Russia -- can face huge busts, with job losses affecting employment for engineers and roughnecks on rigs as well as the accountants, hotels and restaurants that support them.

Sinking oil prices also reduce the political will to push ahead with costly renewable-energy projects, and reduce the urgency to prioritize energy-policy debates on topics ranging from auto efficiency to offshore drilling. The danger is that when demand does bounce back, prices will boomerang far higher because the supply cushion has shrunk.

The swift decline in prices -- crude hit an intraday high this summer of $147 a barrel -- is hurting industry players, who have less cash to spend on projects as lower prices hurt their revenues.

They also have less incentive to invest as their margins get crushed. Wednesday, Schlumberger Ltd., the world's largest oil-field-services firm by market capitalization, said its 2008 earnings will miss analysts' estimates as oil and gas production slows world-wide. Industry drilling-rig counts have begun falling sharply.

Research firm Sanford C. Bernstein & Co. puts the oil industry's average break-even cost zone at $35 to $40 a barrel, though the figure can vary by project and based on other factors. Thursday's closing price is well below the $70 to $75 marginal cost at which producers this year could earn an expected return of roughly 9% on new drilling projects.

North America is likely to see the sharpest retrenchment, but Schlumberger's announcement suggests international projects could follow. Projects that revived long-dormant wells in Oklahoma, used new technologies to salvage old West Texas oil fields or extracted oil from tar sands in Canada require prices above current levels, in some cases far above, unless costs also fall. Some deepwater projects in the Gulf of Mexico or the North Sea would be imperiled if prices fell below $40 for an extended period.

Occidental's Mr. Chazen says even announced production cuts may be months from taking place, adding to the glut. "Slowing it down is hard. You sign contracts, you make plans," he says. "It may take you two or three quarters. It can't be done instantly."

A further collapse in prices could be forestalled by unexpected supply disruptions. Producers are still struggling long-term to keep pace with global consumption trends. The price drop could stiffen the resolve of the Organization of Petroleum Exporting Countries to slash production when members meet Dec. 17 in Algeria. King Abdullah of Saudi Arabia, the world's largest oil exporter, recently was quoted as saying $75 a barrel is the "fair price" of oil. If anything, unpredictability is the only certainty in today's volatile oil markets.

But a growing number of industry insiders say conditions are now ripe to test the market's lows. It has historically taken OPEC many attempts to stem price declines. A sea of excess inventory is building from Cushing, Okla., to Singapore. Even in China, one of the few growing markets around the globe, stockpiles are rising.

One of the most striking short-term pulls on oil prices is a futures-market condition called contango. Simply put, oil is vastly cheaper to lay hands on now than it is for delivery months or years in advance. Thursday's settlement for January delivery, $43.67, is roughly $14 cheaper than delivery a year from now, $23 cheaper than two years from now, and a whopping $39 cheaper than delivery in 2016.

Not only does the opposite condition often occur, where spot oil is more expensive, but the contango conditions present today also feature spreads at their widest in years, Barclays Capital says. Contango incentivizes those who can afford to hold oil to hold on to it. Storage fills up, and that causes the spot price to fall because people need to unload oil.

The debt crisis is one reason for the imbalance, since inventories tie up scarce working capital. "Even people who require physical barrels are trying to take it on Jan. 2, so it won't show up on their balance sheet at the end of the year," says Mike Loya, an executive with large international oil trader Vitol Group.

Industrialized countries in the Organization for Economic Cooperation and Development saw stocks rise to 56 days of forward consumption as of the end of October, well above historic levels, according to the Energy Information Administration.

In the U.S., crude-oil stocks are above five-year averages. Traders have also found it profitable to lease tankers for floating storage, which helps inventories to build.

It isn't just financial maneuvers threatening the price of oil. The premium that the market gave light, sweet crude oil, which is well-suited for making diesel, has dwindled as diesel demand has shrunk.

Deutsche Bank AG analyst Adam Sieminski expects further weakness in the widely quoted Nymex and London light, sweet oil benchmarks "that generate pricing headlines" because substantial new refining capacity is starting up in India and China designed to make products from lower-quality crude.

For example, Reliance Industries Ltd.'s Jamnagar refinery complex in India, set to become the world's largest single-location refinery with a major new expansion, is expected to start full operations in the first quarter of 2009. On top of this are stark demand statistics. Despite a drop by more than half in the price of gasoline, consumption until last week remained listless, and only jumped slightly. In China, inventories have risen in recent months after the government increased retail prices for gasoline, diesel and jet fuel by nearly 20% in June. In India, car sales recently saw their first decline in three years, says Sanford C. Bernstein.

A popular research note brimmed with pessimism from energy executives at the end of Thanksgiving week, when Houston research firm Tudor, Pickering, Holt & Co. Securities Inc. invited clients to help write its morning missive. One unnamed exploration and production executive wrote in: "Is E&P where the banking sector was six months ago -- recognizing the fundamentals have deteriorated but not yet seeing the cliff we're headed for?"

Diversify energy resources despite low prices at pump
Atlanta Journal-Constitution, December 4, 2008;
http://www.ajc.com/services/content/opinion/stories/2008/12/04/luthied.html

By Randall Luthi

Oil prices have fallen. Pump prices are lower than they have been in years. OPEC, for the moment, has decided not to cut production. The public wants alternative and renewable energy in our future. So why should we pursue increased offshore development of oil and gas resources in the Atlantic now?

One simple reason: Our nation’s economy is energy dependent. This is one statement that most everyone can agree on. Energy powers our economy, transportation, food production, national defense, our homes and the very essence of our society. Our families and livelihoods depend on having a secure, reliable source of energy at a reasonable price.

The Energy Information Agency, predicts U.S. demand for energy will grow nearly 24 percent by 2030.

The good news is that during the same period, EIA projects domestic energy production to increase. The bad news is that it will lag behind demand. Currently, that gap is met by imports.

Without a significant increase in domestic production, imports will also have to increase to meet the projected demand in national energy consumption.

Some of the debate that took place in Congress concerning lifting the ban on offshore oil and gas development revolved around the statement that we cannot drill our way to energy security. At the same time, I argue, we cannot tax our way to energy security.

We cannot grow our way to energy security by using food as fuel. And we cannot slow walk our way to energy security through conservation alone.

We must develop as many energy sources as we can. We must do it quickly and safely. And we must do it within realistic environmental regulations. The answer includes enhanced development of traditional sources of energy.

Part of the solution is renewables. The Minerals Management Service was given the authority to manage the offshore alternative energy program including wind, wave and current energy. Even with development full speed ahead, it will take time to make a transition to these alternate sources of energy. Our energy bridge during this transition will still depend on the development of coal, oil and gas. Otherwise, we may be walking, not driving, to our future.

We have also invested too many energy eggs in the energy basket of the Gulf of Mexico. The Gulf currently produces approximately 25 percent of our oil and 15 percent of our natural gas. As we saw this year, when hurricanes roared through the Gulf, production was shut down. The Southeast, including metro Atlanta, experienced severe fuel shortages. Even today, 16 percent of our oil and 24 percent of our natural gas has not returned to full production as a result of hurricanes Ike and Gustav. We must diversify our energy production locations and drilling would help.

According to our best estimates, our domestic sources of oil and gas resources on the Outer Continental Shelf are quite substantial. I emphasize “our” because those resources belong to this nation. We estimate our offshore lands contain approximately 86 billion barrels of oil and 420 trillion cubic feet of natural gas. These are conservative figures based on 30-year-old data.

In removing the presidential withdrawal, President Bush recognized the importance of including the affected states in the process of deciding where we should develop the nation’s resources. He also recommended the sharing of the revenues with the states generated from these federal leases.

Offshore production platforms have a remarkable safety record. According to a National Academies of Science study, approximately 1,700 barrels of oil per day enters the marine environment off North America through natural seeps in the ocean floor. This is 150 times more than has been spilled from energy production activities in the federal waters of the Outer Continental Shelf. We will never eliminate entirely the risk of a spill, but we can, and we have, reduced that possibility through increased technology and safety measures. A clean environment and energy production are not mutually exclusive.

Yet we continue on a path that leads to more dependence on foreign sources of energy. We’ve been presented unique opportunities to secure our energy future. We can. We should. I believe we must.

Randall Luthi is the director of the Federal Minerals Management Service.

Agency policies hinder restoration projects
Shreveport Times, December 4, 2008; http://www.shreveporttimes.com/article/20081208/NEWS01/812080305

By Mike Hasten

BATON ROUGE — While conservationists battle to save valuable coastal marshes and barrier islands, they're running into conflicting laws and agency policies that make the job harder.

America's Energy Coast, a diverse group of interests that's part of the America's Wetland Foundation campaign, is working to secure funding for large projects to save the Gulf of Mexico coastline. Erosion is eating away valuable wetlands and endangering the infrastructure that supplies much of the nation's oil and natural gas.

But the group is finding certain federal policies delay or thwart its efforts.

America's Energy Coast member Dale Hall, director of the U.S. Fish and Wildlife Service, developed a study that points to projects in Louisiana and Texas that could work together to restore coastline but don't, simply because of policy.

"Dredge material that would be very helpful in restoring wetlands is being dumped offshore," said Val Marmillion, spokesman for the group. "In a bad economy — and even in a good one — that means delays and waste of money."

The U.S. Army Corps of Engineers is in charge of keeping shipping lanes open by dredging. The dredge spoil often contains sand and soil that could be used for wetlands restoration, but the Corps of Engineers policy is to dump it offshore.

Hall's study, done for a national policy forum America's Energy Coast held Tuesday, has found that, in some cases, applications for obtaining dredge spoil for restoration await action while the spoil is hauled away and dumped off the Outer Continental Shelf.

In Louisiana, a major project to restore the Mississippi River Delta and one to use Atchafalaya River sediment to restore marshlands are endangered because of funding and Corps of Engineers policy. The projects divert some of the rivers' flow so silt would be deposited to rebuild eroded wetlands, like it did before levees were built to control the waterways.

However, because of the reduction in flow, the main river channels began silting up faster, forcing more dredging to maintain proper depths.

"The New Orleans District of the corps is asking the sponsors of major freshwater/sediment diversion projects to pay the increased navigation channel maintenance dredging costs associated with induced shoaling," Hall said. "This issue has stopped Louisiana freshwater and sediment diversion restoration projects in the Mississippi and Atchafalaya rivers" because the local efforts don't have the money to pay the corps of Engineers demands.

States also are having problems getting funds promised in the 2005 Energy Act in the Coastal Impact Assistance Program, which authorizes funds to be distributed to Outer Continental Shelf oil- and gas-producing states to mitigate the impacts of Outer Continental Shelf activities.

However, Hall said, the process for securing the funds is so cumbersome that 2007 funds still have not been distributed by the U.S. Interior Department's Minerals Management Service.

Most of the problems result from "just the nature of water resource development," he said.

The Corps of Engineers has been in charge of water management for decades and still has the original rules in place, with its primary purpose navigation and flood control. When public interest shifted more to the environment, "instead of a retrofit, they said 'consider this, too,'" Hall said. "But the primary focus is still navigation and flood control. I don't think it was a conscious effort on the part of the corps or anyone else to make this confusing."

He also points out that, although states with offshore oil production are to receive a portion of Outer Continental Shelf leases and bonus money paid to the federal government that would help pay for coastal restoration projects, it will be years before the money is available.

U.S. Sen. Mary Landrieu, D-Louisiana, is working to speed process.

Meanwhile, "the damage to the system is continuing," said King Milling, head of the wetlands campaign. "We're about seeking solutions as quickly as we can."

Not all of the conflicts are necessarily the federal government's fault, Hall said. "The Texas Constitution actually stands in the way of some of the things we would like to do in Texas."

Williamsburg conference goes slowly on offshore drilling

The Virginian-Pilot, December 4, 2008; http://hamptonroads.com/2008/12/williamsburg-conference-goes-slowly-offshore-drilling

By Scott Harper

If anyone was worried that oil and gas drilling will occur hastily off the Virginia coast without adequate study or deliberation, they should have been at the Williamsburg Woodlands Conference Center on Wednesday.

Nearly 100 scientists and officials from across the country crowded into a meeting hall to compare notes and recommend research on the effects of allowing energy companies to again seek fossil fuels on the Outer Continental Shelf of the Atlantic Ocean after a two-decade hiatus.

They learned that government leases for exploration and drilling off the coast would be sold in 2011 at the earliest, and that it would likely take five to 10 years more to produce any oil or natural gas. That's assuming that commercially viable reserves are found and that companies are willing to spend years and invest millions to go after them.

The federal Minerals Management Service called the two-day workshop, which ends today. The service announced that three major studies will be pursued and funded with nearly $2 million in taxpayer money.

The studies, said Jim Cimato, chief of environmental science with the management service, will focus on oceanographic patterns in a proposed exploration zone at least 50 miles off the coast; marine archaeology within the same, cone-shaped area; and infrastructure needs for finding and extracting reserves and bringing them to shore.

"If we're really serious about oil and gas in the mid-Atlantic, we need to do this research," Cimato said.

Plenty is known about the area.

It is a crossroads for endangered whales, including the humpback, sperm and North Atlantic right whale, which has a dangerous habit of colliding with ships and dying.

"Don't ask me why they don't just get out of the way, but they don't," said Scott Krauss, a researcher with the New England Aquarium.

Bluefin tuna - the kind that can grow into enormous sushi-bar treasures - tend to feed on smaller fish in nearby waters. Dolphins are abundant there, and sea turtles stroll through the exploration area. Virginia's richest seafood resource, the scallop, can be found in the zone.

Larry Atkinson, an oceanographer at Old Dominion University in Norfolk, said the waters in question tend to swirl and loop on each other, out to the edges of the Gulf Stream.

Because this mixing action influences ocean trends off Maryland and North Carolina, any scientific analysis should be expanded to include potential impacts on these states, too, Atkinson said.

"This is not just a Virginia coastal issue," he said.

The workshop also featured a presentation from Kent Satterlee, an executive with Shell Exploration and Production Co., a branch of Shell Oil.

Satterlee drew gasps from the crowd when he showed a complicated flow chart describing the number of regulatory steps involved with offshore exploration and drilling.

"Simple stuff, right?" he said with a grin.

Initial exploratory work relies on air guns, which are fired underwater. The sound waves bounce off the ocean bottom, and listening devices aboard research ships can help determine where "hydrocarbon traps" might be located, Satterlee sai d.

He said drilling platforms are highly regulated, not only for air emissions but for discharges of oil, grease, drilling fluids, sanitary wastes and waste mud.

One of the biggest concerns expressed by environmentalists is the industrial development of the Virginia coast to handle raw products coming to shore from drilling platforms.

In addressing this argument, Satterlee said energy companies might instead build underwater pipelines to refineries in New Jersey, bypassing the Virginia coast altogether.

He also noted recent advancements in "floating production and storage facilities" - basically, big ships that hold raw oil or natural gas and later transport the resources directly to a refinery or offloading port nearby.

The comments and ideas generated during the Williamsburg workshop will be compiled in a public report. The Minerals Management Service will consult that report in considering requirements of companies seeking to explore offshore.

The Virginia Institute of Marine Science will help craft the report and will post it on its Web site.

Obama drops windfall tax on gas companies
Greenwire, December 3, 2008; http://www.eenews.net/Greenwire/2008/12/03/4

President-elect Barack Obama quietly abandoned a proposal to slap oil and natural gas companies with a new windfall profits tax.

The revelation came after a small-business group discovered the proposal had been dropped from the incoming administration's Web site.

"President-elect Obama announced the policy during the campaign because oil prices were above $80 per barrel," a transition aide said. "They are below that now and expected to stay below that."

The price of crude has fallen $100 per barrel since its record close of $145.29 on the New York Mercantile Exchange July 3, translating to lower prices at the pump.

On the campaign trail, Obama called for the use of the proceeds from the proposed new tax to give American consumers an "emergency energy rebate" worth up to $500 per individual or $1,000 per married couple. The transition aide said the energy rebate plan was included in a middle class "rescue plan," which called for a permanent tax cut of $500 for a worker or $1,000 for a family, which the president-elect released in mid-October.

The oil industry has been fighting a new windfall profits tax, arguing the tax enacted in 1980 forced industry players to move their operations overseas and cost the industry $38 billion in revenue and the nation as much as 1.3 billion barrels of domestically produced oil, according to the American Petroleum Institute.

Shell sets undersea record with completion of well
Houston Chronicle, December 2, 2008; http://www.chron.com/disp/story.mpl/business/energy/6143975.html

By KRISTEN HAYS

Royal Dutch Shell has set a record by completing an oil and gas well nearly two miles deep in the Gulf of Mexico, the company said Tuesday.

At least one other well has been drilled in deeper waters — Chevron's Toledo in more than 10,000 feet in 2003.

But Shell's well in 9,356 feet of water in the Silvertip field, near its Perdido development about 200 miles south of Freeport, is the deepest to be completed, meaning equipment is in place to test production flows or begin production outright.

“It’s a good milestone and quite an accomplishment,” said Matt Pickard, an analyst with Quest Offshore in Sugar Land. “This shows the industry has reached a point where we can economically and efficiently develop these far-out fields.”

35 wells in 3 fields

The Perdido development, of which Shell is the operator with partners Chevron and BP, will involve 35 wells in three oil and gas fields — Silvertip, Great White and Tobago. Shell said the project is expected to start producing at the turn of the decade with a drilling and production facility able to handle up to 130,000 barrels of oil per day.

Houston-based FMC Technologies provided the seabed production and processing equipment used to complete the well, and will continue to do so for other wells.

Those seabed systems and controls were designed to handle extreme pressures at such depths, accessible only by remote-operated vehicles.

Shell declined to disclose the cost of drilling the well, though analysts say deep water wells can cost $100 million or more each.

Beyond the record

Shell said it intends to break its own record by drilling and completing another Perdido well in 9,627 feet of water at the Tobago field.

Drilling started at Perdido last year. The platform’s spar hull was delivered to the field in August, and its multideck top with drilling and processing equipment, helicopter deck and living quarters will be installed in 2009.

The entire structure, as tall as the Eiffel Tower, also will be the deepest drilling and production facility in the world, in 8,000 feet of water.

Last year the Anadarko Petroleum-operated Independence Hub 185 miles southeast of New Orleans took the title of the deepest platform when it was installed in 8,000 feet of water, but it has only production facilities and no drilling.

Obama faces pressure on offshore drilling

Politico, December 2, 2008; http://www.politico.com/news/stories/1208/16096.html

By: Erika Lovley

If Barack Obama maintains the lift on the federal moratorium on offshore drilling, he may be able to forge early peace with the oil industry by potentially opening up more domestic production while using a series of procedural checks and balances to keep amity with the environmentalists.

The president-elect is already facing pressure from both sides on his plans for offshore drilling. And his actions could largely set the tone on this issue early in his administration, when a comprehensive energy bill is expected to be debated.

Bracing for a tough year, the American Petroleum Institute already kicked off a major public education campaign to keep up the pro-drilling momentum spurred by high energy prices over the summer, touting offshore drilling as a job-creating booster for the U.S. economy.

And as part of an environmental white paper already dispatched to Obama’s transition team, a coalition of nearly 30 green groups included reinstating the drilling ban that President George W. Bush lifted this summer.

But by reinstating the drilling ban, Obama could risk alienating the oil industry and potentially angering a large bloc of voters who supported him, since exit polls showed that a majority of Obama voters supported a compromise on offshore drilling.

Rather than issue an executive order, experts expect Obama to ask the new secretary of the interior to perform a routine environmental impact study on offshore drilling. And that would likely halt all drilling-related activity for longer than a year, while the study is being completed.

And if the study findings signal an adverse environmental impact, they could offer Obama a reason to reinstate the presidential ban, experts say.

“Obama won’t come right out and put areas off-limits. He’ll do the study first and use that to put most of those areas out of reach again,” said Dan Holler, Senate relations deputy at the Heritage Foundation. “There’s not too much for the oil companies to be optimistic about.”

Obama could also allow his fellow Democrats in Congress to reinstate the congressional ban on drilling that expired in September. But House Majority Leader Steny H. Hoyer (D-Md.) has already indicated that Congress likely will not reinstate that ban.

According to Obama’s agenda, he plans to promote responsible domestic oil production as part of a comprehensive energy plan. And he clearly supports the idea that oil companies must use the land they are given or lose it.

But the details of that plan are still being hashed out.

“We are taking Obama at his word,” said Dan Naatz, a lobbyist for the Independent Petroleum Association of America. “We hope it’s not empty political rhetoric. We fully anticipate a vigorous debate and hope it doesn’t fast-forward to just putting [areas] off-limits again.”

Energy lobbyists say they expect Democrats to also employ a roundabout approach to the congressional moratorium.

The ban has traditionally been renewed every year as part of the Interior Department appropriations bill, but experts say the issue will now be tackled much earlier, through a series of stand-alone bills or a major comprehensive energy bill that puts coastal restrictions around key drilling areas, which could be as far as 50 miles from shore.

Lobbyists expect a major bill from Senate Energy and Natural Resources Committee Chairman Jeff Bingaman (D-N.M.). And the House Committee on Natural Resources is preparing a series of hearings on drilling policy beginning in February.

“We are concerned ‘drill, baby, drill’ could make a comeback,” said Athan Manuel, director of the Sierra Club’s lands protection program. “But we’re confident those kinds of moves will show the ecological values outweigh a short-term supply of oil.”

Another key panel to watch is the House Appropriations Committee, where the battle over renewing the congressional moratorium has traditionally been fought.

But greens and petroleum interests are most intently eyeing Obama’s shortlist for secretary of the interior.

The Interior Department’s Mineral Management Service handles offshore drilling, and the new secretary will help Obama determine whether scheduled lease sales should continue under the Bush administration’s current five-year plan, including sales in the western and central parts of the Gulf of Mexico.

The new secretary — Rep. Raul M. Grijalva (D-Ariz.) is a leading candidate — will also help determine whether the new administration considers a new five-year plan the administration is drafting that includes land freed when the moratorium expired.

“We hope the president will let the new five-year plan be developed and let the regulatory agencies move it forward,” Naatz said.

But even if the results of the environmental impact study give the green light to offshore exploration, oil industry experts say they would still face myriad roadblocks.

To win a lease, an oil company must first be approved through the Interior Department. Then a series of seismic tests must be performed to locate resources. The moratorium has made seismic testing off-limits for oil companies, so there is little data suggesting how much oil is available, Naatz said.

“There could be a lot of dry holes. It’s not 100 percent,” he said. “But that’s the nature of the business. There are huge challenges and risks, and very expensive wells.”

And more often than not, leases are delayed by lawsuits filed by environmentalists.

“A lot of people think that once the moratoria are lifted, oil companies can go out and do whatever they want. That’s just not the case,” said Lisa Flavin, senior policy adviser at the American Petroleum Institute. “There are tons of permits and regulations. It’s a very lengthy process.”

Gasoline is cheap, but we're still saving it
Los Angeles Times, December 1, 2008; http://www.latimes.com/business/la-fi-gas2-2008dec02,0,5764684.story?track=rss

Habits acquired when gas was more than $4 a gallon are still with us, held fast by job insecurity and the belief that prices will rise again.

By Ronald D. White

Not since January 2005 have California drivers had it this good: The state's average retail price for gasoline tumbled 15.7 cents in the last week to puncture the $2-a-gallon barrier, the Energy Department said Monday.

But many motorists -- convinced that the economy was a mess and fuel costs could leap again with little warning -- were still clinging to behavior acquired when pump prices hit record highs during the summer.

In past years, Americans always returned to their old driving habits, even when prices settled higher than they had been before. But the last cost increase reached intolerably high levels of $4.11 a gallon nationally and nearly $4.60 a gallon in California, analysts said. That occurred as home values, retirement accounts and the stock market were crashing.

"The effects of these influences on income and wealth have overwhelmed the impact of these fuel price drops," said Energy Department economist Neil Gamson. "And gasoline demand will continue to fall. It will be lower in 2009 than it was this year."

In California, the nation's biggest fuel market, gasoline consumption was down 8.3% and diesel use was down 14.4% in August, the most recent month for which data were available, from year-earlier levels, the state Board of Equalization said Monday.

In addition to sluggish demand, falling oil prices, which are down more than 60% from the July peak above $145 a barrel, are contributing to lower gas prices.

Oil tanked Monday after a weekend in which the Organization of the Petroleum Exporting Countries looked anything but unified in deciding not to cut production, and the stock market plunged on word from the National Bureau of Economic Research that the nation was in the midst of its longest contraction in 26 years.

Light sweet crude for January delivery dropped $5.15 a barrel, or 9.5%, to close at $49.28.

The market didn't really believe that OPEC members would be able to agree on cutting more production, and the news that the nation was in a recession wasn't exactly a surprise, said John Kingston, global director of oil at Platts, which provides information on the energy and metals markets for clients in 150 countries.

"If you're looking for something bullish about oil, you'll be looking far and wide," Kingston said.

Lower gasoline prices felt relatively insignificant to many consumers, even in a week when the average price of a gallon of self-serve regular gasoline in California fell to $1.955 and the national average declined 8.1 cents to $1.811, the lowest in almost four years.

In the midst of the gloomy economic news, Rosalyn Mitchell wasn't feeling much joy. The software saleswoman was topping off her rental car at an Arco station near Los Angeles International Airport for $1.79 a gallon before returning it and flying back to Phoenix.

"It's like this momentary good feeling in the middle of a general sense that we're all doomed," she said.

Maninda Khalsa of Folsom, Calif., felt much the same way. The Khalsa household, which includes his wife, his mother and two children, wasn't planning to ease up on the new efficiency the family had achieved in running errands.

The Khalsas previously would hop into the family's 2000 Toyota Corolla to do a single errand. Now they wait until they have accumulated as many as two dozen tasks before they take a single drive to handle all of them.

"I think there is a general realization now that these low prices are not going to last," Khalsa said. "I don't see myself going back to my old habits when what we are doing now leaves money in our pockets."

In fact, there is a sense that many Americans haven't gotten over last summer's record gas prices and are feeling insecure about their financial situations.

A weekly online poll by GasBuddy.com, a website that posts gas prices spotted by a small army of members, found that about 74% of the 16,513 respondents to the current survey fear that oil prices will hit $100 a barrel again in less than two years, and 52% think it will reach that price in less than 12 months.

Another recent poll of more than 39,000 members showed that 54% were still limiting their driving and combining multiple errands into single trips. An additional 16% said they had reduced their driving speeds and weren't planning to speed up again. Only 18% said they hadn't changed their driving habits to save fuel, and 2% said they had gone back to their old ways of driving.

"Under normal market conditions, all of this effort to conserve would have been reversed, but people are not feeling secure about their jobs. They aren't feeling good about their financial situations, and they are saving all of the money they can," said James Ritterbusch, president of Ritterbusch & Associates, an oil trading advisory firm.

Ritterbusch said he had just spoken to a woman in Minneapolis who said she was riding her motor scooter to work instead of taking her car, in spite of the drop in gasoline prices.

"She just puts on a snowsuit and off she goes," he said. "If she's doing that in Minnesota in December, you know a lot of people are doing similar things in places that are a lot warmer."

Team Obama: New National Security Adviser, Jim Jones, Puts Energy First
WSJ, December 1, 2008; http://blogs.wsj.com/environmentalcapital/2008/12/01/team-obama-new-national-security-adviser-jim-jones-puts-energy-first/

U.S. presidents have been talking about energy security and searching for an energy policy since Nixon was popular. By tapping General James Jones as his national security adviser, President-elect Barack Obama is indicating that the great energy debate will take place at the epicenter of U.S. national security—and that the outcome of that debate will look more like "all of the above" and less like a "green revolution."

For Gen. Jones, formerly the Marine commandant and Supreme Allied Commander in Europe, "energy is a national security issue, and it is an international security issue of the highest order." Gen. Jones is the president and chief executive of the Institute for 21st Century Energy, an affiliate of the U.S. Chamber of Commerce. In November, the Institute offered Mr. Obama a roadmap for bolstering U.S. energy security as a key component of increasing its national security. (Our colleagues at Washington Wire have more on the national security team announcement.)

The Institute's business-friendly approach advocates more of everything—more domestic oil and gas, more nuclear power, more coal, more renewable energy, and above all, for the federal government to cut through regulatory thickets that have hamstrung U.S. energy modernization in recent years. The key message from the Institute's transition plan is that U.S. economic and security interests have suffered due to the lack of a comprehensive national energy plan that addresses how we can get more energy and how we can use less.

The only thing Gen. James doesn't countenance is more of the same: "We are in a race against the clock and complacency is our greatest enemy. If we do not take this challenge seriously, America's economic prosperity, national security, and global standing will be at risk. The status quo is not only an option, it is a recipe for failure."

One of the Institute’s other recommendations for the next president? The creation of an energy-policy chieftain who will sit on both the National Security Council and the National Economic Council to make sure that energy is the common thread uniting disparate government policy.

Federal agency completing key study on Cape Wind project
Cape Cod Times, December 1, 2008;
http://www.capecodonline.com/apps/pbcs.dll/article?AID=/20081130/NEWS/811300331

By Patrick Cassidy

The federal government plans to release its final environmental report on the proposed Nantucket Sound wind farm in the next 30 days, marking the most significant progress in the seven-year history of the controversial project.

The U.S. Minerals Management Service report is unlikely to end the sometimes bitter argument over whether the Sound is an appropriate location for the 130 wind turbines that Cape Wind Associates wants to build. But it will indicate where the federal government stands on the project. And within 30 days of the report's release, MMS is expected to issue a "record of decision" that will guide other agencies in their review of the project.

Critics of the process say the MMS decision is being rushed before the change in presidential administrations and accompanying changes in personnel at federal agencies. They argue that a host of outstanding issues remain, including unfinished studies by the U.S. Coast Guard and the Federal Aviation Administration.

Just this week, representatives of the Wampanoag Tribe of Gay Head (Aquinnah) and Mashpee Wampanoag Tribe said that their concerns about the impact of the wind turbines on Native American tribal sites have been dismissed prematurely by federal officials.

Cape Wind proponents contend delays have gone on long enough and that opponents are engaging in frivolous attempts to derail the project.

There is already a big hint on how the final report may read. A draft version of the document — largely favorable to Cape Wind — was released in January. Since then, government agencies have been going through piles of public and official comments, and addressing concerns about the draft report.

At least 19 cooperating agencies are supposed to be working closely with MMS during its review. Spokesmen for two of those agencies, the Coast Guard and the FAA, confirmed this week that, as critics contend, studies on the project's effects on aviation and navigation are not yet complete.

A $100,000 Coast Guard study is expected to be complete by early December, according to Raymond Perry, Coast Guard captain of the port for Sector Southeastern New England.

In a letter to participants of a Coast Guard workshop in October on the effects of wind turbines on marine radar, Perry warned that there would be little time for him to review the Coast Guard study before passing it on to MMS prior to the release of the environmental report. "Due to the timeline agreed to by the interagency group working in support of MMS, I want to inform you that once a draft of the federally funded analysis is ready, we may have only a few days to review it and provide comment," Perry wrote.

A follow-up Coast Guard workshop on radar interference from wind turbines will not take place, according to Perry.

The MMS was not required to wait for the Coast Guard study to issue its report, said Senior Chief Richard Uronis, a spokesman for Perry.

The FAA has not completed a study begun in the spring after the Cape Wind project received a "presumed hazard" designation, FAA spokesman Jim Peters said this week. The designation is automatic for any project that exceeds "obstruction standards," the FAA has said previously.

There is no schedule for when the FAA study will be complete but the MMS will be informed of the results when it is done, Peters said.

MMS has a regularly scheduled meeting next week with Coast Guard officials to get an update on the agency's progress, MMS spokesman Nicholas Pardi said.

Otherwise, Pardi said, the agencies continue to work together closely. He could not say what would happen if the two studies were not complete before the MMS released its final report.

"That's a decision that the director is going to have to make," Pardi said referring to the service's chief, Randall B. Luthi.

Native American tribes on the Cape and Martha's Vineyard believe their concerns over the impact of the turbines on tribal sites and culture have been largely ignored.

"In my opinion this project is premature," Cheryl Andrews-Maltais, chairwoman of the Wampanoag Tribe of Gay Head (Aquinnah) wrote in an e-mail to the Times Wednesday.

Andrews-Maltais cited a lack of "meaningful consultation" with the tribe and the potential that the wind turbines could destroy submerged archeological sites.

The MMS has dismissed the tribe's concerns and has not consulted with the tribe as is required under Section 106 of the National Historic Preservation Act, she wrote. The law requires that federal agencies consider the effects of any actions on historic properties and allow the federal Advisory Council on Historic Preservation an opportunity to comment on any proposed actions.

"There's a great possibility that it is being built on burial sites," said Gayle Andrews, spokeswoman for the Mashpee Wampanoag Tribal Council, adding the Cape tribe remains "staunchly opposed" because of the project's proposed location.

A spokesman for the Massachusetts Historical Commission said the state agency would comment on the final MMS environmental report once it is available.

Cape Wind's most vocal opponents continue to protest any advance in the permitting process.

"MMS is taking shortcuts in trying to expedite their review and approve the project before the end of the Bush administration," said Audra Parker, spokeswoman for the anti-Cape Wind group, the Alliance to Protect Nantucket Sound. "They are short cutting decision making procedures and bending the rules and potentially risking public safety and risking lives."

Cape Wind spokesman Mark Rodgers disagreed.

"The regulators who have been working on this project for seven years have the information and have performed the analysis to this point to be able to conclude their work," Rodgers said.

There has been plenty of time for cooperating agencies and the public to comment on the project, said Barbara Hill, executive director of Clean Power Now, an organization that supports Cape Wind. "I can't imagine saying with a straight face that any of this has been rushed," Hill said.

The FAA's hazard determination was due to a change in the project and is standard procedure for the agency, Hill said. "It isn't about the project, it's just about the process of the FAA," she said.

The Coast Guard may change its terms and conditions for the project throughout the permitting process, Hill said.

Even completed studies from cooperating agencies in the review of Cape Wind continue to come under fire from opponents.

On Wednesday, the U.S. Fish and Wildlife Service issued an opinion that Cape Wind would not "jeopardize the continued existence" of piping plovers and roseate terns protected under the federal Endangered Species Act.

The 97-page "biological opinion" estimates that 10 piping plovers and between 80 to 100 roseate terns would be killed by the turbines over the 20-year projected life of the Cape Wind project. That level of risk is not enough to endanger the existence of the two species, the Fish and Wildlife Service found.

The Fish and Wildlife Service opinion also states that a restoration project on Bird Island in Buzzards Bay, which will be partially funded with $780,000 from Cape Wind lease agreements, is expected to mitigate avian mortality from the turbines.

Barbara Durkin, a fierce critic of Cape Wind from Northboro, wrote in an e-mail to the Times yesterday that the Fish and Wildlife Service opinion is proof that the project would harm endangered species and that the review process is "deeply flawed."

The finding extends "impunity" to project proponents and implies they can break federal endangered species law as long as it is cost effective for Cape Wind, she wrote.

"The avian studies have been completed and to our knowledge there have been more avian studies on Cape Wind than any other wind farm on the planet prior to construction," Rodgers countered.

Cape Wind timeline:

2001: Jim Gordon, president of Energy Management, Inc., and Cape Wind Associates, LLC, proposes to build 170 wind turbines in Nantucket Sound

2002: U.S. Army Corps of Engineers launches review of Cape Wind

Jan. 2003: Number of wind turbines cut back to 130

May 2003: Cape Wind meteorological data tower becomes operational

2005: Lead federal review of project passed to Department of Interior and U.S. Minerals Management Service

March 30, 2007: Massachusetts Secretary of Executive Office of Energy and Environmental Affairs, Ian Bowles, signs off on Cape Wind, clearing the way for the company to seek state and local permits for the project

Oct. 18 2007: Cape Cod Commission denies application by Cape Wind to install transmission cables

Jan. 18, 2008: Minerals Management Service releases draft environmental impact statement largely favorable toward Cape Wind

Spring 2008: The Federal Aviation Administration begins a study on the effect of proposed wind farm on aviation between Cape Cod and the islands

March 2008: Public comments on draft report - Minerals Management Service receives more than 40,000 comments

Sept. 9, 2008: Reports issued on investigation by Inspector General of Department of Interior that found gifts, drug use and sex between Minerals Management Service employees and employees of oil companies

Oct. 2008: U.S. Coast Guard announces $100,000 study of the effect of proposed wind farm on marine radar

December 2008: Minerals Management Service scheduled to release final environmental impact statement on Cape Wind that will guide other agencies in permitting the project

2009: Massachusetts Energy Facility Siting Board expected to announce decision on whether to override Cape Cod Commission denial of transmission cables - the siting board will also decide whether to issue composite certificate for the project that would encompass eight local and state permits Cape Wind would otherwise need to secure