



# United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT  
WASHINGTON, DC 20240-0001

Mr. Peter Allen  
Revolution Wind, LLC  
56 Exchange Terrace, Suite 300  
Providence, Rhode Island 02903

Dear Mr. Allen:

I am writing on behalf of the Bureau of Ocean Energy Management (BOEM), Office of Renewable Energy Programs, regarding Revolution Wind, LLC's (Revolution Wind) regulatory departure request submitted on December 1, 2023, pursuant to 30 C.F.R. § 585.103. Revolution Wind requested a departure from 30 C.F.R. § 585.516(a)(4), which requires lessees to provide financial assurance for decommissioning costs before the installation of facilities on their lease. Specifically, Revolution Wind requests to defer providing the full amount of its decommissioning financial assurance until fifteen years after the date on which the Revolution Wind Farm and the Revolution Wind Export Cable Project (Project) begins commercial operations as defined in 30 C.F.R. § 585.113 on Lease OCS-A 0486. In a December 22, 2023, letter, BOEM notified Revolution Wind of the required supplemental financial assurance amount of \$325,440,000, which is based on the estimated cost of facility decommissioning.

In support of this departure request, Revolution Wind states that providing the full amount of its decommissioning financial assurance prior to receiving any revenue under its power purchase agreements (PPAs) would be an unnecessary and unreasonable financial burden on the company. Revolution Wind identifies several risk-reduction factors associated with the Project, including:

- 1) A 35-year asset life (beyond the certified 25-year design life of the wind turbines to be used on the Project) is expected through an increase in maintenance activities and operational adjustments.
- 2) The Project has insurance during the construction and operations phases to protect against the possibility that assets would need to be prematurely decommissioned.
- 3) Its 20-year revenue stream is secured by fixed prices in several PPAs.

BOEM agrees that these risk-reduction factors, along with our review of the Project's projected revenue and costs, demonstrate that deferring the decommissioning financial assurance requirements until 15 years after Revolution Wind begins commercial operations on the lease does not expose the U.S. Government to undue risk.

Pursuant to 30 C.F.R. § 585.103(a), BOEM finds that this departure is necessary to facilitate appropriate activities on lease OCS-A 0486 because it would reduce Revolution Wind's upfront financial assurance burden. Additionally, pursuant to 30 C.F.R. § 585.103(b), this departure:

- 1) Is consistent with subsection 8(p) of the Outer Continental Shelf (OCS) Lands Act because it allows for the establishment of financial assurance in a way that protects the interests of the United States, but also allows for the expeditious development of renewable energy projects on the OCS;
- 2) Protects the environment, and public health and safety, to the same degree as if there were no approved departure by relying on the Project's financial strength; and
- 3) Does not impair third parties' rights because it only involves the timing of decommissioning financial assurance obligations required per 30 C.F.R. part 585.

BOEM, therefore, approves the departure from 30 C.F.R. § 585.516(a)(4), subject to the following conditions:

- Before operations begin, Revolution Wind must provide BOEM with projections of its revenue and operational expenses for the remaining years of its PPA. Once the project is operational, the Lessee must provide these projections based on actual operating conditions. The Lessee will provide BOEM with this information annually on January 31<sup>st</sup> until the decommissioning financial assurance is provided in full.
- The Lessee must establish and fully fund a decommissioning account pursuant to 30 C.F.R. § 585.529 within 15 years of commencing commercial operations as defined in 30 C.F.R. § 585.113. The Lessee must notify BOEM at least seven days before commencing commercial operations. Upon confirmation of the Lessee commencing commercial operations, BOEM will provide the Lessee with the date by which the full amount of decommissioning financial assurance is required.
- Notwithstanding the granting of this departure, based on BOEM's annual evaluation of Revolution Wind's projected or actual revenue and operational expenses, BOEM reserves the right to demand that the Lessee provide financial assurance at any time during the first 15 years of commercial operations, or at any other time. Therefore, the granting of the departure is made conditional on a favorable annual evaluation of the financial information provided by Lessee. This departure approval is also based on regulations in effect on the date of this letter. BOEM's evaluation of Revolution Wind's financial information may be updated to reflect any future regulatory or policy changes.

This regulatory departure will start on the date Revolution Wind begins installing facilities on the lease, given that the financial assurance would otherwise be due by then. Please note that this departure applies only to the financial assurance required for the Project on commercial lease OCS-A 0486.

If you have any questions regarding this matter, please contact Whitney Hauer at (571) 536-8698 or [Whitney.Hauer@boem.gov](mailto:Whitney.Hauer@boem.gov).

Sincerely,

Karen J. Baker  
Chief,  
Office of Renewable Energy Programs