

Applicant requests a new permit for oil and gas upstream production, including geophysical exploration (seismic) and construction, maintenance, operation, repair, and decommissioning of oil and gas well field infrastructure within Oklahoma.

Public Availability of Comments

Written comments we receive become part of the public record associated with this action. Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can request in your comment that we withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so. We will not consider anonymous comments. All submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, will be made available for public disclosure in their entirety.

Authority

We provide this notice under section 10(c) of the Act (16 U.S.C. 1531 *et seq.*) and its implementing regulations (50 CFR 17.22) and the National Environmental Policy Act (42 U.S.C. 4321 *et seq.*) and its implementing regulations (40 CFR 1506.6).

Dated: November 19, 2014.

David Mendais,

Acting Regional Director, Southwest Region.

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DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[Docket No. BOEM-2014-0091]

Atlantic Wind Lease Sale 4 (ATLW4) Commercial Leasing for Wind Power on the Outer Continental Shelf Offshore Massachusetts—Final Sale Notice; MMAA104000

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Final Sale Notice for Commercial Leasing for Wind Power on the Outer Continental Shelf Offshore Massachusetts.

SUMMARY: This document is the Final Sale Notice (FSN) for the sale of four commercial wind energy leases on the Outer Continental Shelf (OCS) offshore

Massachusetts, pursuant to BOEM's regulations at 30 CFR 585.216. BOEM is offering four leases for sale using a multiple factor auction format: Lease OCS-A 0500, Lease OCS-A 0501, Lease OCS-A 0502, and Lease OCS-A 0503. The four lease areas (LAs) are identical to those announced in the *Proposed Sale Notice (PSN) for Commercial Leasing for Wind Power on the Outer Continental Shelf (OCS) Offshore Massachusetts*, which was published on June 18, 2014, in the **Federal Register** with a 60-day public comment period (79 FR 34771). This FSN contains information pertaining to the areas available for leasing, lease provisions and conditions, auction procedures, the lease form, criteria for evaluating competing bids, award procedures, appeal procedures, and lease execution. The issuance of the leases resulting from this lease sale would not constitute an approval of project-specific plans to develop offshore wind energy. Such plans, expected to be submitted by successful lessees, will be subject to subsequent environmental and public review prior to a decision to proceed with development.

DATES: BOEM will hold a mock auction for the eligible bidders on January 26, 2015. The monetary auction will be held online and will begin at 8:30 a.m. Eastern Standard (EST) on January 29, 2015. Additional details are provided in the section entitled, "Deadlines and Milestones for Bidders."

FOR FURTHER INFORMATION CONTACT: Jessica Stromberg, BOEM Office of Renewable Energy Programs, 381 Elden Street, HM 1328, Herndon, Virginia 20170, (703) 787-1320 or jessica.stromberg@boem.gov.

Authority: This FSN is published pursuant to subsection 8(p) of the OCS Lands Act (43 U.S.C. 1337(p)) ("the Act"), as amended by section 388 of the Energy Policy Act of 2005 (EPAct), and the implementing regulations at 30 CFR part 585, including 30 CFR 585.211 and 585.216.

Background: The four LAs offered in this FSN are the same areas BOEM announced in the PSN on June 18, 2014 (79 FR 34771). BOEM received 25 comment submissions in response to the PSN, which are available in the **Federal Register** docket for this notice through BOEM's Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>. BOEM also has posted a document containing responses to comments submitted during the PSN comment period and a list of other changes that BOEM has implemented for this lease sale since publication of the PSN. The document entitled, *Response to Comments and Explanation*

of Changes can be found at the following URL: <http://www.boem.gov/State-Activities-Massachusetts/>.

On June 18, 2014, BOEM published a Notice of Availability (NOA) (79 FR 34781) for the revised Environmental Assessment (EA) and Finding of No Significant Impact (FONSI) for commercial wind lease issuance and site assessment activities on the Atlantic OCS offshore Massachusetts pursuant to the National Environmental Policy Act (NEPA). Consultations occurred concurrently with the preparation of the EA and included consultation under the Endangered Species Act (ESA), the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA), and the Coastal Zone Management Act (CZMA). BOEM prepared and executed a programmatic agreement (PA) to guide its consultations under section 106 of the National Historic Preservation Act (NHPA). The PA provides for consultations to continue through BOEM's decision-making process regarding the approval, approval with modification, or disapproval of a lessee's Site Assessment Plan (SAP), and allows for phased identification and evaluation of historic properties. The four LAs identified in this FSN together comprise the Massachusetts Wind Energy Area (WEA) described in the preferred alternative in the *Commercial Wind Lease Issuance and Site Assessment Activities on the Atlantic OCS Offshore Massachusetts Revised Environmental Assessment*, which can be found at: <http://www.boem.gov/State-Activities-Massachusetts/>.

Additional environmental reviews will be conducted upon receipt of the lessees' proposed project-specific plans, such as a SAP or Construction and Operations Plan (COP).

List of Eligible Bidders: BOEM has determined that the following companies are legally, technically, and financially qualified, pursuant to 30 CFR 585.106 and 107, to hold a commercial wind lease offshore Massachusetts, and are therefore eligible to participate in this lease sale as bidders.

Company name	Company No.
Deepwater Wind New England, LLC	15012
EDF Renewable Development, Inc. Energy Management, Inc.	15027
Fishermen's Energy, LLC	15015
Green Sail Energy LLC	15005
IBERDROLA RENEWABLES, Inc.	15045
NRG Bluewater Wind Massachusetts, LLC	15019
	15025

Company name	Company No.
OffshoreMW LLC	15010
RES America Developments Inc. ...	15021
Sea Breeze Energy LLC	15044
US Mainstream Renewable Power (Offshore) Inc.	15029
U.S. Wind Inc.	15023

Deadlines and Milestones for Bidders: This section describes the major deadlines and milestones in the auction process from publication of this FSN to execution of a lease pursuant to this sale.

- **Bidder's Financial Form (BFF):** Each eligible bidder must submit a BFF to BOEM by December 15, 2014. The BFF is available at: <http://www.boem.gov/State-Activities-Massachusetts/>. Once this information has been processed, bidders may log into pay.gov and leave bid deposits. BOEM will not consider any BFFs submitted by eligible bidders for previous lease sales for the purposes of this auction. BOEM will only consider allowing any bidder who fails to submit the BFF by this deadline to submit the BFF after this date if BOEM determines that the failure to submit the BFF was caused by events beyond the bidder's control.

- **Bid Deposits:** Each bidder must submit an adequate bid deposit by January 14, 2015, as described in the "Bid Deposits" section. BOEM will only consider allowing any bidder who fails to submit the bid deposit by this deadline to submit the bid deposit after this date if BOEM determines that the failure to submit the bid deposit was caused by events beyond the bidder's control.

- **Non-Monetary Package:** Each bidder must submit a non-monetary package, if it is applying for a credit as described in the "Non-Monetary Auction Procedures" section of this notice, by January 14, 2015.

- **Mock Auction:** BOEM will hold a Mock Auction on January 26, 2015. The Mock Auction will be held online. BOEM will contact each eligible bidder and provide instructions for participation. Only bidders eligible to participate in this auction will be permitted to participate in the Mock Auction.

- **Panel Convenes to Evaluate Non-Monetary Packages:** On January 27, 2015, the panel described in the "Auction Procedures" section will convene to consider non-monetary packages. The panel will send determinations of eligibility to BOEM, who will inform each bidder by email of the panel's determination of whether

the bidder qualifies for a non-monetary credit.

- **Monetary Auction:** On January 29, 2015, BOEM, through its contractor, will hold the monetary stage of the auction. The auction will start at 8:30 a.m. EST. The auction will proceed electronically according to a schedule to be distributed by the BOEM Auction Manager at the time of the auction. BOEM anticipates that the auction may continue on consecutive business days, as necessary, until the auction ends according to the procedures described in the Auction Format section of this notice.

- **Announce Provisional Winner:** BOEM will announce the provisional winner(s) of the lease sale after the auction ends.

- **Reconvene the Panel:** The panel will reconvene to verify auction results.

- **Reject Unsuccessful Bids and Refund Monies to Unsuccessful Bidders:** Once provisional winner(s) have been announced and the panel has verified the auction results, BOEM will provide unsuccessful bidders a written statement of the reasons their bids were rejected and return the bid deposits of any bidders who did not win a lease.

- **Department of Justice (DOJ) Review:** BOEM will allow DOJ 30 days to conduct an antitrust review of the auction, pursuant to 43 U.S.C. 1337(c), which reads, in relevant part:

Antitrust review of lease sales. (1) Following each notice of a proposed lease sale and before the acceptance of bids and the issuance of leases based on such bids, the Secretary [of the Interior] shall allow the Attorney General, in consultation with the Federal Trade Commission, thirty days to review the results of such lease sale, except that the Attorney General, after consultation with the Federal Trade Commission, may agree to a shorter review period.

- **Deliver the Leases:** BOEM will send three lease copies to each winner, with instructions on how to accept and execute the lease. The first year's rent payment is due 45 days after the winner receives the lease for execution.

- **Return the Leases:** Within 10 business days from receiving the lease copies, the auction winner(s) must post financial assurance, pay any outstanding balance of their bonus bids, and sign and return the three copies.

- **Execute the Leases:** Once BOEM has received the lease copies and verified that all required materials have been received, BOEM will make a final determination regarding its execution of the lease and execute it, if appropriate.

Areas Offered for Leasing: The area described for leasing in this FSN are the same areas described in the Massachusetts PSN (79 FR 34771, June

18, 2014). The area to be available for sale will be auctioned as four leases: Lease OCS-A 0500, Lease OCS-A 0501, Lease OCS-A 0502, and Lease OCS-A 0503. Lease OCS-A 0500 consists of 187,523 acres, Lease OCS-A 0501 consists of 166,886 acres, Lease OCS-A 0502 consists of 248,015 acres, and Lease OCS-A 0503 consists of 140,554 acres. The total area is approximately 742,978 acres. If there are adequate bids, four leases will be issued pursuant to this lease sale. A description of the LAs and lease activities can be found in Addendum "A" of each lease, which BOEM has made available with this notice on its Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>.

Map of the Area Offered for Leasing: A map of the four LAs can be found at the following URL: <http://www.boem.gov/State-Activities-Massachusetts/>.

A large scale map showing boundaries of the area with numbered blocks is available from BOEM at the following address: Bureau of Ocean Energy Management, Office of Renewable Energy Programs, 381 Elden Street, HM 1328, Herndon, Virginia 20170, Phone: (703) 787-1300, Fax: (703) 787-1708.

Withdrawal of Blocks: Interested parties should note that BOEM reserves the right to withdraw portions of the LAs prior to its execution of a lease based upon relevant information provided to the Bureau.

Lease Terms and Conditions: BOEM has included specific terms, conditions, and stipulations for the OCS commercial wind leases in the Massachusetts WEA in each lease. BOEM reserves the right to apply additional terms and conditions to activities conducted on the lease incident to any future approval or approval with modifications of a SAP and/or COP. Each lease is available on BOEM's Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>. Each lease consists of an instrument with 20 sections and the following seven attachments:

- Addendum "A" (Description of Leased Area and Lease Activities);
- Addendum "B" (Lease Term and Financial Schedule);
- Addendum "C" (Lease-Specific Terms, Conditions, and Stipulations);
- Addendum "D" (Project Easement);
- Addendum "E" (Rent Schedule);
- Appendix A to Addendum "C" (Incident Report: Protected Species Injury or Mortality); and
- Appendix B to Addendum "C" (Required Data Elements for Protected Species Observer Reports).

Addenda “A”, “B”, and “C” provide detailed descriptions of lease terms and conditions. Addenda “D” and “E” will be completed at the time of COP approval.

Plans: Pursuant to 30 CFR 585.601, the lessee must submit a SAP within the 1 year Preliminary Term. Pursuant to 30 CFR 585.235, if the lessee intends to continue its commercial lease with an operations term, the lessee must submit a COP at least 6 months before the end of the site assessment term.

Financial Terms and Conditions: This section provides an overview of the basic annual payments that the Lessee must pay under the lease terms, and the financial assurance requirements that will be associated with each lease.

Rent: The first year’s rent payment of \$3 per acre for the entire LA is due within 45 days of the date the lessee receives the lease for execution. Thereafter, annual rent payments are due on the anniversary of the Effective Date of the lease, *i.e.*, the Lease Anniversary. Once the first commercial operations under the lease begin, rent will be charged for the portion of the lease not authorized for commercial operations, *i.e.*, not generating electricity. However, instead of geographically dividing the LA into acreage that is “generating” and acreage that is “non-generating,” the fraction of the lease accruing rent is based on the fraction of the total nameplate capacity of the project that is not yet in operation. The fraction is the nameplate capacity not yet authorized for commercial operations at the time payment is due, divided by the maximum nameplate capacity after full installation of the project, as described in the COP. This fraction is then multiplied by the amount of rent that would be due for the lessee’s entire LA at the rental rate of \$3 per acre to obtain the annual rent due for a given year.

For example, for a hypothetical lease the size of 742,978 acres (the size of the entire Massachusetts WEA), the amount of rent payment would be \$2,228,934 per year if no portion of the LA is authorized for commercial operations. If 500 megawatts (MW) of a project’s nameplate capacity is operating (or authorized for operation), and its most recent approved COP specifies a maximum nameplate capacity of 1000 MW, the rent payment would be \$1,114,467. For the above example, this would be calculated as follows: $500 \text{ MW} / 1000 \text{ MW} \times (\$3/\text{acre} \times 742,978 \text{ acres}) = \$1,114,467$.

If the lessee submits an application for relinquishment of a portion of the LA within the first 45 calendar days following the date that the lease is

received by the lessee for execution, and BOEM approves that application, no rent payment will be due on that relinquished portion of the LA. Later relinquishments of any LA will reduce the lessee’s rent payments due for the year following BOEM’s approval of the relinquishment.

The lessee also must pay rent for any project easement associated with the lease commencing on the date that BOEM approves the COP (or modification) that describes the project easement. Annual rent for a project easement that is 200 feet wide and centered on the transmission cable would be \$70 per statute mile. For any additional acreage required, the lessee must also pay the greater of \$5 per acre per year or \$450 per year.

Operating Fee: For the purposes of calculating the initial annual operating fee payment, an operating fee rate is applied to the wholesale market value of the electricity established by the Northeast-Massachusetts Hub power market and expected to be generated from the project during its first 12 months of operations. This initial payment is prorated to reflect the period between the commencement of commercial operations and the Lease Anniversary. The initial annual operating fee payment is due within 45 days of the start of commercial operations. Thereafter, subsequent annual operating fee payments are due on or before each Lease Anniversary.

The subsequent annual operating fee payments are calculated by multiplying the operating fee rate by the wholesale market value of the projected annual electric power production. For the purposes of this calculation, the market value is the product of the project’s nameplate capacity, the total number of hours in the year (8,760), a capacity utilization factor, and the annual average price of electricity derived from a historical regional wholesale power price index. For example, an annual operating fee for a 100 MW wind facility operating at 40% capacity (decimal equivalent is 0.4) with a regional wholesale power price of \$40/MWh under an operating fee rate of 2% (decimal equivalent is 0.02) would be calculated to be \$280,320 as follows: $\text{Annual operating fee} = 100 \text{ MW} \times 8,760 \text{ hours/year} \times 0.4 \times \$40/\text{MWh power price} \times 0.02$.

Operating Fee Rate: The operating fee rate is set at 0.02 (*i.e.*, 2%) during the entire life of commercial operations.

Nameplate Capacity: Nameplate capacity is the maximum rated electric output, expressed in MW, which the turbines of the wind facility under commercial operations can produce at

their rated wind speed as designated by the turbine’s manufacturer. The nameplate capacity at the start of each year of commercial operations on the lease will be specified in the COP. For example, if the Lessee has 20 turbines in commercial operations rated by the design manufacturer at 5 MW of output each, the nameplate capacity of the wind facility at the rated wind speed of the turbines would be 100 MW.

Capacity Factor: The capacity factor relates to the amount of energy delivered to the grid during a period of time compared to the amount of energy the wind facility would have produced at full capacity during that same period of time. This factor is represented as a decimal between zero and one. There are several reasons why the amount of power delivered is less than the theoretical 100% of capacity. For a wind facility, the capacity factor is mostly determined by the availability of wind. Transmission line loss and down time for maintenance or other purposes also affect the capacity factor.

The capacity factor for the year in which the commercial operation date occurs and for the first six full years of commercial operations on the lease is set at 0.4 (*i.e.*, 40%) to allow for one year of installation and testing followed by five years at full availability. At the end of the sixth year, the capacity factor may be adjusted to reflect the performance over the previous five years based upon the actual metered electricity generation at the delivery point to the electrical grid. Similar adjustments to the capacity factor may be made once every five years thereafter. The maximum change in the capacity factor from one period to the next will be limited to plus or minus 10 percent of the previous period’s value.

Wholesale Power Price Index: The wholesale power price, expressed in dollars per MW-hour, is determined at the time each annual operating fee payment is due, based on the weighted average of the inflation-adjusted peak and off-peak spot price indices for the Northeast–Massachusetts Hub power market for the most recent year of data available as reported by the Federal Energy Regulatory Commission (FERC) as part of its annual *State of the Markets Report* with specific reference to the summary entitled, “Electric Market Overview: Regional Spot Prices.” The wholesale power price is published as the annual spot price and then adjusted for inflation using the implicit price deflator. The original spot price is inflated to the year in which the operating fee is to be due. Data on annual implicit price deflators are reported by the U.S. Department of

Commerce's Bureau of Economic Analysis.

Financial Assurance: Within 10 business days after receiving the lease copies, the provisional winner must provide an initial lease-specific bond or other approved means of meeting the Lessor's initial financial assurance requirements in the amount of \$100,000. BOEM will base the amount of all SAP, COP, and decommissioning financial assurance requirements on estimates of the cost to meet all accrued lease obligations. BOEM will determine the amount of supplemental and decommissioning financial assurance requirements on a case-by-case basis.

The financial terms can be found in Addendum "B" of the lease, which BOEM has made available with this notice on its Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>.

Bid Deposit: A bid deposit is an advance cash deposit submitted to BOEM in order to participate in the auction. No later than January 14, 2015, each bidder must have submitted a bid deposit of \$450,000 per unit of desired initial eligibility. Each lease is worth one unit of bid eligibility in the auction. Any participant intending to bid on only one of the leases during the auction must submit a bid deposit of \$450,000. The required bid deposit for any participant intending to bid on multiple leases in the first round of the auction will be the number of leases the bidder intends to bid on multiplied by \$450,000. For example, the required bid deposit for any participant intending to bid on three leases in the first round of the auction will be \$1,350,000. BOEM will only consider allowing any bidder who fails to submit the bid deposit by this deadline to submit the bid deposit after this date if BOEM determines that the failure to submit the bid deposit was caused by events beyond the bidder's control. Bid deposits will be accepted online via pay.gov.

Following publication of the FSN, each bidder must fill out the BFF included in the FSN. BOEM has made a copy of the BFF available with this notice on its Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>. This form requests that each bidder designate an email address, which the bidder should use to create an account in pay.gov. After establishing the pay.gov account, bidders may use the Bid Deposit Form on the pay.gov Web site to leave a deposit. BOEM will not consider any BFFs submitted by eligible bidders for previous lease sales for the purposes of this auction. BOEM will only consider allowing any bidder who fails to submit

the BFF by this deadline to submit the BFF after this date if BOEM determines that the failure to submit the BFF was caused by events beyond the bidder's control.

Following the auction, bid deposits will be applied against any bonus bids or other obligations owed to BOEM. If the bid deposit exceeds a bidder's total financial obligation, the balance of the bid deposit will be refunded to the bidder. BOEM will refund bid deposits to unsuccessful bidders.

Minimum Bid: In this auction, approximately 187,523 acres will be offered for sale as Lease OCS-A 0500, approximately 166,886 acres will be offered for sale as Lease OCS-A 0501, approximately 248,015 acres will be offered for sale as Lease OCS-A 0502, and approximately 140,554 acres will be offered for sale as Lease OCS-A 0503. BOEM has established for this lease sale a minimum bid of \$1 per acre for each LA. Therefore, the minimum acceptable bid will be \$187,523 for Lease OCS-A 0500, \$166,886 for Lease OCS-A 0501, \$248,015 for Lease OCS-A 0502, and \$140,554 for Lease OCS-A 0503.

Auction Procedures

Summary

For the sale of Lease OCS-A 0500, Lease OCS-A 0501, Lease OCS-A 0502, and Lease OCS-A 0503, BOEM will use a multiple-factor auction format with a multiple-factor bidding system. Under this system, BOEM may consider a combination of monetary and non-monetary factors, or "variables," in determining the outcome of the auction. BOEM has appointed a panel of three BOEM employees for the purposes of reviewing the non-monetary packages and verifying the results of the lease sale. BOEM reserves the right to change the composition of this panel prior to the date of the lease sale. The panel will meet to consider non-monetary packages on January 27, 2015. The panel will determine whether any bidder has earned a non-monetary credit to be used during the auction, and, if one or more bidders have earned such a credit, the percentage of the monetary bid the credit will be worth.

The auction will balance consideration of two variables: (1) A cash bid, and (2) a non-monetary credit, *i.e.*, if a bidder holds a Community Benefits Agreement (CBA) or a Power Purchase Agreement (PPA), as described herein. In sum, these two variables comprise the multi-factor bid or "As-Bid" auction price. A bidder's As-Bid price, which is the sum of its cash bid and any credit portion earned, can be submitted by the bidder at BOEM's

asking price or as an Intra-Round Bid price subject to certain conditions, as described more fully herein. BOEM's regulations at 30 CFR 585.220(a)(4) and 585.221(a)(6) provide for multiple-factor auctions, wherein both monetary and non-monetary bid variables may be considered.

Overview of the Multiple-Factor Bidding Format Proposed for This Sale

Under a multiple-factor bidding format, as set forth at 30 CFR 585.220(a)(4), BOEM may consider a combination of factors as part of a bid. The regulations state that one bid proposal per bidder will be accepted, but do not further specify the procedures to be followed in the multiple-factor format. A multiple-factor format is intended to allow BOEM flexibility in administering the auction and in balancing the variables presented. The regulations leave to BOEM the determination of how to administer the multiple-factor auction format to ensure the receipt of a fair return under the Act, 43 U.S.C. 1337(p)(2)(A). BOEM has chosen to do this through an auction format that considers a non-monetary factor along with ascending bidding over multiple rounds, sharing certain useful information with bidders at the end of each auction round (*e.g.*, the number of live bids associated with each LA), and ensuring that a bidder's live bid submitted in the final round of the auction will win the LAs included in that bid. This auction format enhances competition and reduces bidder uncertainty more effectively than other auction types that BOEM considered.

BOEM's regulations at 30 CFR 585.220(a)(4) provide for a multi-round auction in which each bidder may submit only one proposal per LA or for a set of LAs in each round of the auction. This formulation presents an administratively efficient auction process. It also takes advantage of the flexibility built into the regulations by enabling BOEM to benefit from both the consideration of more than one bidding factor and the price discovery involved in successive rounds of bidding.

The auction will be conducted in a series of rounds. At the start of each round, BOEM will state an asking price for each LA offered. The asking price for a bid on more than one LA is the sum of the asking prices for each LA in the bid. Each bidder will indicate whether it is willing to meet the asking price for one or more LAs. A bid submitted at the full asking price for one or more LAs in a particular round is referred to as a "live bid." A bidder must submit a live bid for at least one of the LAs in each

round to participate in the next round of the auction. As long as there is at least one LA that is included in two or more live bids, the auction continues, and the next round is held.

A bidder may meet the asking price by submitting a monetary bid equal to the asking price or, if it has earned a credit, by submitting a multiple-factor bid—that is, a live bid that consists of a monetary element and a non-monetary element, the sum of which equals the asking price. A multiple-factor bid would consist of the sum of a cash portion and any credit portion that the bidder has earned.

An uncontested bid is a live bid that does not overlap with other live bids in that round. For example, a bid for two LAs is considered contested if any LA included in that bid is included in another bid—a bid cannot be “partially uncontested.” If a bidder submits an uncontested bid consisting of one or more LA, and the auction continues for another round, BOEM automatically carries that same live bid forward as a live bid into the next round, and BOEM’s asking price for the LA(s) contained in the uncontested bid would remain unchanged from the previous round. If the price on any LA(s) in that bid rises later in the auction because another bidder places a live bid on one or more of those LAs, BOEM will stop automatically carrying forward the previously uncontested bid. Once the asking price(s) goes up, the bidder that placed the previously carried-forward bid is free to bid on any LA at the new asking price(s).

Following each round in which any LA is contained in more than one live bid, BOEM will raise the asking price for that LA by an increment determined by BOEM. The auction concludes at the end of the round in which none of the four LAs is included in the live bid of more than one bidder. The series of rounds and the rising asking prices set by BOEM will facilitate consideration of the first variable—the cash portion of the bid.

The second variable—a credit of 10% of a monetary bid for holding a CBA or a credit of up to 25% of a monetary bid for holding a PPA—will be applied throughout the auction rounds as a form of imputed payment against the asking price for the highest priced LA in a bidder’s multiple-factor bid. This credit serves to supplement the amount of a cash bid proposal made by a particular bidder in each round. In the case of a bidder holding a credit and bidding on more than one LA, the credit will be applied only on the LA with the highest asking price. More details on the non-

monetary factors are found in the “Credit Factors” section herein.

Under BOEM’s regulations at 30 CFR 585.222(d), determination of the winning bid is made by the panel. The regulations state that BOEM “will determine the winning bid for proposals submitted under the multiple-factor bidding format on the basis of selection by the panel . . .” 30 CFR 585.224(h). The panel will evaluate each non-monetary package to determine whether it meets the criteria provided in this FSN, and therefore whether it will qualify for a credit for its holder. It is possible that the panel could determine that no bidder qualifies for a non-monetary credit during the auction, in which case the auction would proceed as described in this FSN. The panel will determine the winning bids for each LA in accordance with the procedures described in this FSN.

Details of the Auction Process

Bidding—Live Bids

Each bidder is allowed to submit a live bid for any number of LAs based on its “eligibility” at the opening of each round. A bidder’s initial eligibility is determined based on the amount of the bid deposit submitted by the bidder by January 14, 2015. To be eligible to offer a bid on one LA at the start of the auction, a bidder must submit a bid deposit of \$450,000. To be eligible to offer a bid on two LAs in the first round of the auction, the bidder must submit a bid deposit of \$900,000; for three LAs, the bid deposit is \$1,350,000; for four LAs, the bid deposit is \$1,800,000. A bidder’s bid deposit will be used by BOEM as a down payment on any monetary obligations incurred by the bidder should it be awarded a lease.

As the auction proceeds, a bidder’s continuing eligibility is determined by the number of LAs included in its live bid submitted in the round prior to the current round. That is, if a bidder submitted a live bid on one LA in the previous round, that bidder may submit a bid that includes at most one LA in the current round. If a bidder submitted a live bid comprised of two or more LAs in the previous round, that bidder may submit a live bid that also includes that number of LAs in the current round. Unless a bidder has an uncontested bid that is carried forward into the next round, a bidder that submitted a live bid for one or more LAs may choose to submit a live bid for fewer LAs than the maximum number it is eligible to include in its bid. Thus, eligibility in successive rounds may stay the same or go down, but it can never go up.

In the first round of the auction, bidders have the following options:

A bidder with an initial eligibility of one (that is, a bidder who submitted a bid deposit of \$450,000) may:

- Submit a live bid on any of the four LAs, or
- Submit nothing, and drop out of the auction.

A bidder with an initial eligibility of more than one (that is, a bidder who submitted a bid deposit of \$900,000 up to \$1,800,000) may:

- Submit a live bid for any number of LAs up to its bid eligibility, or
- Submit nothing, and drop out of the auction.

There is no requirement that the LAs contained in a live bid be contiguous. A bidder who has included multiple LAs in a live bid can include any combination of LAs up to the bidder’s bid eligibility. Before each subsequent round of the auction, BOEM will raise the asking price for any LA that received more than one live bid in the previous round. BOEM will not raise the asking price for a LA that received only one or no live bids in the previous round.

BOEM, in its sole discretion, will determine asking price increments. BOEM will base asking price increments on a number of factors, including:

- Making the increments sufficiently large that the auction will not take an unduly long time to conclude; and
- Decreasing the increments as the asking price of a LA nears its apparent final price.

BOEM reserves the right during the auction to increase or decrease increments if it determines, in its sole discretion, that a different increment is warranted to enhance the efficiency of the auction process.

A bidder must submit a live bid in each round of the auction (or have an uncontested live bid automatically carried forward by BOEM) for it to remain active and continue bidding in future rounds. All of the live bids submitted in any round of the auction will be preserved and considered binding until determination of the winning bids is made. Therefore, the bidders are responsible for payment of the bids they submit and can be held accountable for up to the maximum amount of those bids determined to be winning bids during the final award procedures.

Between rounds, BOEM will release the following information:

- The level of demand for each LA in the previous round of the auction (*i.e.*, the number of live bids that included the LA); and
- The asking price for each LA in the upcoming round of the auction.

In any subsequent round of the auction, if a bidder's previous round bid was uncontested, and the auction continues for another round, then BOEM will automatically carry forward that bid as a live bid in the next round. A bidder whose bid is carried forward will not have an opportunity to modify or drop its bid until some other bidder submits a live bid that overlaps with the LA(s) in the carried forward bid. In particular, for rounds in which a bidder finds its uncontested bid is carried forward, the bidder will be unable to do the following:

- Switch to any other LAs;
- Submit an Intra-Round Bid (see herein for discussion of Intra-Round Bids); or

- Drop out of the auction.

A bidder may be bound by that bid or, indeed, by any other bid which BOEM determines is a winning bid in the award stage. Hence, a bidder cannot drop an uncontested bid. In no scenario can a bidder be relieved of any of its bids from any round until a final determination is made of the winners of the auction.

Except when a bidder's bid is being carried forward by BOEM (*i.e.*, an uncontested bid), a bidder with an eligibility of one (that is, a bidder who submitted a live bid for one LA in the previous round) may:

- Submit a live bid for any of the four LAs;
- Submit an Intra-Round Bid for the same LA for which the bidder submitted a live bid in the previous round, and exit the auction; or
- Submit nothing, and drop out of the auction.

Additionally, if a bid is not carried forward by BOEM (*i.e.*, a contested bid), a bidder with an eligibility of two or more (that is, a bidder who submitted a live bid for two or more LAs in the previous round) may:

- Submit a live bid for any number of LAs up to its eligibility;
- Submit an Intra-Round Bid for the specific combination of LAs in that bidder's previous-round bid, and a live bid for any number of LAs fewer than the number of LAs in that bidder's previous-round bid;
- Submit an Intra-Round Bid for the specific combination of LAs in that bidder's previous-round bid, no live bids, and exit the auction; or
- Submit nothing, and drop out of the auction.

Subsequent auction rounds occur in this sale as long as one of the four LAs is contested. The auction concludes at the end of the round in which none of the four LAs is included in the live bid

of more than one bidder, *e.g.*, all live bids are uncontested.

Bidding—Intra-Round Bids

All asking prices and asking price increments will be determined by the BOEM Auction Manager. Intra-round bidding allows bidders to more precisely express the maximum price they are willing to offer for a single LA or for a combination of LAs while also minimizing the chance of ties. An Intra-Round Bid must consist of a single offer price for exactly the same LA(s) included in the bidder's live bid in the previous round.

When submitting an Intra-Round Bid, the bidder is indicating that it is not willing to meet the current round's asking price, but it is willing to pay more than the previous round's asking price. In particular, in an Intra-Round Bid, the bidder specifies the maximum (higher than the previous round's asking price and less than the current round's asking price) that it is willing to offer for the specific LA(s) in its previous round's live bid.

Although an Intra-Round Bid is *not* a live bid, in the round in which a valid Intra-Round Bid is submitted for any number of LAs, the bidder's eligibility for a live bid in that same round and future rounds is permanently reduced to one less than the amount of LAs for which the bidder was eligible to bid in the previous round. In other words, once an Intra-Round Bid is submitted, the bidder will never again have the opportunity to submit a live bid on as many LAs as it has bid in previous rounds.

BOEM will not consider the presence of Intra-Round Bids for the purpose of determining whether to increase the asking price for a particular LA or to end the auction. Also, BOEM will not count or share with bidders between rounds the number of Intra-Round Bids received for each LA.

All of the Intra-Round Bids submitted during the auction will be preserved, and may be determined to be winning bids. Therefore, bidders are responsible for payment of the bids they submit and may be held accountable for up to the maximum amount of any Intra-Round Bids or live bids determined to be winning bids during the final award procedures.

Please note that all bids are treated as separate packages in deciding how and to whom to award LAs. In other words, Intra-Round bids, like all other bids consisting of more than one LA, are not divisible. The auction rules also guarantee that a final round live bid is a provisionally winning bid. Accordingly, a bidder's earlier round

bid for multiple LAs, which contains one or more of the LAs included in a final round bid of a different bidder, cannot be a provisionally winning bid. For example, if an Intra-Round bid is submitted for two LAs, and in the final round a different bidder submits a live bid for only one of those lease areas, the Intra-Round bid will not be considered for the area that did not receive a live bid. Because Intra-Round bids are considered inseparable packages, in this scenario the Intra-Round bid cannot win either LA.

Determining Provisional Winners

After the bidding ends, BOEM will determine the provisionally winning bids in accordance with the process described in this section. This process consists of two stages: Stage 1 and Stage 2, which are described below. Once the auction ends, nothing further is required of bidders within or between Stages 1 and 2. In practice, the stages of the process will be determined by the auction software, which will analyze the monetary and credit portion of the bids, determine provisional winners, find the LAs won by the provisional winners, and calculate the applicable bid prices to be paid by the winners for the LAs they won. This evaluation will be reviewed, checked and validated by the panel. The determination of provisional winners, in both stages, will be based on the two auction variables, as well as on a bidder's adherence to the rules of the auction, and the absence of conduct detrimental to the integrity of the competitive auction.

• Stage 1

Live bids submitted in the final round of the auction are Qualified Bids. Live bids submitted before the final round and any Intra-Round Bids submitted in any round of the auction are Contingent Bids. In Stage 1, a bidder with a Qualified Bid is provisionally assured of winning the LA(s) included in its final round bid, regardless of any other Contingent Bids. If all four LAs receive live bids in the final round, they are awarded to bidders in Stage 1, and the second award stage is not necessary. If any LA received a Contingent Bid but not a Qualified Bid, BOEM will proceed to Stage 2 to award the leases.

Following the auction, all winning bidders must pay the price associated with their winning bids, which may consist of cash and non-monetary credits or just cash.

• Stage 2

In Stage 2, BOEM will consider Contingent Bids to determine if the LA(s) not awarded in Stage 1 can be awarded in Stage 2. BOEM will award these LAs in Stage 2 based upon the

Contingent Bids that maximize the total As-Bid prices in the auction. However, in order to preserve the award of Qualified Bids in Stage 1, the only circumstance in which a Contingent Bid may replace a Qualified Bid is when the Contingent Bid is submitted by the same bidder and includes the LA of the Qualified Bid it replaces. For example, if a particular bidder placed a live bid for the Lease OCS-A 0500 in the final round of the auction, in Stage 2, if there are LAs that did not receive a final round live bid, BOEM will review the bids placed in the auction to determine if the same bidder placed a Contingent Bid containing Lease OCS-A 0500 and one or more other LAs. If this Contingent Bid maximizes the As-Bid prices in the auction, BOEM may choose this bid as the winning bid instead of that bidder's Qualified Bid for Lease OCS-A 0500. If the bidder's Qualified Bid is replaced by its Contingent Bid for Lease OCS-A 0500 and one or more of the other LAs (either by an Intra-Round bid for those LAs or by a live bid comprised of those LAs), the bidder would pay the price associated with its Contingent Bid for the LAs contained therein.

Under certain circumstances, different combinations of Contingent Bids from two or more bidders may result in the same total As-Bid price. In such cases, BOEM will resolve the resulting tie with a random drawing.

In the event a bidder submits a bid for a LA that the panel and BOEM determine to be a winning bid, the bidder will be expected to sign the applicable lease documents in a timely manner and submit the full cash payment due, pursuant to 30 CFR 585.224. If a bidder fails to timely sign and pay for the lease, then BOEM will not issue the lease to that bidder, and the bidder will forfeit its bid deposit. BOEM may take into account failure of a bidder to timely pay the full amount due in determining whether the bidder is financially capable to participate in other lease sales under BOEM's regulations at 30 CFR 585.106 and 585.107.

Credit Factors

Prior to the auction, BOEM will convene a panel pursuant to 30 CFR 585.222(d) to evaluate bidders' non-monetary packages to determine whether and to what extent each bidder is eligible for a non-monetary credit applicable to the As-Bid auction price for one of the LAs in each round of the auction, as described herein. Any single PPA or CBA cannot be used by more than one bidder in the auction.

The percentage credit that will be applicable to each bidder throughout the auction and award process is determined based on the panel's evaluation of required documentation submitted by the bidders as of January 14, 2015. Bidders will be informed by email before the monetary auction about the percentage credit applicable to their bids. A bidder may not receive more than one credit, and the bid credit will be applicable to only one LA. Any non-monetary credit will be applicable only to the highest priced LA in a bid for multiple LAs. For an Intra-Round Bid containing multiple LAs, the highest priced LA will be determined using the previous round's asking prices. After application of the credit percentage to the appropriate As-Bid auction price, it will be rounded to the nearest whole dollar amount.

The bidder's credit percentage is limited to the greater of 10% for a CBA or up to 25% for a PPA. This credit percentage will be applied to the highest priced LA related to the bidder's latest live bid or Intra-Round Bid. During each round, bidders are informed by the BOEM Auction System how the credit applies to their live bid and any Intra-Round Bid. In the case of a live bid for multiple LAs, the credit will apply only to the LA having the highest current round asking price. In the case of an Intra-Round Bid for multiple LAs, the credit will apply only to the highest-priced LA, but the applicable price for calculating the credit will be based on the previous round's asking prices, not on any additional amount above the previous round's asking prices as reflected in the incremental amount associated with its Intra-Round Bid.

The panel will review the non-monetary package submitted by each bidder, and, based on the criteria of a PPA or CBA as provided in this FSN, determine whether bidders have established that they are qualified to receive a credit and the percentage at which that credit will apply. If the panel determines that no bidder has qualified for a non-monetary credit, the auction will proceed with each bidder registered with no imputed credit.

Credit Factor Definitions

The following definitions describe the factors for which bidders may earn a credit.

Community Benefits Agreements (CBA). BOEM will provide a 10% credit for any bidder that can demonstrate that it has executed a CBA, as defined in this section. In order for a non-monetary package to qualify for a 10% credit in this auction, the BOEM-appointed panel

must answer "yes" to the following questions:

1. Is there a legally binding contract?
2. Is the contract between:
 - a. A bidder; and
 - b. One or more community-based organizations (CBO)?
3. Has the bidder committed to provide specified community benefits?
4. Has the CBO committed in specific ways to support the project in the governmental approval process?

A community-based organization (CBO) is defined as: A legally incorporated organization whose membership includes residents or property owners of a community within the potentially affected region, the local government of the community, or an entity created or managed by the local government(s) of the community or communities.

Bidders seeking non-monetary credit for a CBA must submit the CBA as part of their non-monetary package by the date specified in this FSN. In addition, bidders must include a description of how the CBA meets the requirements outlined in this FSN. For protection of confidential business information, please see the section entitled, "Protection of Privileged or Confidential Information" in this notice.

Power purchase agreement (PPA) is any legally enforceable long-term contract negotiated between an electricity generator (Generator) and a power purchaser (Buyer) that identifies, defines, and stipulates the rights and obligations of one party to produce, and the other party to purchase, energy from an offshore wind project to be located in the lease sale area. Except where approval of the PPA by the Massachusetts Department of Public Utilities would not otherwise be required, such approval must be obtained before a PPA will be eligible for credit in a non-monetary package in BOEM's lease sale. The PPA must state that the Generator will sell to the Buyer and the Buyer will buy from the Generator capacity and/or energy products from the project, as defined in the terms and conditions set forth in the PPA. Energy products to be supplied by the Generator and the details of the firm cost recovery mechanism approved by the state's public utility commission or other applicable authority used to recover expenditures incurred as a result of the PPA must be specified in the PPA. To qualify, a PPA must contain the following terms or supporting documentation:

- (i) A complete description of the proposed project;

(ii) Identification of both the electricity Generator and Buyer that will enter into a long term contract;

(iii) A timeline for permitting, licensing, and construction;

(iv) Pricing projected under the long term contract being sought, including prices for all market products that would be sold under the proposed long term contract;

(v) A schedule of quantities of each product to be delivered and projected electrical energy production profiles;

(vi) The term for the long-term contract;

(vii) Citations to all filings related to the PPA that have been made with state and Federal agencies, and identification of all such filings that are necessary to be made; and

(viii) Copies of or citations to interconnection filings related to the PPA.

If the panel determines a bidder has executed a PPA for at least 250 MW, it will be eligible for the entire 25% credit.

If the panel determines a bidder has executed a PPA for an amount less than 250 MW, the bidder may still be eligible for a non-monetary credit proportional to the PPA's fraction of 250 MW. The smaller percentage for a partial credit will be calculated according to the formula below:

$$\text{Partial Credit} = \frac{(\text{Full Credit} * \text{Partial PPA})}{\text{Full PPA}}$$

Where:

- Partial Credit = Percent credit for which a smaller PPA is eligible
- Full PPA = 250 MW
- Full Credit = 25%
- Partial PPA = amount (less than 250 MW) of power under contract

Additional Information Regarding the Auction

Non-Monetary Auction Procedures

All bidders seeking a non-monetary auction credit are required to submit a non-monetary auction package. If a bidder seeks a non-monetary auction credit, this submission must contain information sufficient to establish the bidder's eligibility to receive a non-monetary credit in the monetary phase of the auction. Further information on this subject can be found in the section of this notice entitled, "Credit Factor Definitions." If a bidder does not submit a non-monetary package by January 14, 2015, to BOEM, then BOEM will assume that bidder is not seeking a non-monetary auction credit and the panel will not consider that bidder for a non-monetary auction credit.

Bidder Authentication

Prior to the auction, the Auction Manager will send several bidder authentication packages to the bidders shortly after BOEM has processed the BFFs. One package will contain tokens for each authorized individual. Tokens are digital authentication devices. The tokens will be mailed to the Primary Point of Contact indicated on the BFF. This individual is responsible for distributing the tokens to the individuals authorized to bid for that company. *Bidders are to ensure that each token is returned within three business days following the auction.* An addressed, stamped envelope will be provided to facilitate this process. In the event that a bidder fails to submit a bid deposit or does not participate in the

auction, BOEM will de-activate that bidder's token and login information, and the bidder will be asked to return its tokens.

The second package contains login credentials for authorized bidders. The login credentials will be mailed to the address provided in the BFF for each authorized individual. Bidders can confirm these addresses by calling 703-787-1320. This package will contain user login information and instructions for accessing the Auction System Technical Supplement and Alternative Bidding Form. The login information, along with the tokens, will be tested during the Mock Auction.

Monetary Auction Times

This section will describe, from a bidder's perspective, how the auction will take place. This information will be elaborated on and clarified in the Auction System Technical Supplement available on BOEM's Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>. The Auction System Technical Supplement describes auction procedures that are incorporated by reference in this notice, except where the procedures described in the Auction System Technical Supplement directly contradict this notice.

The monetary auction will begin at 8:30 a.m. EST on January 29, 2015. Bidders may log in as early as 8:00 a.m. on that day. We recommend that bidders log in earlier than 8:30 a.m. on that day to ensure that any login issues are resolved prior to the start of the auction. Once bidders have logged in, they should review the auction schedule, which lists the start times, end times, and recess times of each round in the auction. Each round is structured as follows:

- Round bidding begins;
- Bidders enter their bids;

- Round bidding ends and the Recess begins;

- During the Recess, previous Round results are posted;

- Bidders review the previous Round results and prepare their next Round bids;

- Next Round bidding begins.

The first round will last about 30 minutes, though subsequent rounds may be shorter. Recesses are anticipated to last approximately 10 minutes. The descriptions of the auction schedule and asking price increments included with this FSN are tentative. Bidders should consult the auction schedule on the bidding Web site during the auction for updated times. Bidding will continue until about 6:00 p.m. each day. BOEM anticipates the auction will last one or two business days, but bidders are advised to prepare to continue bidding for additional business days as necessary to resolve the auction.

BOEM and the auction contractors will use the auction platform messaging service to keep bidders informed on issues of interest during the auction. For example, BOEM may change the schedule at any time, including during the auction. If BOEM changes the schedule during the auction, it will use the messaging feature to notify bidders that a revision has been made, and direct bidders to the relevant page. BOEM will also use the messaging system for other changes and items of note during the auction.

Bidders may place bids at any time during the round. At the top of the bidding page, a countdown clock will show how much time remains in the round. Bidders have until the scheduled time to place bids. Bidders should do so according to the procedures described in this notice, and the Auction System Technical Supplement. No information about the round is available until the round has closed and results have been posted, so there should be no strategic

advantage to placing bids early or late in the round.

Alternate Bidding Procedures

Any bidder who is unable to place a bid using the online auction and would be interested in placing a bid using the Alternate Bidding Procedures must:

- Call BOEM/the BOEM Auction Manager at the help desk number that is listed in the Auction Manual *before* the end of the round. BOEM will authenticate the caller to ensure he/she is authorized to bid on behalf of the company. The bidder must explain to the BOEM Auction Manager the reasons for which he/she is forced to place a bid using the Alternate Bidding Procedures. BOEM may, in its sole discretion, permit or refuse to accept a request for the placement of a bid using the Alternate Bidding Procedures.
- The Alternate Bidding Procedures enable a bidder who is having difficulties accessing the Internet to submit its bid via an Alternate Bidding Form that can be faxed to the auction manager. If the bidder has not placed a bid, but calls BOEM before the end of the round and notifies BOEM that it is preparing a bid using the Alternate Bidding Procedures, and submits the Alternate Bidding Form by fax before the round ends, BOEM will likely accept the bid, though acceptance or rejection of the bid is within BOEM's sole discretion. When using the Alternate Bidding Procedures, if the bidder calls during the round, but does not submit the bid until after the round ends (but before the round is posted), BOEM may or may not accept the bid, in part based on how much time remains in the recess. *Bidders are strongly encouraged to submit the Alternate Bidding Form before the round ends.* If the bidder calls during the recess following the round, but before the previous round's results have been posted, BOEM will likely reject its bid, even if it has otherwise complied with all of BOEM's Alternate Bidding Procedures. If the bidder calls to enter a bid after results have been posted, BOEM will reject the bid.

Except for bidders who have uncontested bids in the current round, failure to place a bid during a round will be interpreted as dropping out of the auction. It is possible that bids entered in prior rounds, before the bidder stopped bidding, may be awarded one or both LAs pursuant to BOEM's Stage 2 procedures. Bidders are held accountable for all bids placed during the auction. This is true if they continued bidding in the last round, if they placed an Intra-Round Bid, or if

they stopped bidding during the auction.

Rejection of Bids: BOEM reserves the right and authority to reject any and all bids. In any case, no lease will be awarded to any bidder, and no bid will be accepted, unless (1) the bidder has complied with all requirements of the FSN, applicable regulations and statutes, including, among others, those related to: bidder qualifications, bid deposits, and adherence to the integrity of the competitive bidding process, (2) the bid conforms with the requirements and rules of the auction, and (3) the amount of the bid has been determined to be adequate by the authorized officer. Any bid submitted that does not satisfy any of these requirements may be rejected by the Program Manager of BOEM's Office of Renewable Energy Programs and, in that case, would not be considered for acceptance.

Process for Issuing the Leases: If BOEM proceeds with lease issuance, it will issue three unsigned copies of the lease to each winning bidder. Within 10 business days after receiving the lease copies, the winning bidder must:

1. Execute the lease on the bidder's behalf;
2. File financial assurance, as required under 30 CFR 585.515–537; and
3. Pay by electronic funds transfer (EFT) the balance of the bonus bid (bid amount less the bid deposit). BOEM requires bidders to use EFT procedures (not *pay.gov*, the Web site bidders used to submit bid deposits) for payment of the balance of the bonus bid, following the detailed instructions contained in the "Instructions for Making Electronic Payments" available on BOEM's Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>.

If the winning bidder does not meet these three requirements within 10 business days of receiving the lease copies as described above, or if the winning bidder otherwise fails to comply with applicable regulations or the terms of the FSN, the winning bidder will forfeit its bid deposit. BOEM may extend this 10 business-day time period if it determines the delay was caused by events beyond the winning bidder's control.

In the event that the provisional winner does not execute and return the leases according to the instructions in this notice, BOEM reserves the right to reconvene the panel to determine whether it is possible to identify a bid that would have won in the absence of the bid previously determined to be the winning bid. In the event that a new winning bid is selected by the panel, BOEM will follow the procedures in this

section for determining the new winner(s).

BOEM will not execute a lease until (1) the three requirements above have been satisfied, (2) BOEM has accepted the winning bidder's financial assurance, and (3) BOEM has processed the winning bidder's payment. The winning bidder may meet financial assurance requirements by posting a surety bond or by setting up an escrow account with a trust agreement giving BOEM the right to withdraw the money held in the account on demand. BOEM may accept other forms of financial assurance on a case-by-case basis in accordance with its regulations. BOEM encourages provisionally winning bidders to discuss the financial assurance requirement with BOEM as soon as possible after the auction has concluded.

Within 45 days of the date that the winning bidder receives the lease copies, the winning bidder must pay the first year's rent using the *pay.gov* Renewable Energy Initial Rental Payment form available at: <https://pay.gov/paygov/forms/formInstance.html?agencyFormId=27797604>.

Subsequent annual rent payments must be made following the detailed instructions contained in the "Instructions for Making Electronic Payments" available on BOEM's Web site at: <http://www.boem.gov/State-Activities-Massachusetts/>.

Anti-Competitive Behavior: In addition to the auction rules described in this notice, bidding behavior is governed by Federal antitrust laws designed to prevent anti-competitive behavior in the marketplace. Compliance with the BOEM's auction procedures will not insulate a party from enforcement of the antitrust laws.

In accordance with the Act at 43 U.S.C. 1337(c), following the auction, and before the acceptance of bids and the issuance of leases, BOEM will "allow the Attorney General, in consultation with the Federal Trade Commission, 30 days to review the results of the lease sale."

If a bidder is found to have engaged in anti-competitive behavior in connection with its participation in the competitive bidding process, BOEM may reject the high bid.

Anti-competitive behavior determinations are fact specific. However, such behavior may manifest itself in several different ways, including, but not limited to:

- An agreement, either express or tacit, among bidders to not bid in an auction, or to bid a particular price;

- An agreement among bidders not to bid for a particular LA;
- An agreement among bidders not to bid against each other; and
- Other agreements among bidders that have the effect of limiting the final auction price.

Pursuant to 43 U.S.C. 1337(c), BOEM will decline to award a lease if it is determined by the Attorney General in consultation with the Federal Trade Commission that doing so would be inconsistent with the antitrust laws.

For more information on whether specific communications or agreements could constitute a violation of Federal antitrust law, please see: <http://www.justice.gov/atr/public/business-resources.html>, or consult counsel.

Bidder's Financial Form Self-Certification: Each bidder is required to sign the self-certification, in accordance with 18 U.S.C. 1001 (Fraud and False Statements) in the BFF, which can be found on BOEM's Web site: <http://www.boem.gov/State-Activities-Massachusetts/>. The form must be filled out and returned to BOEM in accordance with the "Deadlines and Milestones for Bidders" section of this notice.

Non-Procurement Debarment and Suspension Regulations

Pursuant to regulations at 43 CFR part 42, subpart C, an OCS renewable energy lessee must comply with the Department of the Interior's non-procurement debarment and suspension regulations at 2 CFR 180 and 1400 and agree to communicate the requirement to comply with these regulations to persons with whom the lessee does business as it relates to this lease, by including this term as a condition in their contracts and other transactions.

Force Majeure: The Program Manager of BOEM's Office of Renewable Energy Programs has the discretion to change any auction details, such as the date and time, specified in the FSN in case of a *force majeure* event that the Program Manager deems may interfere with a fair and proper lease sale process. Such events may include, but are not limited to: natural disasters (*e.g.*, earthquakes, hurricanes, floods), wars, riots, acts of terrorism, fire, strikes, civil disorder or other events of a similar nature. In case of such events, bidders should call 703-787-1320 or access the BOEM Web site at: <http://www.boem.gov/Renewable-Energy-Program/index.aspx>.

Appeals: The appeals procedures are provided in BOEM's regulations at 30 CFR 585.225 and 585.118(c). Pursuant to 30 CFR 585.225:

(a) If BOEM rejects your bid, BOEM will provide a written statement of the

reasons, and refund any money deposited with your bid, without interest.

(b) You will then be able to ask the BOEM Director for reconsideration, in writing, within 15 business days of bid rejection, under 30 CFR 585.118(c)(1). We will send you a written response either affirming or reversing the rejection.

The procedures for appealing final decisions with respect to lease sales are described in 30 CFR 585.118(c).

Protection of Privileged or Confidential Information

BOEM will protect privileged or confidential information that you submit as required by the Freedom of Information Act (FOIA). Exemption 4 of FOIA applies to trade secrets and commercial or financial information that you submit that is privileged or confidential. If you wish to protect the confidentiality of such information, clearly mark it and request that BOEM treat it as confidential. BOEM will not disclose such information, except as required by FOIA. Please label privileged or confidential information "Contains Confidential Information" and consider submitting such information as a separate attachment.

However, BOEM will not treat as confidential any aggregate summaries of such information or comments not containing such information. Additionally, BOEM may not treat as confidential the legal title of the commenting entity (*e.g.*, the name of your company). Information that is not labeled as privileged or confidential will be regarded by BOEM as suitable for public release.

Dated: November 17, 2014.

Walter D. Cruickshank,

Acting Director, Bureau of Ocean Energy Management.

[FR Doc. 2014-27965 Filed 11-25-14; 8:45 am]

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DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[Docket No. BOEM-2014-0078; MMAA104000]

Outer Continental Shelf, Alaska OCS Region, Chukchi Sea Planning Area, Oil and Gas Lease Sale 193

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Notice of Availability of a Second Draft Supplemental Environmental Impact Statement and Notice of Public Hearings; Correction.

SUMMARY: On November 7, 2014, BOEM published a notice in the **Federal Register** (79 FR 66401). BOEM is changing the venue for one of the public hearing dates. This notice makes that change.

SUPPLEMENTARY INFORMATION: Public Hearings: Pursuant to the regulations implementing the procedural provisions of NEPA, BOEM will hold public hearings on the Second Draft SEIS. The hearing scheduled on December 1, 2014, previously announced to occur at the Loussac Library Complex, will be held at a different location. The hearing will instead take place at the Crowne Plaza Hotel, 109 W. International Airport Road, Anchorage, Alaska.

FOR FURTHER INFORMATION CONTACT: Michael Routhier, Program Analysis Officer and Project Manager, BOEM, Alaska OCS Region, 3801 Centerpoint Drive, Suite 500, Anchorage, Alaska 99503-5823 or by telephone at (907) 334-5200.

Dated: November 17, 2014.

Walter D. Cruickshank,

Acting Director, Bureau of Ocean Energy Management.

[FR Doc. 2014-28003 Filed 11-25-14; 8:45 am]

BILLING CODE 4310-MR-P

DEPARTMENT OF JUSTICE

Notice of Lodging of a Proposed Amended Consent Decree Under the Clean Water Act

On November 19, 2014, the Department of Justice lodged a proposed Amended Consent Decree with the United States District Court for the Western District of Missouri in the lawsuit entitled *United States v. The City of Kansas City, Missouri*, Civil Action No. 4:10-cv-0497-GAF, proposing to modify the implementation schedule for certain injunctive measures required under the original Consent Decree entered in this matter on September 27, 2010, resolving Kansas City's alleged violations of the Clean Water Act ("CWA" or "Act").

The Consent Decree ("CD") requires, among other measures intended to reduce or eliminate sewage overflows from Kansas City's sewer system, that Kansas City ("KC") build 68 million gallons of additional storage tank capacity at the City's 87th Street Pumping Station in two phases: Phase I (20 MM gallons) is due to be completed in 2016; Phase II (remaining 48 MM gallons) is due to be completed in 2024. The proposed Amendment would allow the City to defer the Phase I construction so that completion of both