



US DEPARTMENT OF THE INTERIOR – INDIAN AFFAIRS
OFFICE OF INDIAN ENERGY AND ECONOMIC DEVELOPMENT
DIVISION OF ENERGY AND MINERAL DEVELOPMENT

Division of Energy and Mineral Development

Program Overview

August 19, 2014



303-969-5270 | 13922 Denver West Parkway – Lakewood, CO - 80401



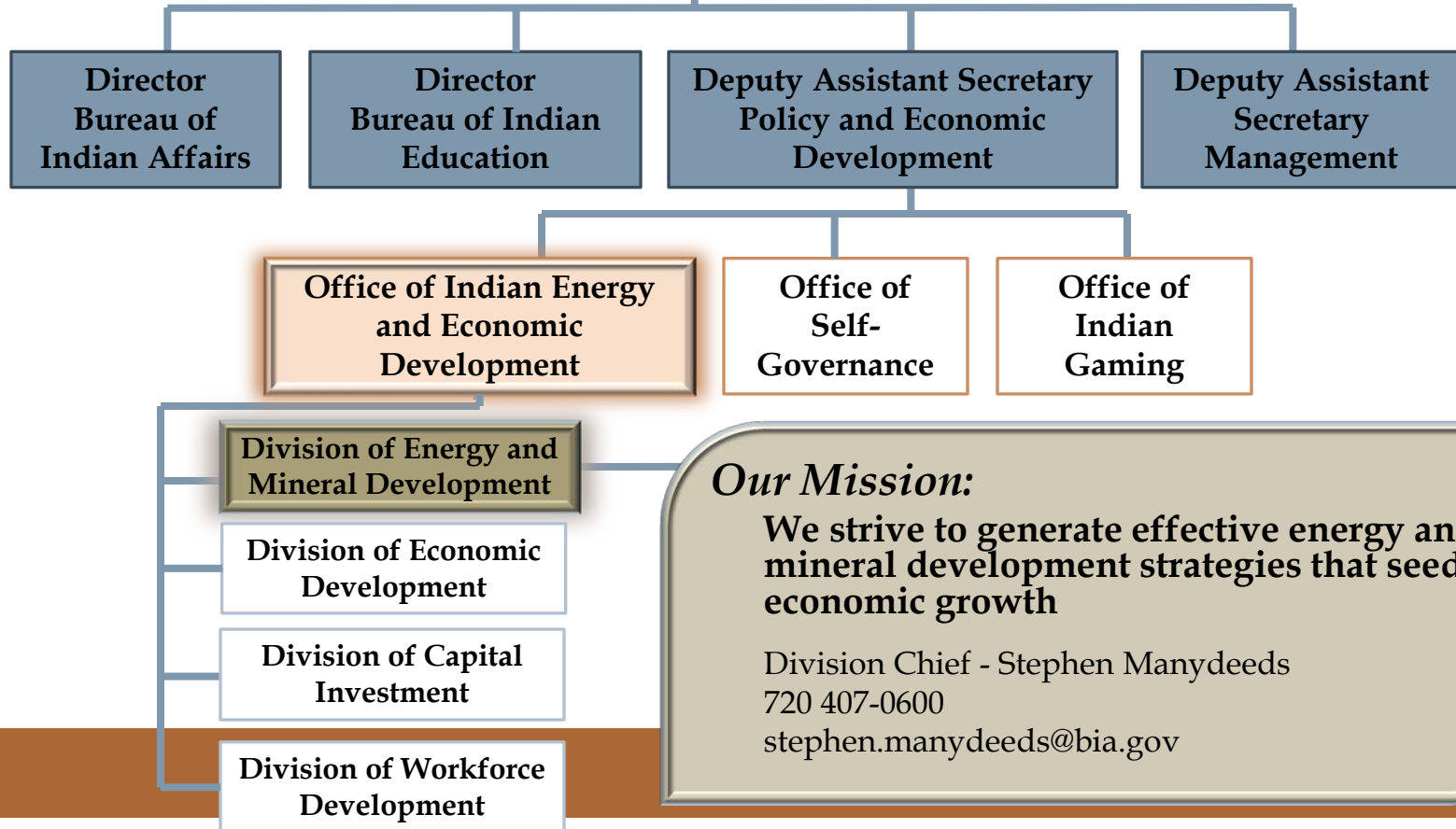
WHO WE ARE



Assistant Secretary - Indian Affairs

(Kevin K. Washburn)

Principal Deputy - Assistant Secretary



Our Mission:

We strive to generate effective energy and mineral development strategies that seed economic growth

Division Chief - Stephen Manydeeds
720 407-0600
stephen.manydeeds@bia.gov

DIVISION OF CAPITAL INVESTMENT (DCI)

INDIAN LOAN GUARANTEE PROGRAM

- Up to 90% Government backed loan guarantee for economic development projects
 - Federally recognized
 - 51% Indian owned
 - Contribute to a reservation or tribal service area
 - 20% equity position

For More Information:

Visit the DCI Website:

<http://www.indianaffairs.gov/WhoWeAre/AS-IA/IEED/DCI/index.htm>

Or give DCI a call:

Main Office: 202-219-0740



2013 Energy Economic Contributions on Indian Lands (Non-Gaming)

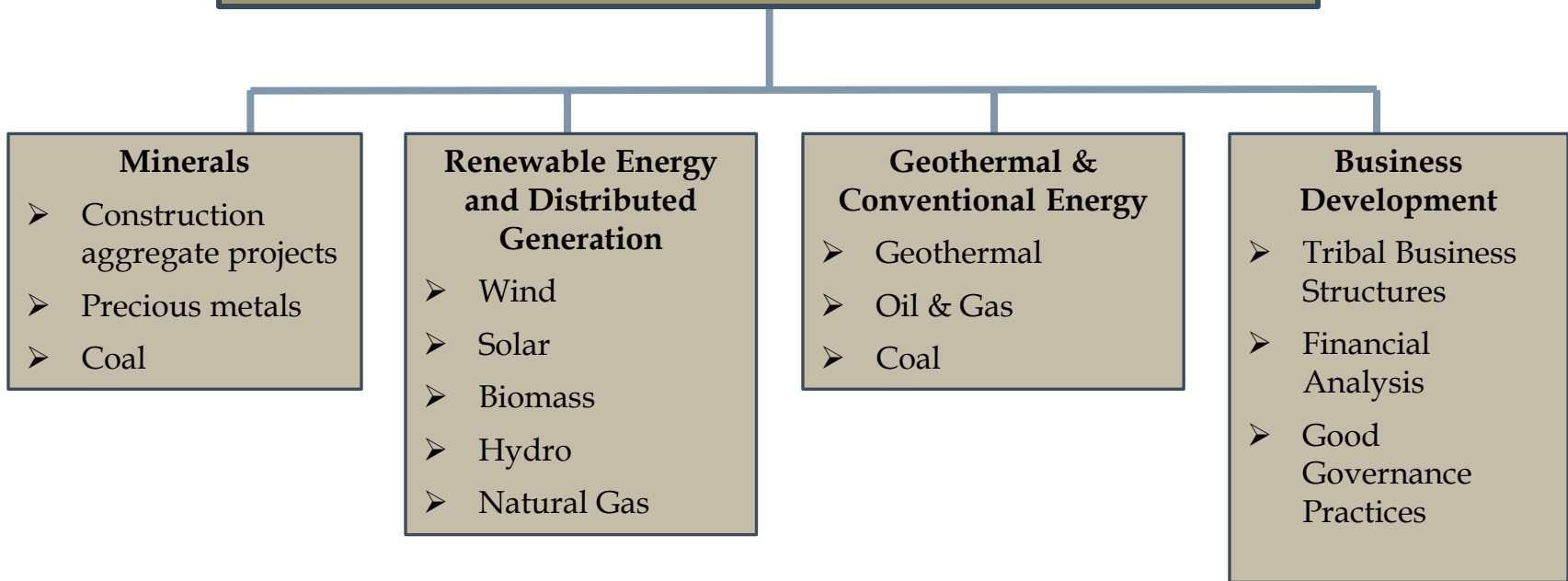
Activity	Value (\$billions)	% of Total Value	Estimated Economic Impact (\$Billions)	% of Total Economic Impact	Estimated Employment (jobs)	% of Total Estimated Jobs Impact
Energy	9.82	92.64%	17.21	90.44%	66,375	82.28%
Other Minerals	0.08	0.75%	0.15	0.79%	859	1.06%
Subtotal	9.90	93.39%	17.36	91.22%	67,234	83.35%
Irrigated Agriculture	0.49	4.62%	1.05	5.52%	9,758	12.10%
Forestry	0.2	1.89%	0.53	2.79%	2,294	2.84%
Grazing			0.09	0.47%	1,381	1.71%
Total	10.60	100%	19.03	100%	80,668	100%

Data from the U.S. Department of Interior's Economic Report FY 2013 July 11, 2014, Chapter 2, Table 2-2.



WHAT WE DO

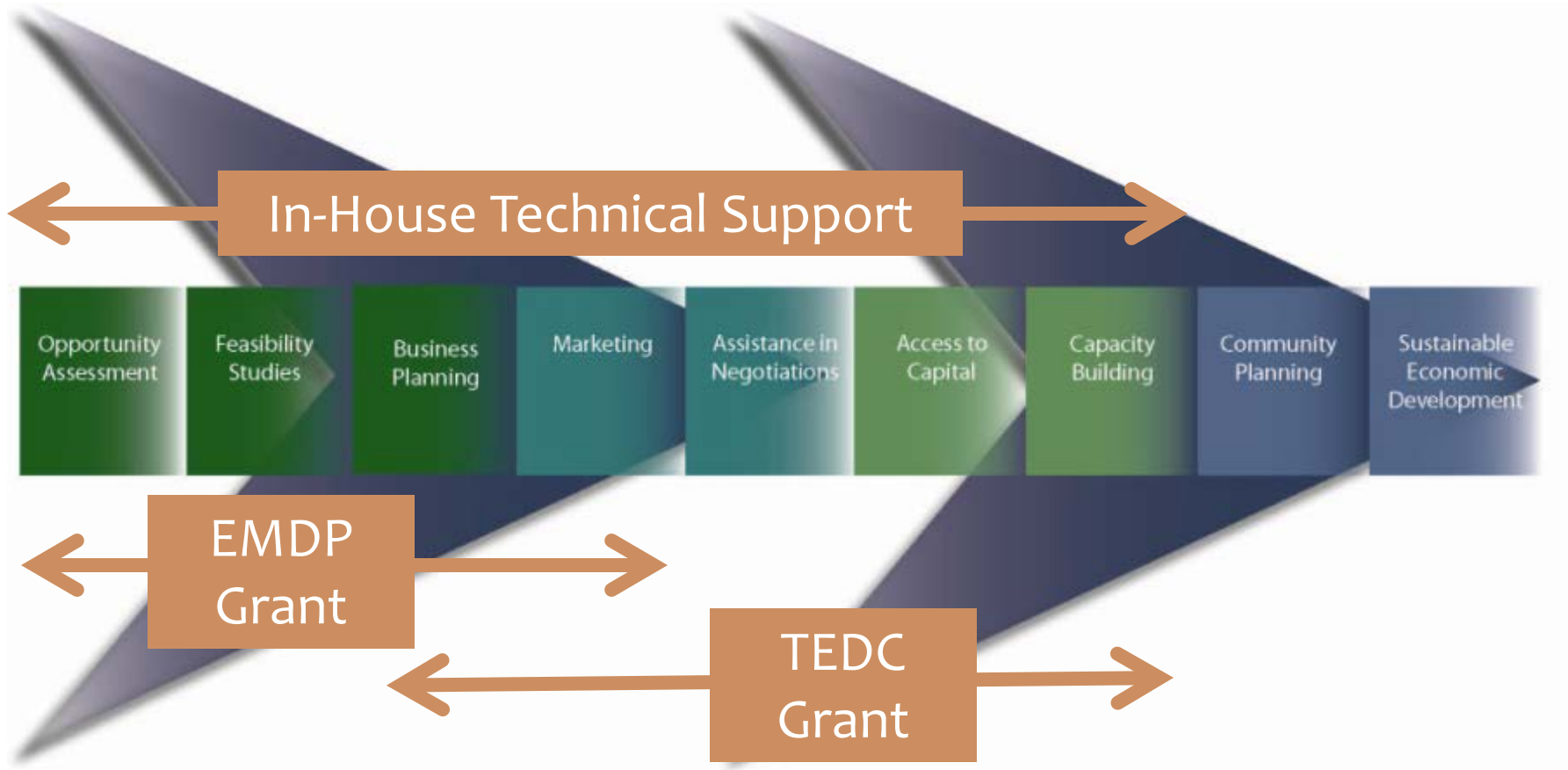
Division of Energy and Mineral Development



Our Staff: Geologists, GIS Analysts, Engineers, MBA, Financial Analysts, and Policy Analysts



WHAT WE DO



ENERGY AND MINERAL DEVELOPMENT PROGRAM (EMDP)

- Annual Grant Program
- Funding availability varies year to year
- Any type of energy or minerals
 - Renewable Energy
 - Conventional Energy
 - Mineral
- Pre-development work only
 - Resource Assessment/Exploration studies
 - Feasibility studies
 - Market studies
 - Engineering studies



EMDP – LIMITING FACTORS

- Project must be on tribal land held in trust or restricted fee by the Federal Government
- Multi-year projects
 - Cannot award multi-year funding
 - Submit each year
 - Funds not guaranteed
- Project tasks should be accomplishable in one year

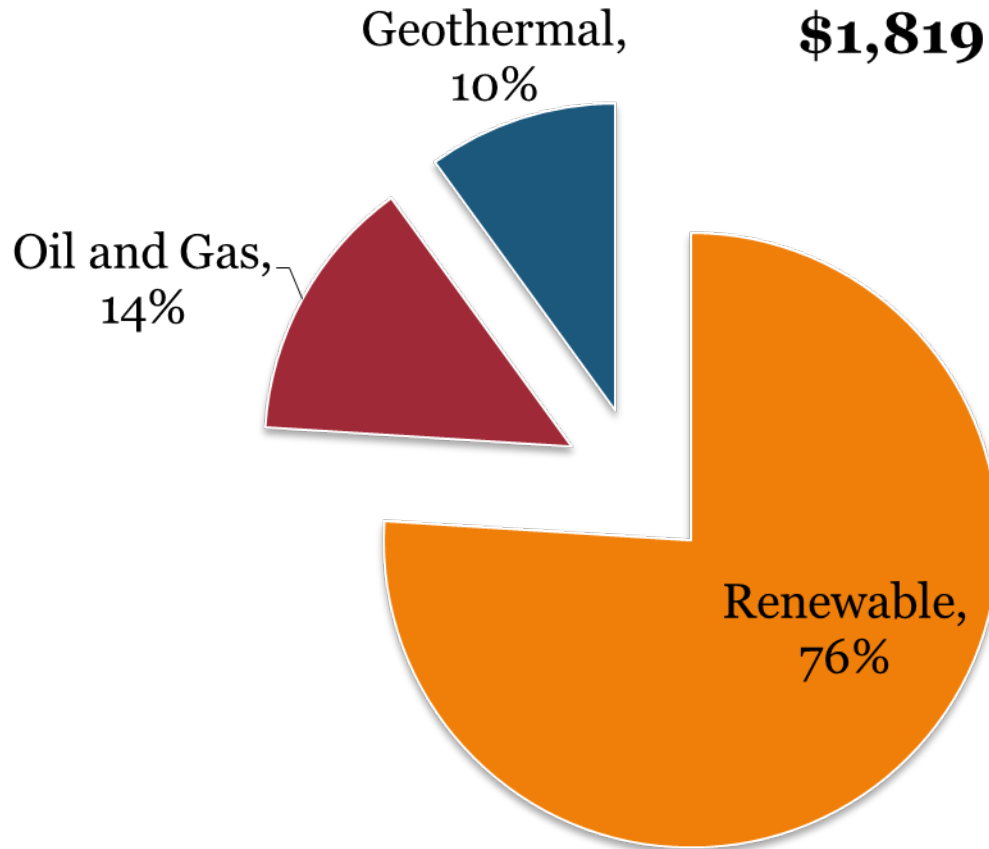


EMDP NON-FUNDABLE TASKS

- Cannot purchase the equipment for the assessment of energy and mineral resources (e.g. anemometer towers)
- Cannot purchase or lease the equipment for the development of energy and mineral resources (e.g. solar panels, wind turbine)



2012 EMDP AWARDS



\$1,819,000 Awarded

12 Total Projects:

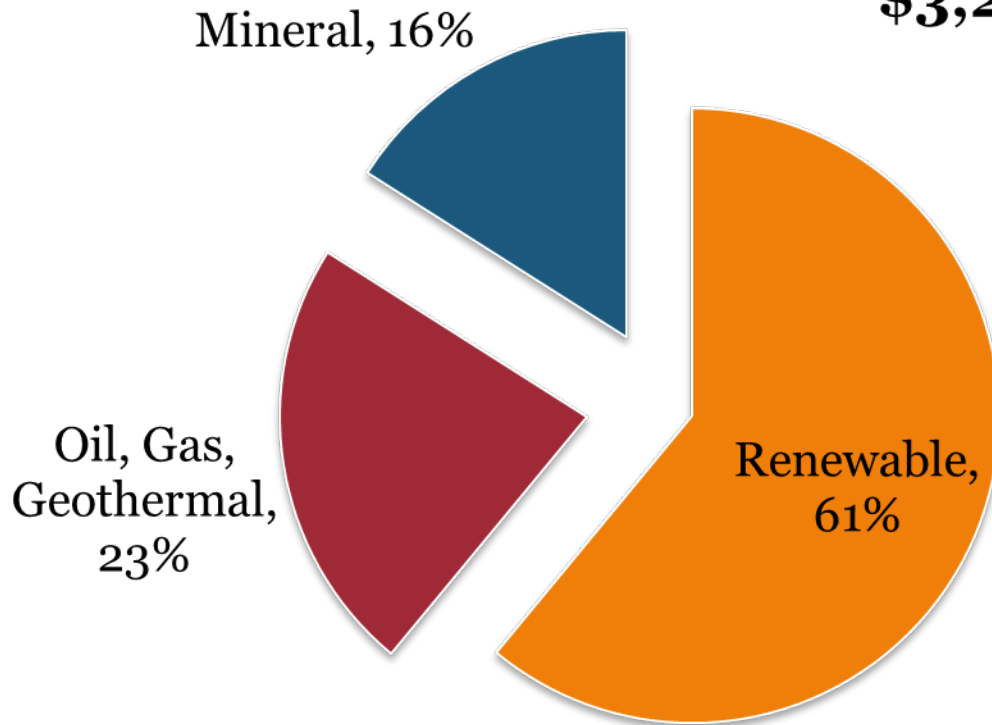
- 7 – Renewable**
- 3 – Oil and Gas**
- 2 – Geothermal**

**9 mineral projects
were awarded in-
house technical
assistance**



2013 EMDP AWARDS

\$3,243,004 Awarded



17 Total Projects:

7 – Renewable

6 – Mineral

3 – Oil, Gas, Geothermal



EMDP 2014 SOLICITATION

- Solicitation is open on grants.gov
- Proposals due August 25th

- Call or email for assistance

- **Mineral Projects:**

- Lynne Carpenter**, Mineral Geologist

- 303-969-5270 x 244

- lynne.carpenter@bia.gov

- **Renewable Energy:**

- Winter Jojola-Talbert**, Electrical Engineer

- 303-969-5270 x 281

- winter.jojola-talbert@bia.gov

- **Geothermal and Conventional Energy:**

- Bob Just**, Petroleum Geologist

- 303-969-5270 x 235

- bob.just@bia.gov



TRIBAL ENERGY DEVELOPMENT CAPACITY PROGRAM (TEDC)

- Grant program to develop tribal managerial, organizational and technical capacity to maximize the economic impact of energy resource development on Indian land
 - Establish business entity structures and/or organizational structures related to energy resource development Business development capacity
 - Develop or enhance key regulatory activities
- FY 2013 over \$700,000 awarded

bit.ly/tedcgrant



BUSINESS ENTITY FORMATION ACTIVITIES (TEDC)

Examples:

- Developing legal infrastructure for business formation
- Establishing tribally chartered corporations under tribal corporation codes
- Establishing tribal business charters under federal law (IRA Section 17 corporation)



REGULATORY ACTIVITIES (TEDC)

Examples:

- Developing or enhancing tribal policies, codes, regulations, or ordinances related to regulating and developing energy resource(s)
 - Land lease regulations for energy development purposes
 - Helping Expedite and Advance Responsible Tribal Homeownership (HEARTH) Act

<http://www.bia.gov/WhoWeAre/BIA/OTS/HEARTH/index.htm>

- Adopting secured transaction codes and subsequent joint power agreement with the tribe's respective state.



DOING BUSINESS (WORLD BANK)

1. Ease of Starting a Business

Corporate Code, LLC Code, Code of Ethics,
Transparency, Zoning, Incentives

2. Construction Permitting

BIA Issues

3. Getting Electricity

4. Registering Property

BIA Issues

5. Getting Credit

MTSTA, Article 9 UCC

6. Protecting Investors

7. Paying Taxes

Taxation Code

8. Trading Across Borders

9. Enforcing Contracts

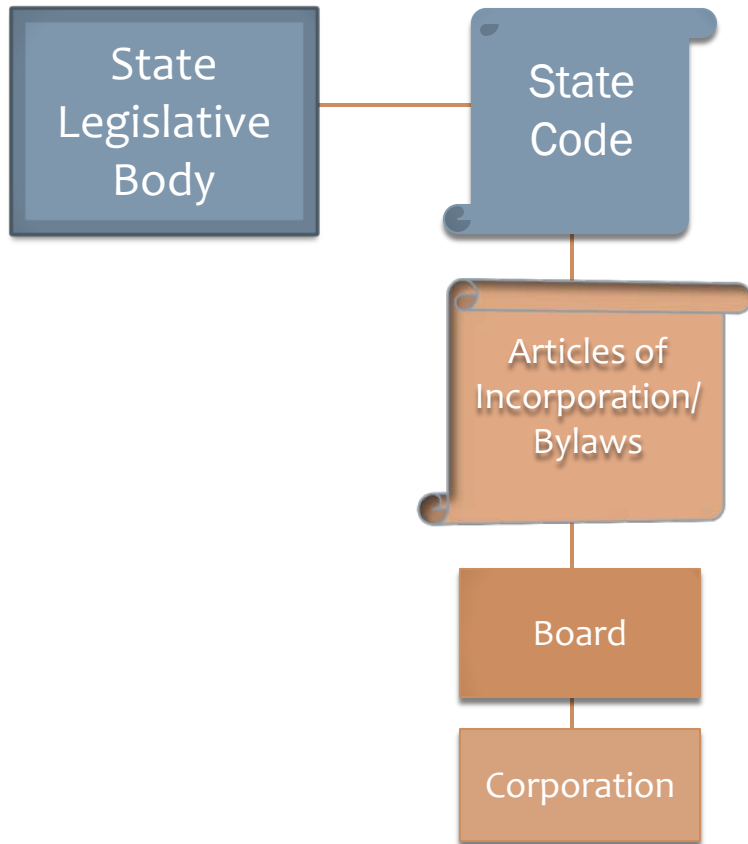
UCC

10. Resolving Insolvency

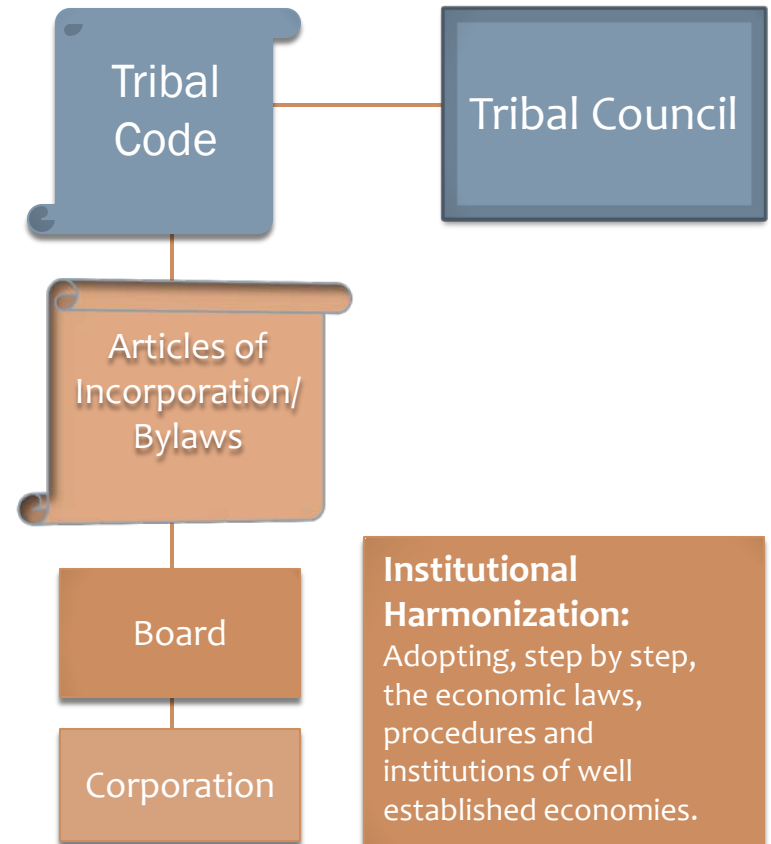


WHY ADOPT CORPORATIONS CODE: THE CORPORATE PARALLEL RELATIONSHIP

STATE



TRIBE



Institutional Harmonization:
Adopting, step by step, the economic laws, procedures and institutions of well established economies.



CREATE A BUSINESS FRIENDLY ENVIRONMENT

Step 1

**Governance &
Proper
Business
Structure**

Key Components

- 1. ADOPT VITAL CODES**
 - Business Codes
 - Corporation Code
 - LLC Code
 - Uniform Commercial Code
 - Especially Articles 2 & 9
 - Taxation Code
 - Zoning Ordinance
 - Code of Ethics
- 2. Charter Economic Development Corporation**
 - Separate Business from Politics
 - Establish Board Governance
 - Appoint qualified Board of Directors
- 3. Create a Comprehensive Economic Development Strategy (CEDs)**



TRIBAL TAXATION

“NOT SUBJECT TO TAX”

■ IRS:

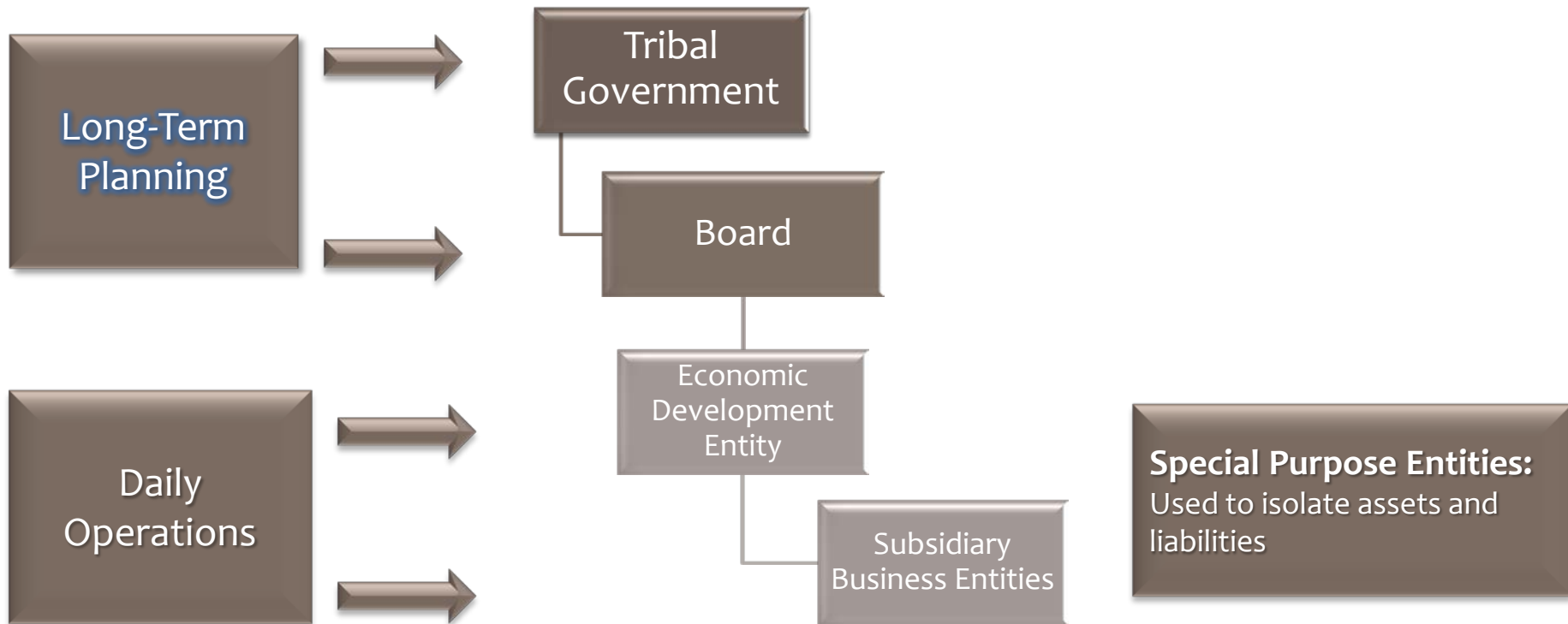
- Federally recognized tribes are sovereign legal entities, similar to state governments. They have all the rights and attributes of a sovereign entity such as a state. They have a constitutionally guaranteed status as sovereign entities. They are not subject to tax based on this. Federally recognized tribal governments are a unique set of entities in the United States in this respect.
 - Revenue Ruling: http://www.irs.gov/pub/irs-tege/rr67_284.pdf

- Tribal Governments can charter Wholly Owned Corporations under Federal Law (section 17 IRA) or under Tribal Law
 - Retain Sovereign Immunity of the Tribe
 - Not Subject to Tax- Cannot take advantage of ITC/PTC, accelerated depreciation, or Bonus depreciation
- Tribes and Wholly Owned Tribal Corporations can form special purpose taxable entities with outside partners to leverage incentives.



GOOD GOVERNANCE: PROPER BUSINESS STRUCTURE

SIMPLISTIC VIEW



Businesses are **400%** more likely to succeed if they are isolated from politics.
(Harvard Project)

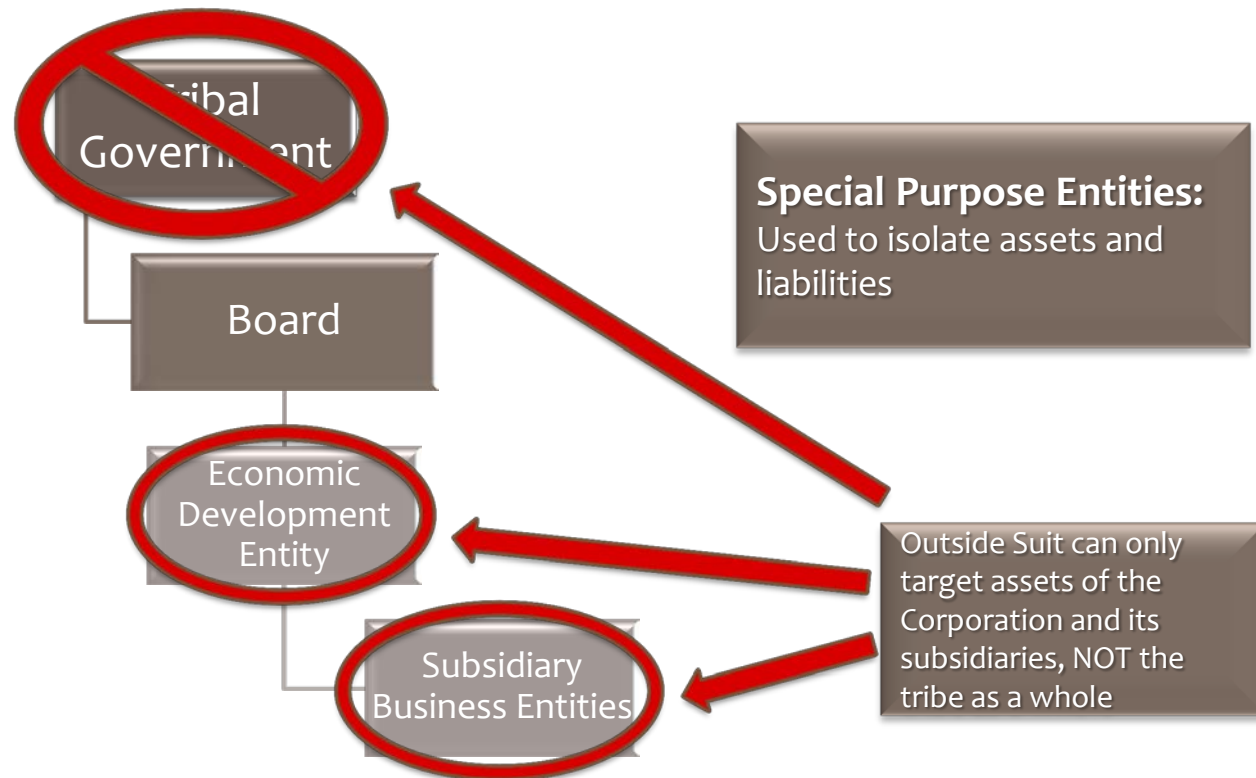


TRIBAL ECONOMIC DEVELOPMENT CORPS



GOOD GOVERNANCE: PROPER BUSINESS STRUCTURE

ASSET PROTECTION

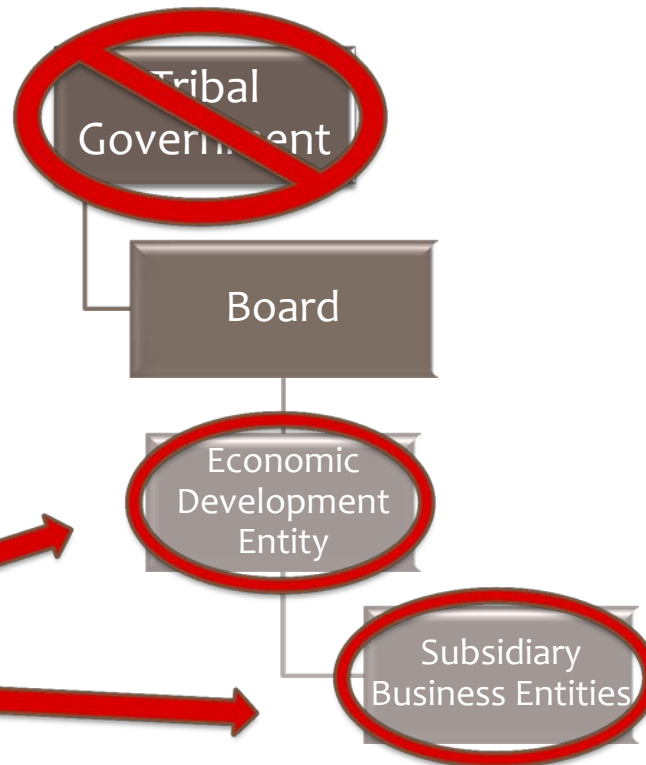


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GOOD GOVERNANCE: PROPER BUSINESS STRUCTURE

SOVEREIGN IMMUNITY



Special Purpose Entities:
Can retain the Sovereign Immunity of the Tribe or Waive Immunity

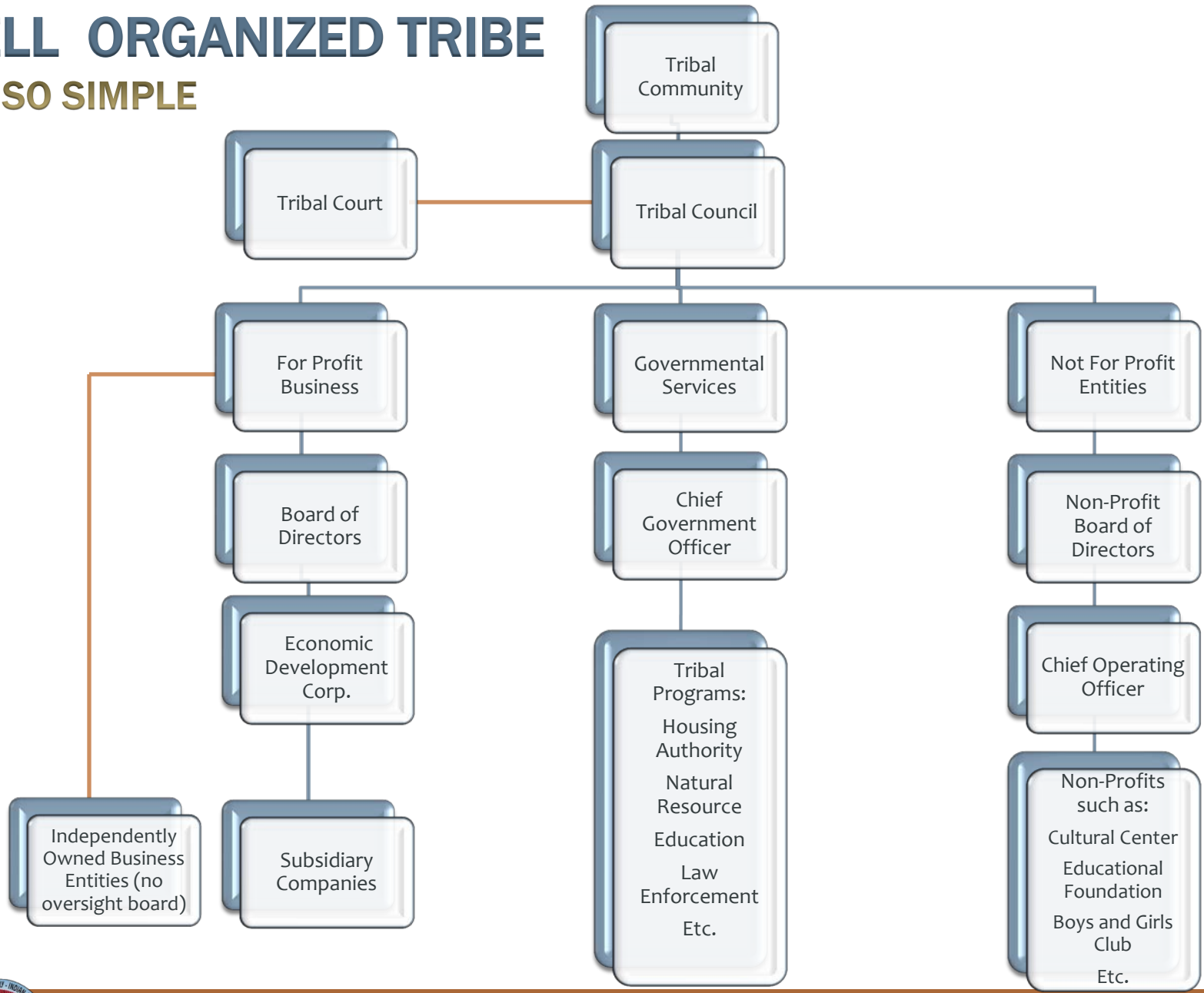
Limited Waivers of Sovereign Immunity can be used BUT only on the Assets of the entity that Issues it

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WELL ORGANIZED TRIBE

NOT SO SIMPLE





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CONTACT INFORMATION

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