

**DEEPWATER HORIZON
OIL SPILL FUNDS
AND
IMPLEMENTATION of FEDERAL
RESTORE ACT**

**COMMISSIONER TOBY BAKER
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FUNDING SOURCES

As the result of the 2010 Deepwater Horizon Oil Spill (DWH), Texas has access to three funding sources:

- Gulf Environmental Benefit Fund, referred to as NFWF;
- Natural Resource Damage Assessment (NRDA); and
- Resources & Ecosystems Sustainability, Tourist Opportunities & Revived Economies of the Gulf Coast States Act of 2012 (RESTORE).

PROPOSED SETTLEMENT WITH BP

BP Total Payment \$5.5 billion (from 2017 thru 2031):

- \$4.4 billion to RESTORE Trust Fund; and
- \$1.1 billion to Federal Oil Spill Liability Trust Fund.

Of the \$4.4 billion:

- Bucket 1: \$308 million to Texas;
- Bucket 2; \$1.32 billion to the Council;
- Bucket 3: \$100.5million to Texas; and
- Bucket 5: \$22 million to Texas.

PROPOSED SETTLEMENT WITH BP

- ▶ \$238 million for NRDA Projects in Texas.
- ▶ \$150 million for economic damages to be deposited in General Revenue for Texas.
- ▶ Consent Decree was published for public comment through December 2015.
- ▶ The federal judge will issue final approval, likely in early Spring.

NATIONAL FISH & WILDLIFE FOUNDATION (NFWF)

- U.S. Department of Justice entered into criminal plea agreements with BP and Transocean. Over the next six years NFWF will receive:
 - \$2.394 billion from BP
 - \$150 million from Transocean
- NFWF is responsible for allocating and distributing these funds
- NFWF selects Texas projects in consultation with TPWD, GLO and TCEQ

NATIONAL FISH & WILDLIFE FOUNDATION (NFWF)

- From 2013 thru 2018 Texas is expected to receive approximately \$203 million for NFWF selected projects.
- At the end of 2015 NFWF has awarded funding for Texas projects **totaling \$70.6 million.**

NATURAL RESOURCE DAMAGE ASSESSMENT (NRDA)

Emergency and Early Restoration

- BP agreed to provide up to \$1 billion to support early restoration projects across the Gulf Coast states.
- For Phase III Texas was awarded **\$18.6 million** in Early Restoration projects.
- For Phase IV Texas was awarded approximately **\$31.75 million**.

NATURAL RESOURCE DAMAGE ASSESSMENT (NRDA)

- As part of the \$238 million included in the Consent Decree, State and Federal Trustees for NRDA-DWH will develop a plan to distribute those funds
 - Texas Trustees: TPWD, GLO and TCEQ
 - Federal Trustees: NOAA, DOI, EPA and USDA
- NRDA process continues until all activities supported by these funds are completed.

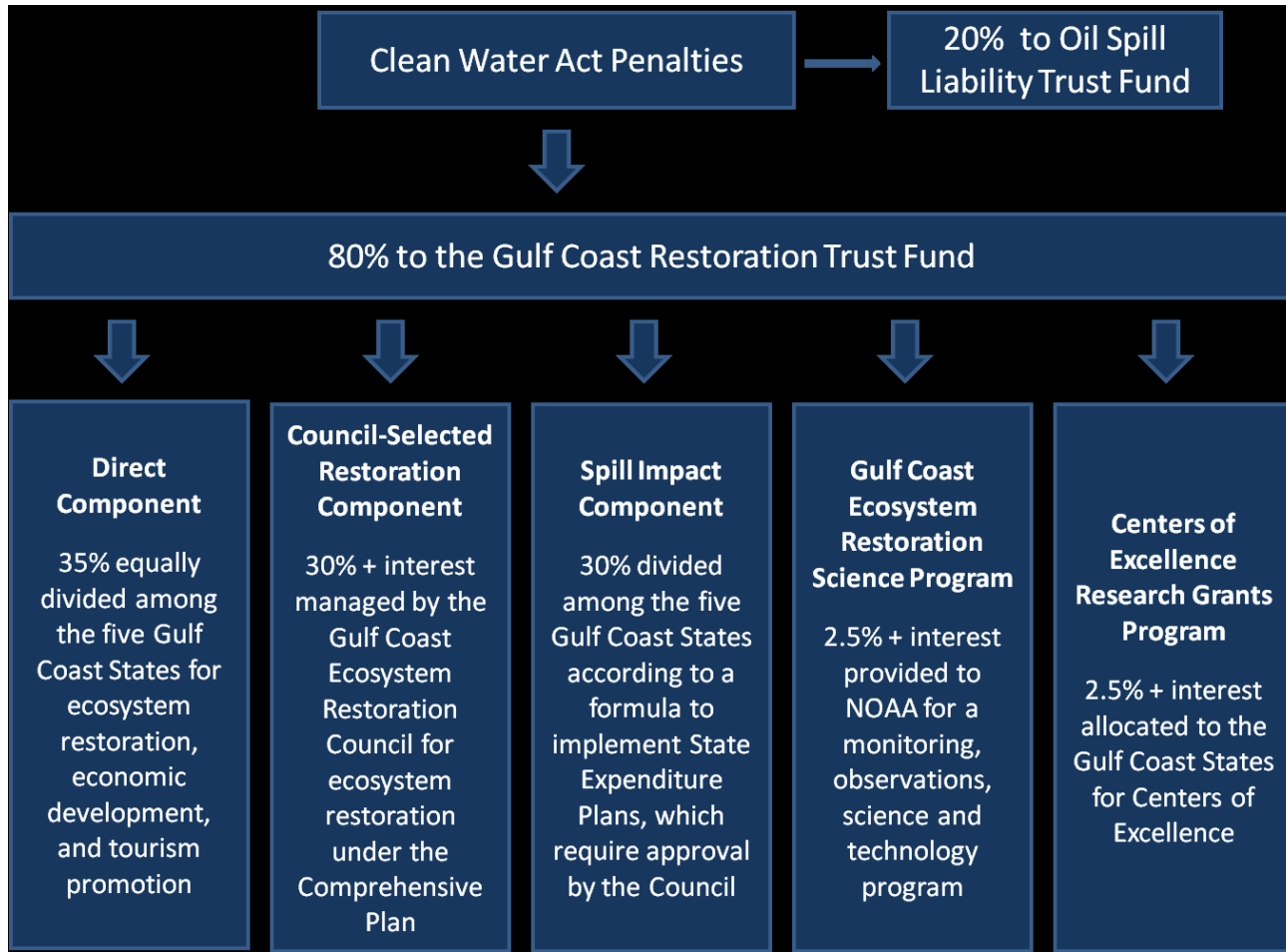
FEDERAL RESTORE ACT

- Enacted by Congress in 2012, established the Gulf Coast Restoration Trust Fund (Fund).
- Dedicates 80% of DWH civil and administrative penalties assessed under the Clean Water Act to the Fund.
- Fund Purpose: ecosystem restoration, economic recovery, and tourism promotion in Gulf Coast region.
- **\$800 million is currently in the Fund** from settlement with one Responsible Party, TransOcean.

GULF COAST ECOSYSTEM RESTORATION COUNCIL

- The RESTORE Act established the Gulf Coast Ecosystem Restoration Council.
- Council Membership:
 - Governors of Texas, Louisiana, Mississippi, Alabama, and Florida, or their designee;
 - The Texas Governor designated me to represent Texas on the Council; &
 - Secretaries of the U.S. Departments of Commerce, Agriculture, Army, Homeland Security & Interior, as well as the U.S. EPA Administrator.

RESTORE TRUST FUND



DIRECT COMPONENT

BUCKET 1

- 35% in equal shares to each of the five Gulf Coast states.
- Conditions:
 - Each state submits to U.S. Treasury a Multiyear Implementation Plan prior to receiving monies;
 - Allows most discretion to support projects addressing ecosystem restoration and economic development along the Texas Gulf Coast.

DIRECT COMPONENT

BUCKET 1

- ▶ As part of the competitive process to select projects, a Request for Grants (RFGA) was published on January 15th to accept applications until April 15th.
- ▶ Projects, which must be submitted to the Texas RESTORE web site, will be reviewed and scored, based on the Priorities Document.
- ▶ Selected projects will be posted for public comment and project list will be finalized.
- ▶ The Multi-Year Implementation Plan (MIP), with the finalized list of projects, will then be submitted to the U.S. Treasury.

APPLICATION WORKSHOP

- ▶ Following my presentation, TCEQ staff will conduct a workshop on how to complete the application for the Bucket 1 RFGA.
- ▶ The workshop will:
 - Provide specific details of all requirements; and
 - Review step by step instructions on each of the three sections of the application.
- ▶ Since this is a competitive process staff is not allowed to help individuals with their specific applications.

COUNCIL SELECTED BUCKET 2

- RESTORE Council is provided 30% of total monies in the Fund to implement its Comprehensive Plan.
- Money can be used for ecosystem restoration and protection in the Gulf Coast region.
- Council Members, state and federal, submit projects to the full Council for consideration.

COUNCIL SELECTED BUCKET 2

- ▶ In the fall of 2014 all Council members were allowed to submit five projects for consideration.
- ▶ In December 2015 the Council approved four projects submitted by Texas for a total of \$18.48 million.
- ▶ In addition, federal agency members of the Council were awarded Bucket 2 funds in December for two projects in Texas that total \$7.8 million.

BUCKET 2 PROJECTS

- ▶ The four projects to be managed by TCEQ:
 - Bahia Grande Coastal Corridor
 - Beneficial Use/Marsh Restoration activities in Orange, Jefferson & Galveston Counties
 - Matagorda Bay System Landscape Conservation
 - Bayou Greenways

- ▶ The federal projects in Texas:
 - Bahia Grande Wetland System Restoration
 - Plugging of Abandoned Oil Wells

SPILL IMPACT BUCKET 3

- 30% of Fund will be divided among Gulf Coast states based on a funding allocation formula.
- Similar to Bucket 1, ecological and economic projects for restoration of the Texas Gulf Coast are eligible to receive funds.
- To secure money all states will be required to submit a State Expenditure Plan (SEP) for Council approval.

BUCKET 3

SPILL IMPACT

- ▶ In December 2015 the RESTORE Council adopted the formula to allocate these funds to the Gulf states.
- ▶ The final allocation of funds under Bucket 3 for Texas will be based on the approval of the consent decree by the Federal Judge.
- ▶ An RFGA for projects under Bucket 3 may be published in late summer or early fall of this year.
- ▶ The submission, review, and selection process will be similar to Bucket 1: RFGA posting; competitive process to select projects; publication for public comment.

SPILL IMPACT BUCKET 3

- ▶ A state expenditure plan (SEP), with selected projects, will be submitted to the RESTORE Council for approval.
- ▶ Upon Council approval applications will be submitted by TCEQ to the Council.
- ▶ Council issues grant awards.
- ▶ TCEQ drafts Grant Agreement/Contracts for awarded projects.

CENTERS OF EXCELLENCE

BUCKET 5

- Texas was the first state in the country to be awarded funds: \$4 million from Treasury. We are also the first state to receive money from the RESTORE Trust Fund.
- Through a competitive process, Texas selected two “Centers of Excellence.”
 - Texas A&M/Corpus Christi
Texas OneGulf; and
 - University of Houston
Subsea Institute.

RESTORETHETEXASCOAST.ORG

- ▶ The web site, restorethetexascoast.org, provides information on issues and activities associated with the RESTORE Act and the Deepwater Horizon Oil Spill.
- ▶ All project applications must be submitted through this web site.
- ▶ You can request additional information through the “contact us” button on the web site.

RESTORE-RELATED ITEMS POSTED ON THE WEB SITE

- ▶ **FRAMEWORK DOCUMENT:** Describes importance of a healthy coastal community on the State's environment and economy and facilitates discussion of the implementation of the RESTORE Act.
- ▶ **Priorities Document** which is the basis of the scoring criteria for selecting projects to receive RESTORE grants funds.
- ▶ The current RFGA for Bucket 1.
- ▶ A video offering a step by step explanation on completing the application.
- ▶ Information on additional workshops to be held through early March.

REMINDERS

- Sign up on List Serve through the TCEQ home page to receive notification of updates on the web site.
-- restorethetexascoast.org
- Visit the restore web site periodically for information on all activities related to DWH activities, including funding availabilities.