



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT
WASHINGTON, DC 20240-0001

Mr. Peter Allen
Ocean Wind LLC
c/o Orsted North America Inc
399 Boylston Street, 12th Floor
Boston, Massachusetts 02116

Dear Mr. Allen:

I write on behalf of the Bureau of Ocean Energy Management (BOEM) regarding the request for a suspension of the operations term of Ocean Wind LLC's ("Lessee") commercial lease (Renewable Energy Lease Number OCS-A 0498) that the Lessee submitted pursuant to 30 C.F.R. § 585.416 on January 19, 2024. The Lessee has requested that the suspension last until the earlier of: (1) the date that is two years after BOEM's issuance of a suspension order; or (2) such date that BOEM specifies if it grants a request by the Lessee that BOEM lift the suspension order sooner. Further, the Lessee has requested that BOEM suspend all deadlines and schedules in the Lessee's approved Construction and Operations Plan ("COP") for the Ocean Wind 1 Offshore Wind Project ("Project"), and in BOEM's September 21, 2023, Conditions of Construction and Operations Plan Approval ("COP Approval"), for so long as Renewable Energy Lease Number OCS-A 0498's Operations Term is suspended.

BOEM hereby approves a two-year suspension of the operations term, until February 28, 2026, subject to the terms described below. BOEM will consider any requests for an early termination of the suspension consistent with the Outer Continental Shelf Lands Act (OCSLA), the regulations in 30 C.F.R. Part 585 Subpart D, and the terms of the lease. Any such requests must be made in writing. The lessee must make the request at least 60 days before the date the lessee proposes the suspension would be lifted. This letter serves as a written suspension order pursuant to 30 C.F.R. § 585.418.

Lease Term Suspension Approval

BOEM has determined that such a suspension is warranted given the facts and circumstances of the Lessee's request, including considering each of the following reasons:

1. The Lessee has demonstrated good faith and due diligence in its efforts to meet the critical milestones outlined in its commercial lease, in BOEM's renewable energy regulations, and in the COP Approval. The Lessee has met all required financial obligations.

2. The Lessee has faced unforeseen challenges associated with supply chain delays that led the Board of Directors of Orsted A/S (the ultimate corporate parent of Orsted North America Inc. and its wholly owned subsidiary Ocean Wind LLC) to cease development of the Project pursuant to the June 21, 2019, award of Offshore Renewable Energy Certificates (“ORECs”) made by the New Jersey Board of Public Utilities (NJ BPU). These circumstances have negatively impacted the Lessee’s ability to construct and operate the Project.
3. The suspension of the operations term is necessary for the Lessee’s full enjoyment of the lease in this circumstance to ensure sufficient time for project operations in support of the Project’s economic viability. Granting the suspension of the operations term also will avoid reductions to the length of time when the Project is generating power to the grid and revenue to both the Lessee and U.S. Treasury.
4. BOEM has an interest in maximizing the total amount of operating fee payments based on the energy produced from the Project, as provided for in Addendum B of the lease and, accordingly, in increasing the length of the energy-producing operations term to allow for additional payments.
5. Because the Lessee is not requesting that any activity be conducted on the lease while the suspension is in effect, implementing the schedule of activities in the COP and complying with any deadlines in the COP Approval issued on September 21, 2023, would be impracticable and unduly burdensome for both the Lessee and BOEM.

BOEM approves the suspension under the following terms:

1. The lessee may not conduct any activities on Renewable Energy Lease Number OCS-A 0498, including the project easement described in Addendum D, during the suspension.
2. During the suspension, BOEM suspends the Lessee’s obligation to comply with all deadlines in the Lessee’s approved COP and COP Approval that relate to the date of COP Approval¹ or that recur regularly (e.g., annual reports) and tolls deadlines relating to the date of COP Approval for the duration of the suspension. When the suspension lifts, BOEM will evaluate the tolled deadlines and determine if that tolling warrants modification of the COP pursuant to 30 C.F.R. § 585.634.
3. During the suspension period and pursuant to 30 C.F.R. § 585.415(c), the Lessee must:
 - a. Respond to BOEM’s requests for information in a timely manner, including providing project status updates;

¹ These deadlines include specifically those described in Conditions 6.1; 6.3; and 6.4.

- b. Participate, or provide necessary information for BOEM's participation, in environmental consultations in the event that any further consultation may be necessary;
 - c. Participate in planning activities, meetings, and phone calls, if requested by BOEM.
4. BOEM suspends the operations term of the lease until February 28, 2026. If BOEM grants a request to lift the suspension earlier, BOEM will make the order lifting the suspension available on BOEM's website before the order's effective date.
 5. The suspension of the operations term of the lease will not be construed to waive any liability or relieve the Lessee from complying with any applicable statute, regulation or lease provision, nor does it relieve the Lessee from any penalties, sanctions, or claims that would otherwise apply by statute, regulation, or operation of law.

The Lessee must continue to pay rent as specified in Addendum B(III)(a) of the lease. In the event that Ocean Wind LLC assigns the lease, this suspension will remain in effect as described under the terms of this order, which would apply equally to the assignee.

This letter constitutes a final BOEM decision that may be appealed pursuant to 30 C.F.R. § 585.118, 30 C.F.R. Part 590, and 43 C.F.R. Part 4, Subpart E. If you have any questions regarding this matter, please contact Seth Theuerkauf at (703) 787-1099 or Seth.Theuerkauf@boem.gov.

Sincerely,

Karen J. Baker
Chief
Office of Renewable Energy Programs