Indian energy resources hold significant potential for development, but remain largely undeveloped. Interior’s BIA reviews and approves leases and other permits required for development. Other Interior components and federal agencies also have roles in this process.

The Energy Policy Act of 2005 provided the opportunity for interested tribes to pursue TERAs—agreements between a tribe and Interior that allow the tribe to enter into energy leases and agreements without review and approval by Interior. The act also authorizes Interior to provide grants to tribes to develop the capacity needed to enter into a TERA. However, no tribe has entered into a TERA.

GAO was asked to review Indian energy development. This report examines (1) factors that have hindered Indian energy development, (2) factors that have deterred tribes from pursuing TERAs, and (3) the effectiveness of Interior’s efforts to build tribes’ capacity to enter into TERAs. GAO analyzed federal data; reviewed federal, academic, and other literature; and interviewed tribal, federal and industry stakeholders.

What GAO Recommends

GAO recommends that Interior take steps to address data limitations, track its review process, provide clarifying guidance, and evaluate the effectiveness of grants. Interior generally agreed with most but not all of the recommendations because it is taking other actions to address some data limitations. GAO continues to believe that its recommendations are valid.

View GAO-15-502. For more information, contact Frank Rusco at (202) 512-3841 or ruscof@gao.gov.