

FACT SHEET

# THE 2024–2029 OFFSHORE OIL AND GAS LEASING PLAN: IMPLICATIONS FOR CLIMATE CHANGE, THE OCEAN, ENVIRONMENTAL JUSTICE, AND U.S. ENERGY SUPPLIES

On December 14, 2023, the Department of the Interior and Bureau of Ocean Energy Management (BOEM) finalized their new five-year program (5YP), which lays out which areas of the ocean they propose to lease to oil and gas companies in the next five years for future drilling.<sup>1</sup> The new 5YP proposes three lease sales, all in the Gulf of Mexico, with one each in 2025, 2027, and 2029. This is the fewest number of sales ever proposed in a 5YP. The oil and gas industry will argue that this 5YP doesn't go far enough—that we must vastly increase offshore drilling to meet U.S. energy needs and safeguard national energy security.

In reality, the opposite is true. New offshore oil and gas leasing is unnecessary to meet our energy needs, and it's incompatible with tackling the climate crisis, advancing environmental justice, and protecting our ocean.

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## THE UNITED STATES DOESN'T NEED NEW OFFSHORE OIL AND GAS LEASING TO MEET OUR ENERGY NEEDS.

Thanks to the Inflation Reduction Act (IRA) and other policies advancing the U.S. transition to renewable energy, we can meet national energy needs without additional offshore oil and gas leasing.

- **Oil and gas companies already hold far more leases than they use.** Right now, the industry holds leases to drill in roughly 12.1 million acres of federal waters.<sup>2</sup> But these companies aren't even using 75 percent of the acres they have, even as they clamor for more leases.
- **Issuing no new offshore leases would have minimal effects on U.S. oil production and prices in the five to ten year time frame,** according to expert modeling.<sup>3</sup> This is because any new leases issued during the new 5YP would not begin producing oil and gas for approximately five to ten years—or longer, in deep waters—according to BOEM.<sup>4</sup> This means that any new leasing won't result in more oil and gas for a long time. It will, however, lock us into future carbon emissions, undermining our ability to address the climate crisis as it steadily worsens.
- **U.S. oil and gas prices won't go up in the longer term if we end new leasing now.**<sup>5</sup> Experts project that new federal and state transportation policies—like those from the IRA—will significantly reduce demand for oil and petroleum products over this next five to ten year period. This means that, even beyond the next ten years, falling demand would offset any decreases in oil and gas production caused by no new offshore leasing.
- Some claim that if we stop new leasing, the United States will become more reliant on foreign oil. But **the United States is already a net exporter of petroleum products** and will remain one at least through 2050, according to U.S. Energy Information Administration projections.<sup>6</sup> This means much of the oil produced from any new offshore leasing will ultimately be exported rather than used to meet our shrinking fossil fuel energy needs.

## NEW LEASING POSES UNACCEPTABLE RISKS TO OUR CLIMATE, THE OCEAN, AND GULF COMMUNITIES.

Our ocean belongs to everyone. Oil and gas companies are making record profits at the expense of our climate, ocean ecosystems, and coastal communities.

- New fossil fuel leasing is **incompatible with avoiding catastrophic global temperature increases.**<sup>7</sup>
- **The pollution from oil and gas refineries in Gulf states has devastating impacts on frontline communities,** including increased cancer risk, high incidence of cardiovascular and respiratory conditions, and rampant air pollution and groundwater contamination.<sup>8</sup>
- **Every oil spill begins with a lease sale.** The 2010 BP *Deepwater Horizon* disaster killed 11 workers and spilled 134 million gallons of oil into the ocean, which contaminated thousands of miles of ocean and coast, killed countless wildlife, and had devastating economic and health impacts on local communities.<sup>9</sup> As recently as November 2023, a million-gallon spill happened in waters off the coast of Louisiana.<sup>10</sup>
- **Oil and gas activities threaten the continued existence of the critically endangered Rice's whale,** which lives exclusively in the Gulf.<sup>11</sup> The species lost nearly 20 percent of its population during the *Deepwater Horizon* disaster.<sup>12</sup>



## THE ENDANGERED RICE'S WHALE IS UNDER ATTACK FROM THE FOSSIL FUEL INDUSTRY

In 2021, scientists confirmed—as they had long suspected—that the Gulf of Mexico’s resident great whale is a unique species, more than one million years old.<sup>13</sup> Yet almost as soon as we discovered this new species of American wildlife, the whale came under attack from the fossil fuel industry. Big Oil’s allies in Congress have repeatedly undermined efforts to establish minimal protections for the whale from the oil and gas activities that threaten its continued survival, even though there are fewer than 100 Rice’s whales left today.<sup>14</sup> The fossil fuel industry sees this incredible animal as a hindrance to further oil and gas development, as well as a pretext for rolling back our bedrock environmental laws.



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## WE CAN ADVANCE OFFSHORE WIND DEVELOPMENT WITH MINIMAL OIL AND GAS LEASE SALES.

While the IRA provided historic funding levels for renewable energy, it also created a barrier to ending offshore oil and gas leasing by linking certain forms of renewable energy to fossil fuels. Under the IRA, BOEM may only issue offshore wind leases if the agency has held a sale offering at least 60 million acres for oil and gas leasing in the previous year.

Congress must act to repeal the IRA linkage provision by, for example, passing the Nonrestrictive Offshore Wind (NOW) Act. But even absent a repeal, offshore wind development can advance with minimal oil and gas lease sales.

Because BOEM held an oil and gas lease sale in December 2023, the agency is able to issue wind leases for nearly all of 2024 under the IRA’s provision. The good news is that BOEM can likely complete all offshore wind lease sales currently on the books during 2024. After that, it will take several years for any new wind leasing proposals to reach the lease issuance stage. For any such wind leases, only one or, at most, two more oil and gas lease sales will be necessary in the next five years, particularly if the agency appropriately clusters wind lease issuance. BOEM has full discretion to modify the oil and gas lease sale schedule in this way—that is, cancel or delay any of the lease sales proposed in the 5YP.

Even with the IRA’s linkage provision, BOEM retains the authority to minimize the scope and impacts of offshore leasing. BOEM can protect the environment by excluding important areas from leasing, like the Rice’s whale’s habitat. The agency can also enhance protections for workers and prevent oil companies with safety and environmental violations from participating in lease sales. And BOEM can ensure that oil and gas companies pay for cleanup, so that taxpayers are not left footing the bill for abandoned infrastructure and oil spills.

## THE FACTS: GULF OIL AND GAS ARE NOT “LOW-CARBON INTENSITY” ENERGY SOURCES

The oil and gas industry promotes Gulf fossil fuel production as “low-carbon intensity,” because, according to some studies, it emits less greenhouse gas (GHG) per unit of energy produced compared with onshore or international fossil fuel production. This messaging purposefully obscures the truth: more oil and gas production means more carbon emissions, period. Fossil fuels—no matter where they come from—are high-carbon energy sources that pollute our climate.

The facts show how misleading this label is:

- Industry touts the “low-carbon intensity” of Gulf production, but the vast majority of GHG emissions come from combusting, not producing, fossil fuels. In fact, GHG emissions from oil and gas production make up under 2 percent of the greenhouse gases emitted over the course of producing, refining, and using Gulf fossil fuels.<sup>15</sup> Ultimately, burning a gallon of gasoline from the Gulf is no different than burning a gallon of gasoline produced elsewhere.
- The carbon intensity of Gulf oil is 2.5 times higher than previously reported.<sup>16</sup> Methane is a potent climate pollutant, with over 80 times the warming power of CO<sub>2</sub> over its first 20 years in the atmosphere.<sup>17</sup> Recent research shows that methane emissions from Gulf oil and gas production have been underestimated and are higher than previously reported by BOEM.

With only three scheduled lease sales, BOEM’s current 5YP is not a victory for oil and gas, but it’s not a resounding victory for Gulf communities or our planet either. Putting aside the IRA linkage to offshore wind, the United States does not need more offshore oil and gas leasing to meet energy needs. Any fossil fuel production is dangerous for our rapidly changing climate.

## ENDNOTES

- 1 BOEM, *2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program*, September 2023, [https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/2024-2029\\_NationalOCSProgram\\_PFP\\_Sept\\_2023.pdf](https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/2024-2029_NationalOCSProgram_PFP_Sept_2023.pdf).
- 2 BOEM, “Combined Leasing Report,” January 1, 2024, <https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/Lease%20stats%201-1-24.pdf>.
- 3 OnLocation, “NRDC23-NEMS Analysis of a Moratorium on New Offshore Leasing in the Gulf of Mexico,” August 15, 2023, <https://www.nrdc.org/sites/default/files/2023-09/nrdc23-offshore-scenarios-results-presentation-20230815.pdf>.
- 4 BOEM, *2024–2029 National Outer Continental Shelf Oil and Gas Leasing Proposed Final Program*.
- 5 OnLocation, “NRDC23-NEMS” Analysis of a Moratorium on New Offshore Leasing in the Gulf of Mexico.”
- 6 U.S. Energy Information Administration, “Annual Energy Outlook 2023,” March 16, 2023, [https://www.eia.gov/outlooks/aeo/pdf/AEO2023\\_Release\\_Presentation.pdf](https://www.eia.gov/outlooks/aeo/pdf/AEO2023_Release_Presentation.pdf).
- 7 United Nations Environment Programme, *Emissions Gap Report 2023: Broken Record*, 2023, <https://www.unep.org/emissions-gap-report-2023>.
- 8 Jonathan J. Buonocore et al., “Air Pollution and Health Impacts of Oil & Gas Production in the United States,” *Environmental Research Health* 1, no. 2 (May 8, 2023): 021006, <https://doi.org/10.1088/2752-5309/acc886>; Environmental Integrity Project, *Oil’s Unchecked Outfalls*, January 26, 2023, <https://environmentalintegrity.org/wp-content/uploads/2023/01/Refinery-water-pollution-report-EMBARGOED-until-1.26.23.pdf>; Kimberly A. Terrell and Gianna St. Julien, “Air Pollution Is Linked to Higher Cancer Rates Among Black or Impoverished Communities in Louisiana,” *Environmental Research Letters* 17, no. 1 (January 13, 2022), <https://iopscience.iop.org/article/10.1088/1748-9326/ac4360>.
- 9 National Commission on the BP Deepwater Horizon Oil Spill and Offshore Drilling, *Deep Water: The Gulf Oil Disaster and the Future of Offshore Drilling*, report to the president, January 2011, <https://www.govinfo.gov/content/pkg/GPO-OILCOMMISSION/pdf/GPO-OILCOMMISSION.pdf>.
- 10 Darryl Fears, “Oil Spill Tops 1 Million Gallons, Threatens Gulf of Mexico Wildlife,” *Washington Post*, November 21, 2023, <https://www.washingtonpost.com/climate-environment/2023/11/21/oil-spill-gulf-mexico-louisiana/>.
- 11 NOAA Fisheries, “Rice’s Whale,” accessed January 11, 2024, <https://www.fisheries.noaa.gov/species/rices-whale>.
- 12 Deepwater Horizon Natural Resource Damage Assessment Trustees, “Chapter 4: Injury to Natural Resources,” in *Deepwater Horizon Oil Spill: Final Programmatic Damage Assessment and Restoration Plan and Final Programmatic Environmental Impact Statement*, February 2016, 4–632, <https://www.gulfspillrestoration.noaa.gov/restoration-planning/gulf-plan>. Table 4.9-12 reports that 17 percent of the Bryde’s whale population was killed. Rice’s whales are referred to as “Bryde’s whales” in the report, because they were previously thought to be a group of Bryde’s whales. See NOAA Fisheries, “Rice’s Whale.”
- 13 Patricia E. Rosel et al., “A New Species of Baleen Whale (*Balaenoptera*) From the Gulf of Mexico, With a Review of Its Geographic Distribution,” *Marine Mammal Science* 37, no. 2 (February 11, 2021), <https://onlinelibrary.wiley.com/doi/abs/10.1111/mms.12776>.
- 14 NOAA Fisheries, “Rice’s Whale.”
- 15 BOEM, *Economic Analysis Methodology for the 2024–2029 National Outer Continental Shelf Oil and Gas Leasing Program*, September 2023, [https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/Final\\_Economic\\_Analysis\\_Methodology\\_2024-2029Program\\_Sept2023.pdf](https://www.boem.gov/sites/default/files/documents/oil-gas-energy/leasing/Final_Economic_Analysis_Methodology_2024-2029Program_Sept2023.pdf). BOEM reports estimated upstream GHG emissions for lease sales held under the 2024–2029 five-year program in Table 2-5 (p. 2-8) and estimated life cycle GHG emissions for lease sales held under the 2024–2029 5YP in Table 2-7 (p. 2-10). Authors calculated upstream GHG emissions as a percent of life cycle emissions and found that upstream emissions were less than 2 percent of life cycle emissions for the GOM (“5 sale” scenario) program area for all three activity levels (range = 0.99% to 1.14%).
- 16 Alan M. Gorchov Negron et al., “Excess Methane Emissions From Shallow Water Platforms Elevate the Carbon Intensity of US Gulf of Mexico Oil and Gas Production,” *Proceedings of the National Academy of Sciences* 120, no. 15 (April 11, 2023): e2215275120, <https://doi.org/10.1073/pnas.2215275120>.
- 17 International Energy Agency, “Methane and Climate Change,” *Methane Tracker 2021*, January 2021, <https://www.iea.org/reports/methane-tracker-2021/methane-and-climate-change>.