

United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

New Orleans Office 1201 Elmwood Park Boulevard New Orleans, LA 70123-2394

Memorandum

To: Elizabeth Klein

Director, Bureau of Ocean Energy Management

From: James Kendall

Regional Director, Gulf of Mexico Regional Office

Subject: Gulf of Mexico Wind Lease Sale 2 (GOMW-2) Area Identification

Pursuant to 30 CFR § 585.211(b)

I. Purpose

The purpose of this memorandum is to document the analysis and rationale used to develop recommendations for four Final Wind Energy Areas (WEAs) in the Gulf of Mexico (GOM) that are offshore the states of Louisiana and Texas. The Bureau of Ocean Energy Management's (BOEM) New Orleans Office is requesting concurrence from the BOEM Director on the recommended Final WEAs.

II. <u>Development of the Recommended Final WEAs and the Area Identification Process</u> Overview

A. Request for Interest

On June 11, 2021, BOEM issued a Request for Interest (RFI) for Commercial Leasing for Wind Power Development on the GOM Outer Continental Shelf (OCS). The RFI is a preliminary step used to gauge potential interest in obtaining commercial wind leases in areas on the GOM OCS and to gather information about the RFI Area. See 86 FR 31339. The RFI Area comprised the entire Central Planning Area (CPA) and Western Planning Area (WPA) of the Gulf of Mexico, excluding the portions of those areas located in water depths greater than 1,300 meters (Figure 1). BOEM issued the RFI not only to identify potential opportunities for renewable energy development in the GOM, but also to gather additional information about possible constraints on such development. In addition to soliciting public comment via the RFI, BOEM held its first GOM Intergovernmental Renewable Energy Task Force (Task Force) meeting on June 15, 2021. The Task Force meeting included representatives of the Louisiana, Texas, Mississippi, and Alabama state governments, as well as other representatives from Tribes, and relevant Federal and local government entities. The comment period for the RFI ended on July 26, 2021. BOEM received 39 comments and 10 indications of interest in a commercial wind energy lease within the RFI Area, which are available at https://www.regulations.gov/document/BOEM-2021-0041-0001.



Figure 1: Gulf of Mexico RFI Area

B. Call for Information and Nominations

On November 1, 2021, BOEM published a *Call for Information and Nominations – Commercial Wind Leasing for Wind Power Development on the OCS in the GOM* (Call). See <u>86 FR 60283</u>. BOEM used the Call both to solicit lease nominations for a commercial wind energy lease beyond those identified in response to the earlier RFI and to request comments from interested and affected parties regarding site conditions, resources, and uses of the identified area that would be relevant to BOEM's potential leasing and development authorization process. BOEM delineated the Call Area after considering the comments from the RFI and consulting with numerous parties and information sources, including the states of Alabama, Mississippi, Louisiana, and Texas, and the Task Force (**Figure 2**). The Call Area comprised the area located seaward of the Gulf of Mexico Submerged Lands Act Boundary, bounded on the east by the north-south line located at -89.857° W. longitude, and bounded on the south by the 400-meter bathymetry contour, and the U.S. Mexico Maritime Boundary established by the Treaty between the Government of the United States of America and the Government of the United Mexican States on the Delimitation of the Continental Shelf in the Western Gulf of Mexico beyond 200 Nautical Miles (U.S.-Mexico Treaty), which took effect in January 2001.

Additionally, BOEM hosted a second Task Force meeting on February 2, 2022. The Task Force meeting included participation from members of all involved States, as well as other representatives from Tribes and relevant Federal and local government entities. BOEM also hosted four sector-specific fisheries meetings to collect information that would help to avoid, minimize, or mitigate potential impacts on commercial and recreational fisheries. During and after the Call comment period, BOEM held or attended over 40 informational sessions with many stakeholders to better understand concerns related to potential impacts to military activities, fisheries, navigation, and other potential use conflicts.

The comment period for the Call ended on December 16, 2021. BOEM received 40 comments and 8 nominations, which are available at https://www.regulations.gov/document/BOEM-2021-0077.

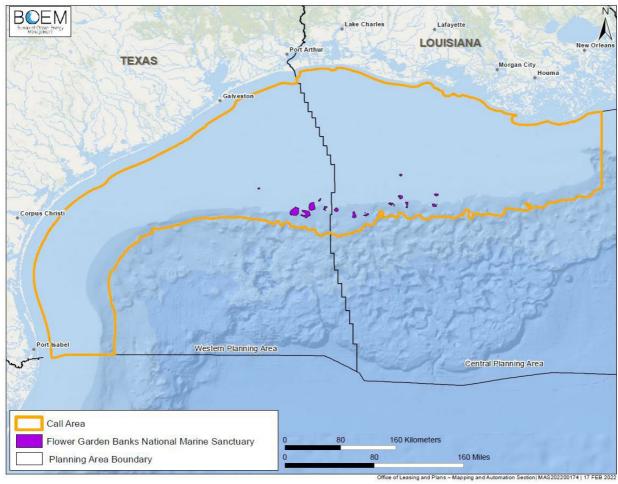


Figure 2: Gulf of Mexico Call Area

C. Wind Energy Area Options

BOEM received ocean users' feedback suggesting that BOEM consider leveraging an existing ocean planning model previously used in the GOM for National Oceanic and Atmospheric Administration's (NOAA) Aquaculture Opportunity Areas for ocean planning purposes. In response, BOEM partnered with NOAA's National Centers for Coastal Ocean Science (NCCOS) to utilize an ocean planning model to help support identification of WEA Options. The methods of this model and a Final Report entitled, "A Wind Energy Area Siting Analysis for the Gulf of Mexico Call Area" can be found at

https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/GOM-WEA-Modeling-Report-Combined.pdf.

As a result of the modeling efforts, BOEM identified a number of suitable areas for wind energy development, the locations of which were distributed from offshore the east coast of Texas to offshore southwest Louisiana. Fourteen WEA Options were identified that ranked in the top five percent of the suitable areas, ranging from 39,836 acres to 546,645 acres (**Figure 3**). After the model was run, the Department of Defense (DoD) submitted its preliminary assessment of the Call Area. As a result of the DoD preliminary assessment, BOEM removed WEA Option B from further consideration, leaving 13 viable WEA Options.

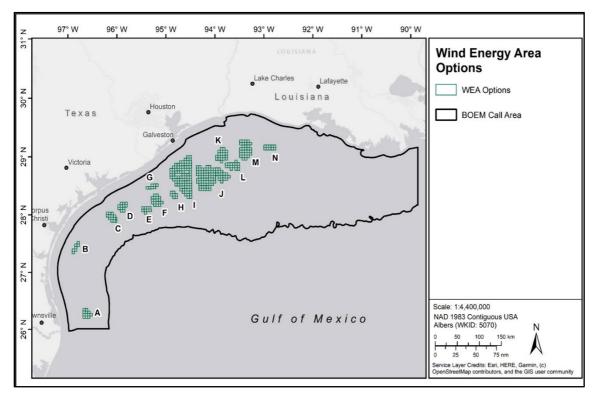


Figure 3: 13 WEA Options from the Model Output

D. Preliminary and Final WEAs for the First Gulf of Mexico Wind Lease Sale (GOMW-1)

On July 20, 2022, BOEM published on Regulations.gov for public comment the analysis and rationale used to develop recommendations for the two Preliminary WEAs selected (Preliminary WEAs I and M) to offer in the first Gulf of Mexico Wind Lease Sale (GOMW-1). The detailed analysis and the rationale for the recommendations are documented in the *GOM WEA Memorandum*, which can be found at https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-draft-weas.

BOEM received 107 comments on the Preliminary WEAs. BOEM reviewed and analyzed the comments and ultimately made several revisions to the Preliminary WEAs to define the Final WEAs. These changes are outlined and the Final WEAs for GOMW-1 were announced on October 31, 2022, in the Gulf of Mexico Area Identification Memo available at https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/4683-Memorandum-for-Area-ID-GOM.pdf. The GOMW-1 auction was held on August 29, 2023, and offered three areas (Galveston I, Galveston II, and Lake Charles) for lease, which are within the two Final Wind Energy Areas (I and M). This sale resulted in one lease area receiving a high bid of \$5.6 million. RWE Offshore US Gulf, LLC was the winner of the Lake Charles Lease Area, which has the potential to generate approximately 1.24 gigawatts of offshore wind energy capacity and power nearly 435,400 homes with clean, renewable energy. While Galveston I and II were not leased in GOMW-1 lease auction, WEA I remains a Final WEA as designated on October 31, 2022, in the Gulf of Mexico Area Identification Memo available at https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/4683-

<u>Memorandum-for-Area-ID-GOM.pdf</u>. Moving forward, WEA I will be available for potential lease area siting in future auctions.

E. Recommended Final WEAs for the Second Gulf of Mexico Wind Lease Sale (GOMW-2)

Offshore wind developers have requested BOEM offer more acreage in the GOM east of WEA I for leasing. A potential GOMW-2 sale (combined with GOMW-1) would offer sufficient acreage for leasing to allow for robust development to help meet the state of Louisiana's goal of 5 GW of offshore wind. Building on the extensive outreach, coordination, and progress made by the GOMW-1 leasing process, BOEM is recommending selection of the Final WEAs from the WEA Options discussed in Section IIc for GOMW-2. GOMW-2 will build off the feedback already provided for GOMW-1. BOEM did not issue GOMW-2 Preliminary WEAs for comment but, to maintain transparency, BOEM sought input from stakeholders during the Area Identification (Area ID) process. From June through August 2023, BOEM engaged with federal partners, federally recognized Tribes, the affected states as well as other stakeholders and ocean users to solicit input and feedback on the 11 remaining WEA Options. On August 2, 2023, BOEM held a "round table" meeting with major stakeholders to gather input and answer questions on wind development in the GOM and have continued the outreach and engagement conversations to date. BOEM considered and incorporated comments received into the recommendation of these Final WEAs. New data was solicited and reviewed from stakeholders and it was determined that the NCCOS Model finalized May 2022 (as described in section C) is still considered best available data for deconflicting. Substantive comments underscored the need to minimize potential impacts to the fisheries industry, consider United States Coast Guard and Department of Defense missions and potential concerns, and provide sufficient WEA acreage for economic viability. Based on this input, BOEM removed from consideration the WEAs with mid to high levels of potential shrimping impacts and WEA Options with less than 90,000 acres with the exception of WEA Option N. WEA Option N is being recommended as a final WEA based on potential economic viability due to its proximity to the existing Lake Charles lease area. Therefore, BOEM is recommending as final WEAs J, K, L and N. The recommended Final WEAs for GOMW-2 are described in Table 1 and Figures 4-8.

Table 1: GOMW-2 Recommended Final WEAs Descriptive Statistics

	Acres	Installation Capacity ¹	Homes Powered ²	Power Production (MWh/yr.) ³	Max Depth (meters)	Min Depth (meters)	Closest Distance to TX (km)	Closest Distance to LA (km)
WEA Option J	495,567	6,016	2,105,600	21,080,068	46	22.5	76 km	
WEA Option K	119,635	1,452	508,200	5,089,279	23.8	17.4	98.9 km	133.3 km
WEA Option L	91,157	1,107	387,450	3,878,928	29	18.3	85.2 km	
WEA Option N	56,978	692	242,200	2,424,768	21.9	16.8		132.5 km
TOTAL	763,337	9,267	3,243,450	32,473,043				

¹ Megawatts (MW) based upon 3MW/sqkm

² Megawatt hours per year (MWh/yr) based upon 350 homes per MW

³ Formula = Capacity (MW) * 8760 (hrs/yr) * 0.4 (capacity factor)

To facilitate the Area ID planning process, BOEM's GOM Regional Office recommends maintaining flexibility by identifying more WEAs than identified for GOMW-1. In recommending the GOMW-2 Final WEAs, BOEM is advancing the Biden-Harris Administration's goal to achieve 30 GW of offshore wind by 2030 and net zero emissions by 2050. BOEM also aims to: be responsive to Louisiana's renewable energy goals, increase the potential for competition in future offshore wind energy solicitations, and develop a predictable leasing pipeline.

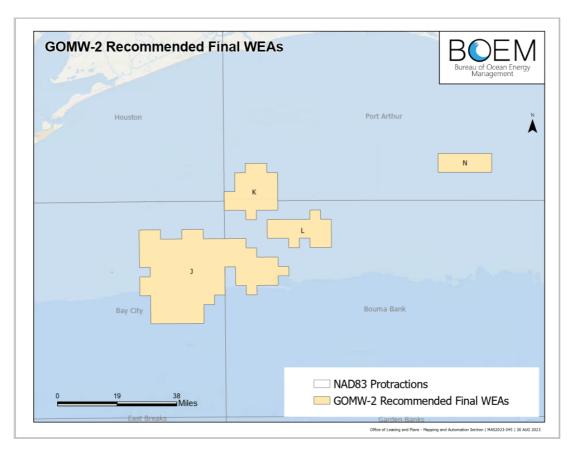


Figure 4: 4 Recommended Final WEAs

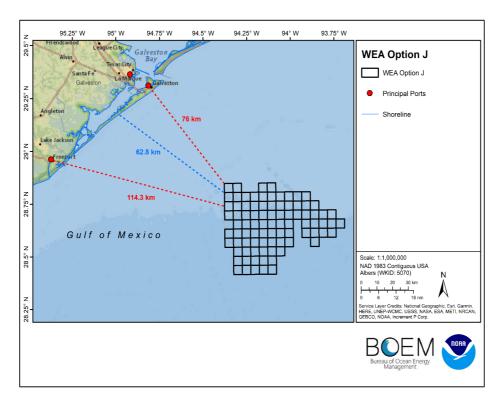


Figure 5: WEA Option J

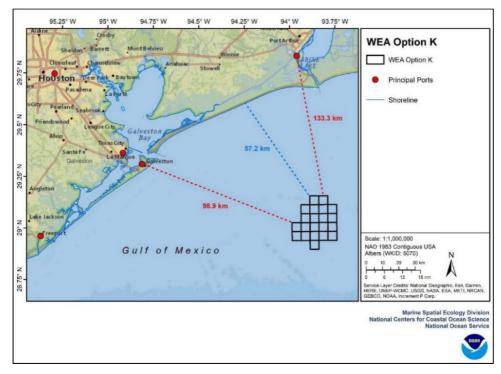


Figure 6: WEA Option K

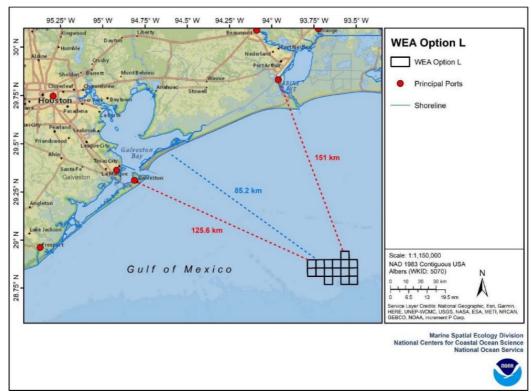


Figure 7: WEA Option L

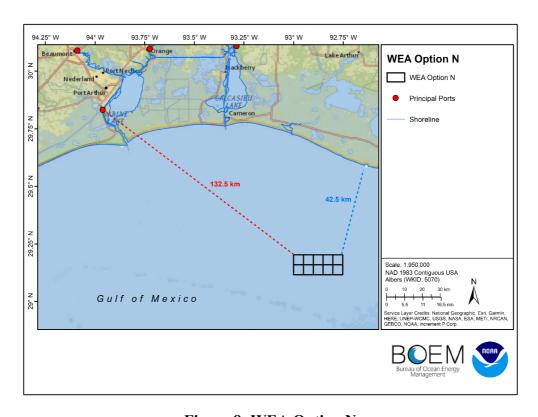


Figure 8: WEA Option N

F. Environmental Review

BOEM prepared a programmatic GOM Wind Lease Environmental Assessment (EA) pursuant to the National Environmental Policy Act (NEPA). The Final EA published on May 30, 2023, and can be found at https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/GOM%20Wind%20Lease%20EA_0.pdf. The analysis provided in the GOM Wind Lease EA considered the issuance of up to 18 OCS wind energy leases and the potential impacts from activities expected to take place after lease issuance, including site characterization activities (such as biological, geological, geotechnical, and archaeological surveys) and site assessment activities (such as meteorological and oceanographic buoy deployment). The EA also compares the potential impacts of site characterization and site assessment activities to the potential cumulative effects from these activities, as well as other past, present, and reasonably foreseeable future activities in the GOM.

The EA analyzed the entire GOM Call Area, not just the GOMW-1 Final WEAs. Although NEPA analysis is not required at the Area ID stage, BOEM decided to prepare an EA prior to the identification of the GOMW-1 Preliminary WEAs as an exercise of agency discretion. This approach not only allows greater flexibility for future identification of WEAs, but also provides NEPA coverage for unsolicited requests for commercial or research projects and grants that could be received for areas within the GOM Call Area. The Call informed the environmental review process by identifying and informing the geographic scope of that environmental analysis for any future OCS wind energy lease sales in the area. The issuance of any OCS wind energy leases resulting from such sales would grant the lessees only the exclusive right to submit plans for BOEM's review. The issuance of a lease by BOEM does not convey the right to proceed with construction and operation of a wind energy facility. Therefore, BOEM does not consider the issuance of a lease to constitute an irreversible and irretrievable commitment of resources.

Consultations with the U.S. Fish and Wildlife Service under the Endangered Species Act (ESA) and with National Marine Fisheries Service (NMFS) for Essential Fish Habitat (EFH) under the Magnusson-Stevens Fishery Management and Conservation Act were completed previously and provide coverage for potential leasing within the entire Call Area. The ESA consultation with NMFS was limited to areas within the 100-m isobath of the Call Area. These ESA and EFH consultations cover a geographic area that includes all WEAs considered for GOMW-1 and GOMW-2.

Before holding the GOMW-2 auction, BOEM will ensure that Tribal nations and the appropriate parties are invited to consult on the proposed lease sale and potential impacts from site characterization and site assessment activities. Under Executive Order 13175, tribal consultation will be offered at a government-to-government level. Additionally, under Section 106 of the National Historic Preservation Act, potentially affected Tribes and stakeholders will be invited to consult with BOEM and the Bureau of Safety and Environmental Enforcement on the proposed lease sale and site characterization and site assessment activities likely to occur if an area is leased.

BOEM will also conduct consultations with appropriate state agencies under the Coastal Zone Management Act before any OCS wind energy lease sale. If an OCS wind energy lease is issued and a lessee submits a Construction and Operations Plan (COP) proposing development activities on that lease, BOEM would consider its merits; perform the necessary consultations with the appropriate state, Federal, local, and Tribal entities; solicit input from the public and Task Force members; and perform an independent, comprehensive, environmental analysis under NEPA for the activities proposed in the COP. The separate environmental analysis for a COP would provide additional opportunities for public involvement pursuant to NEPA and the Council on Environmental Quality regulations at 40 CFR parts 1500–1508. BOEM would use this information to evaluate the potential environmental and socioeconomic impacts associated with the lessee-proposed project, and potential cumulative effects from these activities as well as other past, present, and reasonably foreseeable future actions, when considering whether to approve, approve with modification, or disapprove a lessee's COP pursuant to 30 CFR § 585.628.

III. Conclusion

Director Concurrence

I.

As a result of the comments received and as discussed above, BOEM's GOM Regional Office is recommending four Final Wind Energy Areas for GOMW-2. While BOEM deemed 13 Wind Energy Area Options suitable for wind energy development during the GOMW-1 sale process, BOEM selected only two WEA Options as Final WEAs for the GOMW-1 auction. Through continued outreach and engagement efforts, and the successful outcome of GOMW-1, BOEM believes there is justifiable industry interest and economic value to identify additional Final WEAs for a GOMW-2 lease sale. In support of the Biden-Harris Administration's goal to achieve 30 GW of offshore wind by 2030 and net zero emissions by 2050, BOEM recommends selection of the four Final WEAs.

Yes		
No		
Elizabeth Klein	Date	
Director, Bureau of Ocean Energy Management		