

Billing Code: 4340-98

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[Docket No. BOEM-2023-0021]

Final Sale Notice (FSN) for Commercial Leasing for Wind Power Development on the Outer Continental Shelf in the Gulf of Mexico (GOMW-1)

AGENCY: Bureau of Ocean Energy Management, Interior.

ACTION: Final sale notice.

SUMMARY: This Final Sale Notice (FSN) contains information pertaining to the areas available for commercial wind energy leasing on the Outer Continental Shelf (OCS) in the Gulf of Mexico (GOM). Specifically, this FSN details certain provisions and conditions of the leases, auction details, the lease form, criteria for evaluating competing bids, and procedures for award, appeal, and lease execution. The Bureau of Ocean Energy Management (BOEM) will offer three leases for sale using a multiple-factor bidding auction format: Lease OCS-G 37334, Lease OCS-G37335, and Lease OCS-G37336 (Lease Areas). The issuance of any lease resulting from this sale will not constitute approval of project-specific plans to develop offshore wind energy. Such plans, if submitted by the Lessee, will be subject to environmental, technical, and public reviews prior to a BOEM decision on whether the proposed activity should be authorized.

DATES: BOEM will hold an online mock auction for potential bidders starting at 8:00 a.m. Central Daylight Time (CDT) / 9:00 a.m. Eastern Daylight Time (EDT) on August 28, 2023. The monetary auction will be held online and will begin at 8:00 a.m. CDT/9:00 a.m. EDT on August 29, 2023. Additional details are provided in the section entitled, “Deadlines and Milestones for Bidders.”

FOR FURTHER INFORMATION CONTACT: Bridgette Duplantis, Bureau of Ocean Energy Management, Office of Leasing and Plans, 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123, (504) 736-7502 or bridgette.duplantis@boem.gov.

SUPPLEMENTARY INFORMATION:

I. Background

The OCS Lands Act authorizes BOEM to offer renewable energy leases for sale on the OCS competitively, unless BOEM determines there is no competitive interest. On June 11, 2021, BOEM published a Request for Interest (RFI) for commercial leasing for wind power development in the Gulf of Mexico OCS (88 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. On November 1, 2021, BOEM published the Call for Information and Nominations (86 FR 60283) encompassing an area of almost 30 million acres just west of the Mississippi River to the Texas/Mexican border. On July 20, 2022, BOEM announced that it was seeking public comments on two draft Wind Energy Areas (WEAs) totaling 7,364,668 acres offshore Galveston, Texas, and Lake Charles, Louisiana. In response to feedback collected, BOEM announced the Area Identification on October 31, 2022. BOEM published the Proposed Sale Notice (PSN) in the *Federal Register* (88 FR 11939) on February 22, 2023. A 60-day comment period followed. BOEM requested any prospective bidders who wished to participate in the GOM lease sale to submit qualification materials postmarked no later than April 25, 2023. BOEM also hosted an auction seminar for prospective bidders on March 23, 2023, to discuss the proposed auction format. BOEM received 330 comment submissions in response to the PSN, which are available on [regulations.gov](https://www.regulations.gov) (Docket ID: BOEM-2023-0021) at:

<https://www.regulations.gov/document/BOEM-2023-0021-0001>. BOEM has posted its responses to the comments that were submitted during the PSN comment period. The document entitled, *Response to Comments*, can be found on BOEM’s website at:

<https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>.

In response to the comments received, BOEM made several changes to the GOMW-1 sale format and procedures from those proposed in the PSN and to the lease stipulations in the Proposed Leases. BOEM will offer all three lease areas during one multi-factor GOMW-1 auction. In each round of the auction, a bidder can bid for, at most, one of the offered leases at a time. A bidder may switch between different Lease Areas from round to round subject to the auction rules, but must bid in each round, and ultimately can acquire, at most, one lease in the auction.

II. List of Eligible Bidders

BOEM has determined that the following 16 entities are legally, technically, and financially qualified to hold a commercial wind lease offshore the GOM, pursuant to 30 CFR 585.107 and 585.108, and therefore may participate in this lease sale as bidders subject to meeting the requirements outlined in this notice. Those entities are listed below:

Company Name	Company No.
547 Energy LLC	15123
Avangrid Renewables, LLC	15019
Coastal Offshore Renewable Energy LLC	15173
energyRe Offshore Wind Holdings, LLC	15171
Equinor Wind US LLC	15058
Gulf Coast Offshore Wind LLC	15172

Gulf Wind Offshore LLC	15178
Hanwha Offshore North America LLC	15176
Hanwha Q CELLS USA Corp.	15156
Hecate Energy LLC	15166
Invenergy GOM Offshore Wind LLC	15177
RWE Offshore US Gulf, LLC	15169
Shell New Energies US LLC	15140
TotalEnergies Renewables USA, LLC	15136
US Mainstream Renewable Power, Inc.	15089

- a. *Affiliated Entities*: On the Bidder’s Financial Form (BFF), discussed in sections III(a)(i) and X below, eligible bidders must list any other eligible bidders with whom they are affiliated. An affiliate means a bidding entity who controls, is controlled by, or is under common control with another bidding entity. For the purpose of identifying affiliated entities, a bidding entity is any individual, firm, corporation, association, partnership, consortium, or joint venture (when established as a separate entity) that is participating in the same auction. BOEM considers bidding entities to be affiliated when:
- i. They own or have common ownership of more than 50 percent of the voting securities, or instruments of ownership or other forms of ownership, of another bidding entity. Ownership of less than 10 percent of another bidding entity constitutes a presumption of non-control that BOEM may rebut.

- ii. They own or have common ownership of 10 through 50 percent of the voting securities or instruments of ownership, or other forms of ownership, of another bidding entity, and BOEM determines that there is control upon consideration of factors including the following:
 - a. The extent to which there are common officers or directors.
 - b. With respect to the voting securities, or instruments of ownership or other forms of ownership: The percentage of ownership or common ownership, the relative percentage of ownership or common ownership compared to the percentage(s) of ownership by other bidding entities, if a bidding entity is the greatest single owner, or if there is an opposing voting bloc of greater ownership.
 - c. Shared ownership, operation, or day-to-day management of a lease, grant, or facility, as those terms are defined in BOEM's regulations at 30 CFR 585.113.
- iii. They are both direct, or indirect, subsidiaries of the same parent company.
- iv. With respect to any lease(s) offered in this auction, they have entered into an agreement prior to the auction regarding the shared ownership, operation, or day-to-day management of such lease.
- v. Other evidence indicates the existence of power to exercise control, such as evidence that one bidding entity has power to exercise control over the other, or that multiple bidders collectively have the power to exercise control over another bidding entity or entities.

Affiliated entities are not permitted to compete against each other in the auction.

Where two or more affiliated entities have qualified to bid in the auction, the affiliated entities must decide prior to the auction which one (if any) will participate in the auction. If two or more affiliated entities attempt to participate in the auction, BOEM will disqualify those bidders from the auction.

III. 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 the lease pursuant to this sale.

a. FSN Waiting Period: During the period between FSN publication and the lease auction (a minimum of 30 days), qualified bidders must take several steps to remain eligible to participate in the auction.

i. Bidder's Financial Form: Each bidder must submit a BFF to BOEM to participate in the auction. The BFF submission must include the bidder's Conceptual Strategy for each non-monetary credit (also referred to herein as "bidding credit") for which the bidder wishes to be considered. BOEM will consider any BFF received on or before August 6, 2023, and it is each bidder's responsibility to ensure BOEM's timely receipt. If a bidder does not submit a BFF by this deadline, BOEM, in its sole discretion, may grant an extension to that bidder only if BOEM determines the bidder's failure to timely submit a BFF was caused by events beyond the bidder's control. The BFF can be downloaded at: <https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>.

For purposes of this auction, BOEM will not consider BFFs submitted for previous lease sales. The BFF must be executed on paper with a wet signature or with a digital signature affixed by an authorized representative listed on the bidder's current legal qualification card on file with BOEM, subject to 18 U.S.C. 1001 (Fraud and False Statements). Further information about the BFF can be found in the "Bidder's Financial Form" section X of this notice.

ii. Bid Deposit: Once BOEM has processed a BFF and provided the appropriate information to the Office of Natural Resources Revenue (ONRR), ONRR will populate the Bid Deposit Forms and notify the bidders of access to pay.gov for the bid deposits. The bidder must log into <https://www.pay.gov> to submit a bid deposit. To participate in the mock auction and the monetary auction, each qualified bidder must provide a bid deposit of \$2,000,000 no later than August 13, 2023. BOEM will grant extensions to this deadline only if BOEM, in its sole discretion, determines that the failure to timely submit the bid deposit was caused by events beyond the bidder's control. Further information about bid deposits can be found in the "Bid Deposit" section XI of this notice. In accordance with 30 CFR 585.222(e), BOEM will send a written notice of its decision to accept or reject bids to all bidders whose deposits we hold.

b. Conducting the Auction:

i. Affirmative Action: Prior to bidding in the monetary auction, each bidder must file the Equal Opportunity Affirmative Action Representation Form BOEM-2032 (February 2020, available on BOEM's website at <http://www.boem.gov/BOEM-2032/>) and the Equal Opportunity Compliance Report Certification Form BOEM-

2033 (February 2020, available on BOEM’s website at <http://www.boem.gov/BOEM-2033/>) with the BOEM GOM Regional Office. The forms can be submitted digitally to boemadjudication@boem.gov or mailed to the BOEM GOM Regional Office. This certification is required by 41 CFR part 60 and Executive Order (E.O.) 11246, issued September 24, 1965, as amended by E.O. 11375, issued October 13, 1967, and by E.O. 13672, issued July 21, 2014. Both forms must be on file for the bidder(s) in the BOEM GOM Regional Office prior to the execution of any lease contract.

- ii. Mock Auction:* BOEM will hold a Mock Auction on August 28, 2023, beginning at 8:00 a.m. CDT/9:00 a.m. EDT. BOEM will hold the Mock Auction online. BOEM will contact each bidder that has timely submitted a BFF and bid deposit and provide instructions for participation. Only bidders that have timely submitted BFFs and bid deposits may participate in the Mock Auction.
- iii. Multiple-factor Auction:* On August 29, 2023, BOEM, through its contractor, will commence the multiple-factor auction. The first round of the auction will start at 8:00 a.m. CDT / 9:00 a.m. EDT. The auction will proceed electronically according to a schedule to be distributed by the BOEM Auction Manager at the beginning of the auction, subject to any revisions (which will be communicated to bidders during the auction). BOEM anticipates that the auction will last one or two business days, but the auction may continue for additional business days, as necessary, until the auction ends in accordance with the procedures described in the “Auction Procedures” section of this notice.

- iv. *Announce Provisional Winners:* BOEM will announce the provisional winners of the lease sale after the auction ends.
- c. *From the Auction to Lease Execution:*
 - i. *Notice and Refunds to Non-Winners:* Once the provisional winners have been announced, BOEM will return the non-winners bid deposits.
 - ii. *Department of Justice (DOJ) Review:* DOJ will have 30 days in which to conduct an antitrust review of the auction, pursuant to 43 U.S.C. 1337(c).
 - iii. *Delivery of the Lease:* BOEM will send three copies of the lease to each provisional winner, with instructions for executing the lease. The first year's rent is due 45 calendar days after the winners receive the lease copies for execution.
 - iv. *Return the Lease:* Within 10 business days of receiving the lease copies, the auction winners must post financial assurance, pay any outstanding balance of their bonus bids (*i.e.*, winning cash bid minus bid deposit), and sign and return the three executed lease copies. In the event of a delay, BOEM may extend the 10-business-day-time period for executing and returning the lease if BOEM, in its sole discretion, determines the delay to be caused by events beyond the winner's control, pursuant to 30 CFR 585.224(e).
 - v. *Execution of Lease:* Once BOEM has received the signed lease copies and verified that all other required obligations have been met, BOEM will make a final determination regarding its issuance of the leases and will execute the leases, if appropriate.

IV. Areas Offered for Leasing

BOEM considered the following criteria in delineating the Lease Areas included in this FSN: reasonably comparable commercial viability and size; prevailing wind direction and minimal wake effects; maximized energy generating potential; distance to shore, port infrastructure, and electrical grid interconnections; and fair return to the Federal Government, pursuant to the OCS Lands Act through competition for commercially viable lease areas.

The three Lease Areas included in this FSN are the same size and orientation described in the PSN. BOEM's designation of the three Lease Areas offered in the FSN is informed by extensive coordination with BOEM's intergovernmental task force members, consultation and engagement with Tribes, stakeholder engagement, a partnership with NOAA's National Centers for Coastal Ocean Science (NCCOS) to utilize spatial modeling to inform the identification of Wind Energy Areas, and consideration of the 330 comments that BOEM received in response to the PSN. BOEM is offering three Lease Areas totaling 301,746 acres for sale through this notice (Figure 1).

GOM Final Sale Notice Wind Energy Lease Areas

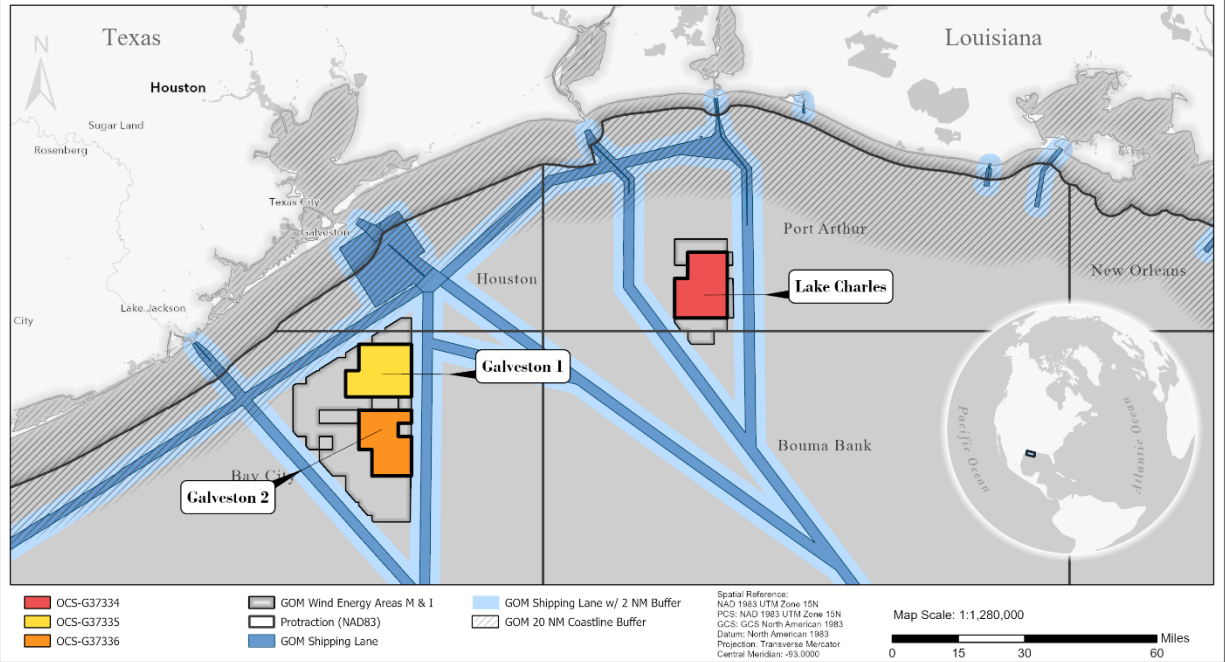


Figure 1: GOMW-1 Map of Final Lease Areas

The areas available for lease will be auctioned in a single auction as listed in Table 1.

Table 1: GOMW-1 Final Lease Areas

Lease Area Name	Lease Area ID	Acres
Lake Charles	OCS-G 37334	102,480
Galveston I	OCS-G 37335	102,480
Galveston II	OCS-G 37336	96,786
<i>Total</i>		<i>301,746</i>

Due to United States Coast Guard (USCG) concerns about lightering areas in the southern portion of the Galveston WEA (Option I), BOEM will continue to work with USCG to identify, quantify, and mitigate potential impacts and risks to lightering operations within the

traditional lightering use areas within Galveston leases when considering any plans submitted for BOEM's consideration and approval after lease issuance.

- a. *Map of the Areas for Leasing*: A map of the Lease Areas and GIS spatial files X, Y (eastings, northings) UTM Zone 18, NAD83 Datum, and geographic X, Y (longitude, latitude), NAD83 Datum can be found on BOEM's website at: <https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>.

V. Environmental Review

On January 11, 2021, BOEM published a notice of intent to prepare an environmental assessment (EA) to consider potential environmental consequences of site characterization activities (e.g., biological, archaeological, geological, and geophysical surveys and core samples) and site assessment activities (e.g., installation of meteorological buoys) that are expected to take place after issuance of wind energy leases in the Call Area. As part of the scoping process for the EA, BOEM sought comments on the issues and alternatives that should inform the EA. BOEM received 18 comments, which can be found at <http://www.regulations.gov> under Docket No. BOEM-2021-0092. In addition to the preparation of the Draft EA, BOEM has completed consultations under the Endangered Species Act (ESA), the Magnuson-Stevens Fishery Conservation and Management Act (MSFCMA), and the Coastal Zone Management Act (CZMA). On July 20, 2022, BOEM issued a press release soliciting comments on the Draft EA, with a 30-day comment period, but, in response to several requests, BOEM extended the comment period to 45 days. During this time, BOEM held two public meetings, one on August 9, 2022, and one on August 11, 2022. BOEM published the Final EA and Finding of No Significant Impact (FONSI) on May 26, 2023. They can be found at

<https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>. BOEM will conduct additional environmental reviews upon receipt of a Lessee's Construction and Operations Plan (COP) if the proposed leases reach that stage of development.

VI. New and Modified Lease Stipulations

Based on feedback received on the PSN, BOEM is adding lease stipulations that: (i) were discussed conceptually in the PSN, and (ii) include conditions from the Department of Defense (DoD) to protect national defense capabilities and military operations. BOEM is also refining certain stipulations identified in the PSN and proposed leases.

- a. *Reporting requirements:* BOEM is building upon stipulations in previous leases requiring a semi-annual progress report from Lessees and regular engagement with Tribes and parties that may be affected by Lessees' activities on the OCS. The lease stipulations require working with BOEM to identify: Tribes that have cultural and/or historical ties to the Lease Areas; coastal communities; commercial and recreational fishing industries and stakeholders; educational and research institutions; environmental and public interest non-governmental organizations; federal, state, and local agencies; mariners and the maritime industry; ocean users; submarine cable operators; and underserved communities, as defined in section 2 of E.O. 13985. The report must identify Tribes and parties that may be affected by Lessees' activities on the OCS and with whom the Lessees have engaged; provide updates on engagement activities; document potential adverse effects to the interests of Tribes and parties; document how, if at all, a project has been informed or altered to address those potential effects; include feedback from engagement regarding transmission planning prior to proposing any export cable route; provide information that can be made

available to the public; and include strategies to reach potentially affected individuals with Limited English Proficiency.

The stipulations include requirements for Lessees to engage in ways that minimize linguistic, technological, cultural, capacity, or other obstacles. The stipulations encourage Lessees to work collaboratively with governments, community leadership and organizations, and Tribes and to develop specific frameworks for capacity building.

In acknowledgment of the existing and growing consultation burden placed on many of the Tribes and parties, the stipulation also requires, to the maximum extent practicable, that Lessees coordinate with one another on engagement activities. It is BOEM's intention that this requirement for Lessees to coordinate their engagement apply not only to meetings proposed by Lessees, but also to reasonable requests to coordinate engagement made by Tribes and parties. Coordinated engagement among Tribes and Lessees is strongly encouraged and is in addition to BOEM's responsibilities to federally recognized Tribes under E.O. 13175.

In addition, the reporting stipulation requires that the progress report incorporate separate lease requirements for the development of communication plans for Tribal governments (Native American Tribes Communications Plan), agencies (Agency Communications Plan), and fisheries (Fisheries Communications Plan). Lastly, the progress report must include an update on activities executed under any survey plan.

- b. *Commercial Fisheries*: BOEM is including a stipulation that would contain components of stipulations included in prior commercial leases issued by BOEM, including a requirement for a Fisheries Communications Plan (FCP).
- c. *Protected Species*: The Lessee must coordinate with BOEM, the National Marine Fisheries Service (NMFS), and the U.S. Fish and Wildlife Service (USFWS) prior to designing and conducting biological surveys intended to support offshore renewable energy plans that could interact with protected species.

BOEM has completed a consultation with NMFS and USFWS under section 7(a)(2) of the ESA for Gulf of Mexico wind energy lease issuance and associated site characterization and site assessment activities that may occur following lease issuance. NMFS and USFWS have issued letters of concurrence in response to BOEM's requests for informal programmatic consultation (<https://www.boem.gov/renewable-energy/state-activities/esanmfssero> and <https://www.boem.gov/renewable-energy/state-activities/boem-gomr-ren-leasing-esausfws-concurrence>). Best management practices (collectively referred to as protocols) associated with the mitigation, monitoring, and reporting conditions resulting from these ESA consultations have been developed for those data collection activities covered in the consultations. These protocols will become provisions of all leases: <https://www.boem.gov/regions/gulf-mexico-ocs-region/renewable-energy-esa-consultations-guidance>.

- d. *Marine Mammal Protection Act Authorization(s)*: If the Lessee is required to obtain an authorization pursuant to section 101(a)(5) of the Marine Mammal Protection Act

- prior to conducting survey activities in support of plan submittal, the Lessee must provide to BOEM a copy of the authorization prior to commencing these activities.
- e. *Project Labor Agreements (PLAs) and Supply Chain:* BOEM is committed to workforce safety and the establishment of a durable domestic supply chain that can sustain the U.S. offshore wind energy industry, including for the leases offered in this sale. To advance these goals, BOEM is including two lease stipulations, one that encourages construction efficiency for projects and one that contributes towards establishing a domestic supply chain:
- i. The first stipulation requires Lessees to make every reasonable effort to enter into a PLA covering the construction stage of any project for the Lease Areas.
 - ii. The second stipulation requires Lessees to establish a Statement of Goals in which the Lessee describes its plans for contributing to the creation of a robust and resilient U.S.-based offshore wind industry supply chain that would facilitate this or other renewable energy projects permitted by BOEM. The Lessee is required to provide regular progress updates on the achievement of those goals to BOEM, and BOEM will make those updates publicly available.
- f. *Research Site Access:* This stipulation makes explicit that BOEM, its designated representative, or any entity to which BOEM provides access retains the right to access the Lease Area for purposes of future research. This provision does not limit the Lessor's authority to access the lease for other purposes, including, but not limited to, inspections conducted pursuant to 30 CFR 285.822.
- g. *Archaeological Survey Requirements:* BOEM is including a modification of a lease stipulation that was used in previous commercial leases regarding archaeological

survey requirements. The revised stipulation requires that the Lessee provide to BOEM, in the associated plan submissions, a description of the methods it will use to conduct archaeological surveys in support of plans (*i.e.*, Site Assessment Plan (SAP) and/or COP), in addition to the survey results. The Lessee is required to coordinate a Tribal pre-survey meeting with Tribes that have cultural and/or historical ties to the Lease Area, and the Lessee must work with BOEM to identify such Tribes. In the post-review discovery clauses, the revised stipulation requires that, in the event of an unanticipated discovery of a potential archaeological resource, the Lessee will immediately halt bottom-disturbing activities within the area of the discovery by a minimum of 305 meters (1,000 feet), and that the avoidance distance must be calculated from the maximum discernible extent of the archaeological resource.

- h. *Foreign Interest*: To protect national defense capabilities and military operations, BOEM is requiring the Lessee to provide to DoD specific information about the personnel allowed to access the wind turbine structures and associated data systems. That information includes the names of entities or persons having a direct ownership interest in an offshore wind facility, as well as any changes in ownership interests; the names of the material vendors, entities, and persons with which the Lessee will potentially execute contracts to perform construction, supply turbines or other components, or conduct construction and operational activities at the facility; and the names of any foreign entities and persons (as those terms are defined at 31 CFR 800.220 and 31 CFR 800.224). In addition, the Lessee must resolve DoD's security concerns before it allows access to the site by foreign persons or representatives of

foreign entities for which DoD has raised concerns and before the Lessee uses wind turbines or other permanent on-site equipment manufactured by such an entity.

- i. *Notice of Assignment to the Committee on Foreign Investment in the United States (CFIUS)*: Under BOEM's regulations, a Lessee must be one of the following: (1) a citizen or national of the United States; (2) an alien lawfully admitted for permanent residence in the United States, as defined in 8 U.S.C. 1101(a)(20); (3) a private, public, or municipal corporation organized under the laws of any State of the United States, the District of Columbia, or any territory or insular possession subject to U.S. jurisdiction; (4) an association of such citizens, nationals, resident aliens, or corporations; (5) an Executive Agency of the United States, as defined in 5 U.S.C. 105; (6) a State of the United States; or (7) a political subdivision of States of the United States. BOEM is including a stipulation that requires any proposed Lessee that is a foreign-controlled business entity under the regulations at 31 CFR part 800 to provide joint notice, with BOEM, to CFIUS of the proposed leasing transaction, in accordance with applicable regulations at 31 CFR part 800, subpart D, and provide a copy of the notice to the DoD. In addition, approval of any assignment of lease interest to a foreign-controlled business entity under 31 CFR part 800 is subject to this CFIUS notice stipulation. Such leasing decisions or assignments would take place only after CFIUS provides notice that it has concluded all necessary reviews under section 721 of the Defense Production Act of 1950, as amended, with respect to the leasing decision or assignment.
- j. *Transmission Planning*: The Lessee must - to the extent that it is technically and economically practical or feasible - consider the use of cable corridors, regional

transmission systems, meshed systems, or other mechanisms for transmission facilities proposed in a COP. Such consideration must be done in accordance with stipulation 3.1.1, which requires the Lessee to engage with Tribes and parties regarding transmission planning prior to proposing any export cable route. The foregoing does not prevent the Lessee from proposing the use of transmission systems traditionally constructed in a Project easement in any COP that the Lessee submits; nor does it prevent BOEM from requiring in a COP approval the use of cable corridors, regional transmission systems, meshed systems, or other mechanisms for transmission facilities, if deemed technically and economically practical or feasible by BOEM.

VII. Potential Future Restrictions

a. Potential Future Restrictions to Ensure Navigational Safety:

- i. USCG Navigational Safety Measures:* Potential bidders are advised that portions of the lease area may not be available for future development (i.e., installation of wind energy facilities) because of navigational safety concerns. The USCG recommended that BOEM add a 2-nautical mile (3704 m) buffer around the shipping fairways in the GOM. BOEM may require additional mitigation measures at the COP stage when the Lessee's site-specific navigational safety risk assessment is available to inform BOEM's decision-making.
- ii. Vessel Transit Corridors:* Members of the fishing community have requested that offshore wind energy facilities be designed in a manner that, among other things, provides for safe transit to fishing grounds where relevant. The

information currently available does not indicate that transit corridors are warranted. However, at the COP stage, BOEM may nonetheless consider designating portions of the Lease Areas as areas of no surface occupancy to facilitate vessel transit and continuance of existing uses.

b. Potential Future Restrictions to Mitigate Potential Conflicts with Department of Defense Activities: Potential bidders should be aware of potential conflicts with DoD's existing uses of the OCS. BOEM coordinates with DoD throughout the leasing process.

- i. *Air Surveillance and Radar:* The Military Aviation and Installation Assurance Siting Clearinghouse conducted a DoD assessment of the Call Area. That assessment concluded that the North American Aerospace Defense Command (NORAD) mission may be affected by the development of the Lease Area(s). Considering both the expected height of offshore turbines and future cumulative wind turbine effects, adverse impacts can be mitigated through the use of Radar Adverse-impact Management (RAM)¹ and overlapping radar coverage. For projects where RAM mitigation is acceptable, BOEM anticipates including the following stipulations in any project approval conditions:

- (1) Lessee will notify NORAD when the project is within 30-60 days of completion and, again, when the project is complete and operational for RAM scheduling;
- (2) Lessee will contribute funds to DoD in the amount of no less than \$80,000 toward the cost of DoD's execution of the RAM procedures for each Radar system affected; and

¹ RAM is the technical process designed to minimize the adverse impact of obstruction interference on a radar system.

(3) Lessee will curtail wind turbine operations for National Security or Defense Purposes, as described in the lease.

BOEM will require the Lessee to enter into an agreement with the DoD to implement these conditions and mitigate any identified impacts. Sixth Generation Over the Horizon Radar is currently in development. Offshore wind turbines in the Gulf of Mexico may create adverse impacts to that system. BOEM will further coordinate with DoD and the Lessee to deconflict potential impacts throughout the project review stage, which may result in adding mitigation measures or terms and conditions as part of any plan approval.

c. Potential Future Restrictions within Significant Sediment Resource Areas: Potential bidders are advised that BOEM has designated certain lease blocks in the GOM as Significant OCS Sediment Resource Areas. OCS sediment resources are minerals that are composed of sediment deposits, including clay, silt, sand, gravel-sized particles, and shells found on or below the surface of the OCS seabed. Where feasible, project design and construction should consider on-lease access to sediment resources by other users.

Regarding off-lease activities that may support a Lessee's operations (e.g., a right-of-use and easement or right-of-way), BOEM has implemented measures to prevent obstructions to the use of the most Significant OCS Sediment Resources, reduce multiple use conflicts, and minimize interference with oil and gas operations. For the most current listing of Significant OCS Sediment Resource blocks, see <https://www.boem.gov/marine-minerals/managing-multiple-uses-gulf-mexico>. If it is determined that significant OCS sediment resources may be impacted by a proposed activity, BOEM and/or BSEE may require the Lessee to undertake measures deemed economically, environmentally, and

technically feasible to protect the resources to the maximum extent practicable. Such measures may include modification of operations and monitoring of infrastructure after installation.

BSEE will not approve future requests for in-place decommissioning of any infrastructure in these designated areas, unless the BSEE GOM Regional Supervisor determines that the infrastructure does not constitute a hazard or obstruction to navigation and commercial fishing operations, unduly interfere with other uses of the OCS, or pose adverse environmental effects.

d. Potential Future Restrictions for Deepwater Port Applications for Offshore Oil and Liquefied Gas Facilities: Potential bidders are advised that the USCG and the Maritime Administration (MARAD) may process applications for the licensing of deepwater ports involving both proposed liquefied natural gas (LNG) importation/exportation facilities and oil importation/exportation facilities in the GOM. There is currently only one such active facility in the GOM: the Louisiana Offshore Oil Port, located 16 miles southeast of Port Fourchon. Applications for new deepwater port import and/or export facilities may be received by MARAD at any time. Those applications will be processed by MARAD and the USCG in the order they are received. A list of approved, pending, and withdrawn/disapproved DWP license applications may be found at the following webpages:

- <https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/licensing-process>
- <https://www.maritime.dot.gov/ports/deepwater-ports-and-licensing/approved-applications>

Bidders and Lessees also are advised to review and monitor U.S. DOT MARAD sources,

such as MARAD records of decision and port licenses, for relevant deepwater port application information to assess safety zones, no anchoring zones, avoidance areas, recommended routes, and other ships' routing measures that could prevent or otherwise impact offshore wind operations around both existing and proposed deepwater port locations.

For more information, contact:

Commandant (CG-OES-22), U.S. Coast Guard Headquarters

2703 Martin Luther King Ave., SE (STOP 7509)

Attn: Deepwater Ports Standards Division

Washington, D.C. 20593-7509

(202) 372-1444

POC: Mr. Matthew Layman,

Email: matthew.d.layman@uscg.mil or DWP@comdt.uscg.mil

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VIII. Lease Terms and Conditions

BOEM has included terms and conditions for the OCS commercial wind leases to be offered through this sale. After the leases are issued, BOEM reserves the right to require compliance with additional terms and conditions associated with approval of a SAP and COP. The leases are available on BOEM's website at:

<https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>. Each lease will include the following attachments:

1. Addendum A (“Description of Leased Area and Lease Activities”);
2. Addendum B (“Lease Term and Financial Schedule”);
3. Addendum C (“Lease-Specific Terms, Conditions, and Stipulations”);
4. Addendum D (“Project Easement”); and
5. Addendum E (“Rent Schedule”).

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 or approval with modifications, should a COP be approved.

- a. *Required Plans for Potential Development of Executed Leases:* To the extent required under 30 CFR part 585, the Lessee will submit a SAP within 12 months of lease issuance if the Lessee intends to conduct site assessment activities. Approval of the SAP will initiate the Lessee's five-year site assessment term. If the Lessee intends to

continue its commercial lease with an operations term, the Lessee will be required to submit a COP at least six months before the end of the site assessment term.

IX. Financial Terms and Conditions

This section provides an overview of the annual payments required of the Lessee that are more fully described in the lease, and of the financial assurance requirements that will be associated with the lease.

- a. *Rent*: Pursuant to 30 CFR 585.224(b) and 585.503, the first year's rent payment of \$3 per acre will be due within 45 calendar days after the Lessee receives the lease copies from BOEM for execution. For example, for the 102,480 acres Lease Area of OCS-G 37334, the rent payment will be \$307,440 per year until commercial operations begin. Thereafter, until commercial operations begin, annual rent payments are due on the anniversary of the effective date of the lease (the "Lease Anniversary"). Once commercial operations under the lease begin, BOEM will charge rent only for the portions of the Lease Area remaining undeveloped (*i.e.*, non-generating acreage).

If the Lessee submits an application for relinquishment of a portion of its leased area within the first 45 calendar days after receiving the lease copies from BOEM and BOEM approves that application, no rent payment will be due on the relinquished portion of the Lease Area. Later relinquishments of any portion of the Lease Area will reduce the Lessee's rent payments starting in the year following BOEM's approval of the relinquishment. A lease issued under this part confers on the Lessee the right to one or more project easements, without further competition, for the purpose of installing gathering, transmission, and distribution cables, pipelines, and appurtenances on the OCS as necessary for the full enjoyment of the

lease. A Lessee must apply for the project easement as part of the COP or SAP, as provided under subpart F of 30 CFR part 585.

The Lessee must also pay rent for any project easement associated with the lease, commencing on the date that BOEM approves the COP (or modification thereof) that describes the project easement, with the first rent payment due when the operations term begins, as outlined in 30 CFR 585.500(a)(5) and 585.507(b). Annual rent for a project easement is \$5 per acre, subject to a minimum of \$450 per year.

- b. *Operating Fee:* For purposes of calculating the initial annual operating fee payment under 30 CFR 585.506, BOEM applies an operating fee rate to a proxy for the wholesale market value of the electricity expected to be generated from the project during its first 12 months of operations. This initial payment will be 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 after commencement of commercial operations. Thereafter, subsequent annual operating fee payments are due on or before the Lease Anniversary.

The subsequent annual operating fee payments are calculated by multiplying the operating fee rate by the imputed wholesale market value of the projected annual electric power production. For the purposes of this calculation, the imputed market value is the product of the project's annual nameplate capacity, the total number of hours in the year (8,760), the capacity factor, and the annual average price of electricity derived from a regional wholesale power price index. For example, the annual operating fee for a 976-megawatt (MW) wind facility operating at a 30 percent

capacity (*i.e.*, capacity factor of 0.3) with a regional wholesale power price of \$40 per megawatt hour (MWh) and an operating fee rate of 0.02 will be calculated as follows:

$$\text{Annual Operating Fee} = 976 \text{ MW} \times 8,760 \frac{\text{hrs}}{\text{year}} \times 0.3 \times \frac{\$40}{\text{MWh}} \text{Power Price} \times 0.02 = \$2,051,942$$

- i. Operating Fee Rate:* The operating fee rate is the share of imputed wholesale market value of the projected annual electric power production due to ONRR as an annual operating fee. For the Lease Areas, BOEM will set the fee rate at 0.02 (*i.e.*, 2 percent) for the entire life of commercial operations.
- ii. Nameplate Capacity:* Nameplate capacity is the maximum rated electric output, expressed in MW, that 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 available at the start of each year of commercial operations on the lease will be the capacity provided in the Fabrication and Installation Report (FIR). For example, if the Lessee installed 100 turbines, as documented in its FIR, and each is rated by the manufacturer at 12 MW, the nameplate capacity of the wind facility would be 1,200 MW.
- iii. 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 (0) and one (1). There are several reasons why the amount of power delivered is less than the theoretical 100 percent of capacity. For a wind facility, the capacity factor is mostly determined by the availability of wind. Transmission line loss and downtime for maintenance or other purposes also affect the capacity factor.

BOEM will set the capacity factor at 0.3 (*i.e.*, 30 percent) for the year in which the commercial operations begin and for the first six full years of commercial operations on the lease. At the end of the sixth year, BOEM may adjust the capacity factor to reflect the performance over the previous five years based upon the actual metered electricity generation at the delivery point to the electrical grid. BOEM may make similar adjustments to the capacity factor once every five years thereafter.

- iv. *Wholesale Power Price Index*: Under 30 CFR 585.506(c)(2)(i), the wholesale power price, expressed in dollars per MWh, is determined at the time each annual operating fee payment is due. For the leases offered in this sale, BOEM will use the ERCOT (Galveston leases OCS-G 37335 and OCS-G 37336) and Louisiana MISO (Lake Charles lease OCS-G-37334) average price per MW from the Enerfax power prices dataset within Hitachi's ABB Velocity Suite. The Lessee may also use aggregated data from commercial subscription services, such as S&P Global Market Intelligence Platform.
- c. *Financial Assurance*: Within 10 business days after receiving the lease copies for execution and pursuant to 30 CFR 585.515–585.516, each provisional winner must provide an initial lease-specific bond or other BOEM-approved financial assurance instrument in the amount of \$100,000. The provisional winners may meet financial assurance requirements by posting a surety bond or financial assurance instrument or alternative detailed in 30 CFR §§ 585.526–585.529. BOEM encourages the

provisionally winning bidders to discuss the financial assurance instrument requirements with BOEM as soon as possible after the auction has concluded.

BOEM will base the amount of all SAP, COP, and decommissioning financial assurance on cost estimates for meeting all accrued lease obligations at the respective stages of development. BOEM will determine the required amount of supplemental and decommissioning financial assurance on a case-by-case basis.

- d. *Payments:* The annual lease payments and financial assurance requirements described above can be found in Addendum “B” of the leases, which BOEM has made available with this notice on its website at: <https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>.

X. Bidder’s Financial Form

Each bidder must fill out the BFF referenced in this FSN. A copy of the form is available at: <https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>. Bidders seeking to use bidding credits must mark the appropriate box(es) on their BFF and submit a Conceptual Strategy(ies) with their BFF, as described in the BFF Addendum. Bidders are encouraged to carefully read the BFF, BFF Addendum, and lease. Bidders who do not wish to qualify for a bidding credit should mark the box on their BFF next to the paragraph declining the bidding credits. If the bidder does not select bidding credits on the BFF or does not submit Conceptual Strategy(ies), then BOEM will conclude that the bidder has no interest in qualifying for a bidding credit. BOEM must receive each BFF and Conceptual Strategy(ies) no later than August 6, 2023. If a bidder does not submit a BFF for this sale by the deadline, BOEM, in its sole

discretion, may grant an extension to that bidder only if BOEM determines the bidder's failure to timely submit a BFF was caused by events beyond the bidder's control.

BFFs submitted by bidders for previous lease sales will not satisfy the requirements of this auction. For the GOMW-1, BOEM will accept bidder's BFFs and Conceptual Strategies electronically or by mail. Instructions for submission can be found in the BFF. The BFF must be executed on paper with a wet signature or with the application of a digital signature by an authorized representative listed on the legal qualification card currently on file with BOEM as authorized to bind the company. Winning bidders who have committed to bidding credit(s) must meet the bidding credit requirements no later than submission of their first Facility Design Report (FDR) or applicable Lease Anniversary, whichever is sooner.

XI. Bid Deposit

A bid deposit is an advance cash payment submitted to BOEM to participate in the auction. ONRR will notify the bidders that they have access to the Bid Deposit Form in pay.gov, and bidders must use the Bid Deposit Form on the pay.gov website to leave a deposit. Bidders may need to create an account in pay.gov to access the Bid Deposit Form and submit a deposit. Each bidder must submit a bid deposit of \$2,000,000 no later than August 13, 2023, to be eligible to bid for one lease area. Any bidder who fails to submit the bid deposit by this deadline may be disqualified from participating in the auction. BOEM will consider extensions to this deadline only if BOEM, in its sole discretion, determines that the failure to timely submit the bid deposit was caused by events beyond the bidder's control.

Following the auction, bid deposits will be applied against bonus bids. Once BOEM has announced the provisional winners, BOEM will refund bid deposits to the other bidders.

If BOEM offers a lease to a provisionally winning bidder and that bidder fails to timely return the signed lease form, establish financial assurance, or pay the balance of its bid, BOEM may retain the bidder's \$2,000,000 bid deposit. In such a circumstance, BOEM may determine which bid would have won in the absence of the bid previously determined to be the winning bid and may offer a lease to this next highest bidder if the bidder that tendered it is not a provisionally winning bidder of one of the other Lease Areas. This process will be repeated if needed.

XII. Minimum Bid

The minimum bid is the lowest dollar amount per acre that BOEM will accept as a winning bid and is the amount at which BOEM will start the bidding in the auction. BOEM has established a minimum bid of \$50.00 per acre for this lease sale. See the table in Section XIII.d below for total minimum bids for each lease to be offered in this sale.

XIII. Auction Procedures

Multiple-Factor Bidding Auction: As authorized by 30 CFR 585.220(a)(4) and 585.221(a)(6), BOEM will use a multiple-factor bidding auction for this lease sale. The bidding system for this lease sale will be a multiple-factor combination of a monetary bid and a non-monetary factor. BOEM will grant bidding credits to potential bidders for commitments to:

- (1) supporting workforce training programs for the offshore wind industry or developing a domestic supply chain for the offshore wind industry, or a combination of both;
- (2) establishing and contributing to a fisheries compensatory mitigation fund or contributing to an existing fund to mitigate potential negative impacts to commercial and for-hire recreational fisheries caused by OCS offshore wind development in the GOM.

This auction format was selected to:

- (1) enhance, through training, the offshore wind workforce and accelerate the establishment of a domestic supply chain for offshore wind manufacturing, assembly, or services, each of which will contribute to the expeditious and orderly development of offshore wind resources on the OCS;
- (2) support the expeditious and orderly development of OCS resources by mitigating potential direct impacts from proposed projects and encouraging the investment in infrastructure necessary or beneficial to the offshore wind industry; and
- (3) minimize potential economic effects on commercial fisheries impacted by potential offshore wind development.

BOEM appoints a panel to review the Conceptual Strategies, as they are described in the BFF Addendum, prior to the auction. This panel will later verify the results of the lease sale. Following the panel's review of the Conceptual Strategy(ies) submitted by each bidder attempting to qualify for a bidding credit, BOEM will notify the bidder if it qualifies for a credit(s) prior to the mock auction. The bid made by a particular bidder in

each round is comprised of the sum of a monetary factor (cash bid) and the value of any non-monetary factors (bidding credit(s)). The structure of the proposed bidding credits is explained in the subsection below.

A bidder may seek to qualify for one or both of the bidding credits. The workforce training and/or domestic supply chain development bidding credits is worth 20 percent of the cash bid. A bidder may commit to both workforce training and supply chain development, but the bidding credit for these commitments combined would still be worth 20 percent of the cash bid. The GOM fisheries compensatory mitigation fund bidding credit is worth 10 percent of the cash bid. If a bidder qualifies for both of the bidding credits, the credits are additive for a total credit of 30 percent of the cash bid. Bidders are encouraged to review the BFF Addendum and lease obligations if they are interested in qualifying for these bidding credits.

a. *Bidding credit calculation:* BOEM provides the following example. For a cumulative 30 percent of cash bid bidding credit with a \$50 million Asking Price, the bidding credit will be calculated (subject to rounding) as follows:

$$\text{Cash Bid} = \left\{ \frac{\text{Asking Price}}{1 + \text{Credit}\%} \right\} = \left\{ \frac{\$50 \text{ million}}{1 + 30\%} \right\} = \$38,461,538$$

$$\text{Workforce or Supply Chain Credit} = \$38,461,538 * 20\% = \$7,692,308$$

$$\text{Fishing Mitigation Credit} = \$38,461,538 * 10\% = \$3,846,154$$

Both the 20 percent workforce training/supply chain development credit and the 10 percent fisheries compensatory mitigation fund will require an explicit financial commitment equal to the amount of the credit.

BOEM has prepared a table demonstrating the credit value calculations if a \$50 million Asking Price is paid for in part with various bidding credits. The same

calculations of cash bids and credits are applicable to exit bids, as well as to live bids.

Note that, in the monetary auction, all fractional dollar amounts will be subject to rounding to the nearest dollar.

Qualified Bidding Credits	Asking Price	Cash Bid	Credit Value	Workforce Training/Supply Chain Development Value	Fisheries compensatory mitigation fund Value
Workforce Training/Supply Chain Development; and Fisheries Compensatory Mitigation Fund (30%)	\$50 million	\$38,461,538	\$11,538,462	\$7,692,308	\$3,846,154
Workforce Training/Supply Chain Development (20%)	\$50 million	\$41,666,667	\$8,333,333	\$8,333,333	\$0
Fisheries compensatory mitigation fund (10%)	\$50 million	\$45,454,545	\$4,545,455	\$0	\$4,545,455

Note: Cash bid and credit values are rounded to the nearest dollar in the Power Auctions software. BOEM will then use those values to calculate the credit values and will also round to the nearest dollar.

b. *20 Percent Bidding Credit for Workforce Training or Supply Chain Development or a*

Combination of Both: This bidding credit allows a bidder to receive a credit of 20 percent of its cash bid in exchange for a commitment to make a qualifying monetary contribution (“Contribution”), in the same amount as the bidding credit received, to programs or initiatives that support workforce training programs for the U.S. offshore wind industry or development of a U.S. domestic supply chain for the offshore wind industry, or both, as described in the Lease.

- i. The Contribution to workforce training must result in a better trained and/or larger domestic offshore wind workforce that will provide for more efficient operations via increasing the supply of fully trained personnel. Training of

existing Lessee employees, Lessee contractors, or employees of affiliated entities will not qualify.

- ii.* The Contribution to domestic supply chain development must result in
 - (i) overall benefits to the U.S. offshore wind supply chain available to all potential purchasers of offshore wind services, components, or subassemblies, not solely the Lessee's project; (ii) either the demonstrable development of new domestic capacity (including vessels) or the demonstrable buildout of existing capacity; (iii) an offshore wind domestic supply chain improved by a reduction in the upfront capital or certification cost for manufacturing offshore wind components, including the building of facilities, the purchasing of capital equipment, and the certifying of existing manufacturing facilities; or (iv) the development of a supply chain supporting the manufacture of offshore wind facility components.
- iii.* Contributions cannot be used to satisfy private cost shares for any federal tax or other incentive programs where cost sharing is a requirement. No portion of the Contribution may be used to meet the requirements of any other bidding credits in this or in other federal lease sales for which the Lessee qualifies.
- iv.* Bidders interested in obtaining this bidding credit may choose to commit to workforce training programs, domestic supply chain initiatives, or a combination of both. The Conceptual Strategy must describe verifiable actions that the Lessee will take that will allow BOEM to confirm compliance when the documentation for satisfying the bidding credit is submitted. The Contribution must be tendered in full, and the Lessee must provide documentation evidencing

it has made the Contribution and complied with applicable requirements, no later than the date the Lessee submits its first Facility Design Report (FDR) or tenth Lease Anniversary, whichever is sooner.

- v. Contributions to workforce training will need to promote and support one or more of the following purposes: (i) Union apprenticeships, labor management training partnerships, stipends for workforce training, or other technical training programs or institutions focused on providing skills necessary for the planning, design, construction, operation, maintenance, or decommissioning of offshore wind energy projects in the United States; (ii) Maritime training necessary for the crewing of vessels to be used for the construction, servicing, and/or decommissioning of wind energy projects in the United States; (iii) Training workers in skills or techniques necessary to manufacture or assemble offshore wind components, subcomponents, or subassemblies. (Examples of these skills and techniques include welding; wind energy technology; hydraulic maintenance; braking systems; mechanical systems, including blade inspection and maintenance; or computers and programmable logic control systems.); (iv) Tribal offshore wind workforce development programs or training for employees of wholly owned Tribal corporations in skills necessary in the offshore wind industry, that lead to the expeditious and orderly development of offshore wind; or (v) Training in any other job skills that the Lessee can demonstrate are necessary for the planning, design, construction, operation, maintenance, or decommissioning of offshore wind energy projects in the United States.

- vi. Contributions to domestic supply chain development must promote and support one or more of the following: (i) Development of a domestic supply chain for the offshore wind industry, including manufacturing of components and sub-assemblies and the expansion of related services; (ii) Domestic Tier 2 and Tier 3 offshore wind component suppliers and domestic Tier-1 supply chain efforts, including quay-side fabrication; (iii) Technical assistance grants to help U.S. manufacturers re-tool or certify (e.g., ISO-9001) for offshore wind manufacturing; (iv) Development of Jones Act-compliant vessels for the construction, servicing, and/or decommissioning of wind energy projects in the United States; (v) Purchase and installation of lift cranes capable of lifting foundations, lift cranes on vessels, towers and nacelles quayside; (vi) Port infrastructure directly related to offshore wind component manufacturing or assembly of major offshore wind facility components; (vii) Establishing a new or existing bonding support reserve or revolving fund available to all businesses providing goods and services to offshore wind energy companies, including disadvantaged businesses and/or wholly owned Tribal corporations; or (viii) Other supply chain development efforts that the Lessee can demonstrate advance the manufacturing of offshore wind components or subassemblies, or the provision of offshore wind services, in the United States.
- vii. *Documentation:* If a lease is issued pursuant to a winning bid that includes a bidding credit for workforce training/supply chain development, the Lessee is required to provide documentation showing that the Lessee has met the financial commitment before the Lessee submits the first FDR for the lease or the tenth

Lease Anniversary, whichever is sooner. The documentation must allow BOEM to objectively verify the amount of the Contribution and the beneficiary(ies) of the Contribution.

At a minimum, the documentation must include: all written agreements between the Lessee and beneficiary(ies) of the Contribution, which agreement must detail the amount of the Contribution(s) and how it will be used by the beneficiaries of the Contribution(s) to satisfy the goals of the bidding credit for which the Contribution was made; all receipts documenting the amount, date, financial institution, and the account and owner of the account to which the Contribution was made; and sworn statements by the entity that made the Contribution and attesting that all information provided in the above documentation is true and accurate. The documentation needs to describe how the funded initiative or program has advanced, or is expected to advance, U.S. offshore wind workforce training or supply chain development. The documentation must also provide qualitative and/or quantitative information that includes the estimated number of trainees or jobs supported, or the estimated leveraged supply chain investment resulting or expected to result from the Contribution. The documentation must contain any information called for in the conceptual strategy that the Lessee submitted with its BFF and allow BOEM to objectively verify (i) the amount of the Contribution; (ii) the beneficiary(ies) of the Contribution; and (iii) compliance with the bidding credit criteria provided in Addendum “C” of the Lease. If the Lessee’s implementation of its Conceptual Strategy changes due to market needs or other

factors, the Lessee must explain the changes. BOEM reserves the right to determine that the bidding credit has not been satisfied if changes from the Lessee's Conceptual Strategy result in the Lessee not meeting the criteria for the bidding credit described in Addendum "C" of the Lease.

- viii. Enforcement:* The commitment for the bidding credit is made via the BFF and will be included in a lease addendum that binds the Lessee and all future assignees of the lease. If BOEM were to determine that a Lessee or assignee had failed to satisfy the requirements of the bidding credit, or if a Lessee were to relinquish or otherwise fail to develop the lease by the tenth Lease Anniversary, the amount corresponding to the bidding credit awarded will be immediately due and payable to the Office of Natural Resources Revenue (ONRR) with interest from the lease Effective Date. The interest rate is the underpayment interest rate identified by ONRR. The Lessee need not be required to pay said amount if the Lessee satisfied its bidding credit requirements but failed to develop the lease by the tenth Lease Anniversary. BOEM may, at its sole discretion, extend the documentation deadline beyond the first FDR submission or extend the lease development deadline beyond the 10-year timeframe.
- c. 10 Percent Bidding Credit for Fisheries Compensatory Mitigation Fund:* The second bidding credit allows a bidder to receive a credit of 10 percent of its cash bid in exchange for a commitment to establish—and contribute the bidding credit amount to—a Fisheries Compensatory Mitigation Fund, or to contribute to such an existing fund, to compensate for potential negative impacts from project development to

commercial and for-hire recreational fisheries. The term “commercial fisheries” refers to commercial and processor businesses engaged in the act of catching and marketing fish and shellfish for sale from the GOM. The term “for-hire recreational fisheries” refers to charter and head boat fishing operations involving vessels-for-hire engaged in recreational fishing in the GOM that are hired for a charter fee by an individual or group of individuals (for the exclusive use of that individual or group of individuals). Lessees are encouraged to contribute to a regional fund that will compensate fisheries losses resulting from all OCS wind energy leases and easements in the GOM. The compensation must address the following:

- Gear loss or damage
- Lost fishing income in GOM wind energy Lease or Project Areas

The fisheries compensatory mitigation fund will assist commercial and for-hire recreational fisheries directly impacted by income or gear losses due to offshore wind activities on offshore wind leases or easements and is intended to address the impacts identified in BOEM’s environmental and project reviews. The compensatory mitigation must cover impacts that result directly from the preconstruction, construction, operations and/or decommissioning of an offshore wind project being developed on GOM wind energy leases or easements. The fund must be established and the Contribution made before the Lessee submits the lease’s first FDR or the fifth Lease Anniversary, whichever is sooner. To qualify for this credit, the bidder must commit to the bidding credit requirements on the BFF and submit a Conceptual Strategy as described in the BFF Addendum.

- i. Bidders committing to use the Fisheries Compensatory Mitigation Fund bidding credit must submit their Conceptual Strategy with their BFF, as described in the BFF Addendum. The Conceptual Strategy must describe the actions that the Lessee intends to take that will allow BOEM to verify compliance when the Lessee seeks to demonstrate satisfaction of the requirements for the bidding credit. The Lessee will be required to provide documentation showing that the Lessee has met the commitment and complied with the applicable bidding credit requirements before the Lessee submits the lease's first FDR or the fifth Lease Anniversary, whichever is sooner.
- ii. Gear loss and damage, and fishing income loss claims must be prioritized at each phase of offshore wind project development, including impacts from surveys conducted before the establishment of the fund. BOEM encourages Lessees to coordinate with other Lessees to establish or contribute to a regional fund. A regional fund should be flexible enough to incorporate future contributions from future lease auctions and actuarially sound, in recognition of the multi-decade life of offshore wind projects in the GOM. While the fund's first priority must be to compensate for gear loss or damage and income loss, funds that exceed this compensation need based on an actuarial accounting may, for example, be used to:

- a. Promote participation of fishers and fishing communities in the project development process or other programs that better enable the fishing and offshore wind industries to co-exist;
- b. Offset the cost of gear and navigational aid upgrades and other transitions for operating within an offshore wind project.

Any fund established or selected by the Lessee to meet this sale's bidding credit requirement must include a process for evaluating the actuarial status of funds every five years and publicly reporting information on fund disbursements and administrative costs at least annually.

- iii. The fisheries compensatory mitigation fund must be independently managed by a third party and designed with fiduciary governance and strong internal controls while minimizing administrative expenses. The Contribution may be used for fund startup costs, but the Fund should minimize costs by leveraging existing processes, procedures and information from BOEM Fisheries Mitigation Guidance, the Eleven Atlantic States' Fisheries Mitigation Project or other sources.
- iv. *Documentation:* If a lease is awarded pursuant to a winning bid that includes a Fisheries Compensatory Mitigation Fund bidding credit, the Lessee must provide written documentation to BOEM that demonstrates that it completed the fund contribution before it submits the lease's first FDR or the fifth Lease Anniversary, whichever is sooner. The documentation must enable BOEM to objectively verify

the contribution has met all applicable requirements as outlined in Addendum “C” of the Lease. At a minimum, this documentation must include:

- the procedures established to compensate for gear loss or damage resulting from all phases of the project development on the Lease Area (pre-construction, construction, operation, and decommissioning);
- the fisheries compensatory mitigation fund charter, including the governance structure, audit and public reporting procedures, internal controls, and standards for paying compensatory mitigation for impacts to fishers from development on wind energy Lease Areas in the GOM;
- all receipts documenting the amount, date, financial institution, and the account and owner of the account to which the Contribution was made, including any qualifying payments made in advance of the fund being established; and
- sworn statements by the entity that made the Contribution, and the independent Fund custodian attesting:
 - the amount and date(s) of the Contribution;
 - that the Contribution is being (or will be) used in accordance with the bidding credit requirements in the lease; and
 - that all information provided is true and accurate.

The documentation must contain any information specified in the conceptual strategy that was submitted with the BFF, including the mechanism established to compensate for lost income or for gear loss or damage during pre-construction, construction, operation, and decommissioning activities. If the Lessee's implementation of its Conceptual Strategy changes due to market needs or other factors, the Lessee must explain the changes. BOEM reserves the right to determine that the bidding credit has not been satisfied if changes from the Lessee's Conceptual Strategy result in the Lessee not meeting the criteria for the bidding credit described in Addendum "C" of the Lease.

- v. Enforcement: The commitment to the fisheries compensatory mitigation fund bidding credit will be made in the BFF. It will be included in Addendum "C" of the Lease, and will bind the Lessee and all future assignees of the lease. If BOEM determines that a Lessee or assignee had failed to satisfy the commitment at the time the first FDR is submitted, or by the fifth Lease Anniversary, the amount corresponding to the bidding credit awarded will be immediately due and payable to ONRR with interest from the lease Effective Date. The interest rate is the underpayment interest rate identified by ONRR. The Lessee will not be required to pay said amount if the Lessee satisfied its bidding credit requirements by the fifth Lease Anniversary. BOEM

may, at its sole discretion, extend the documentation deadline beyond the first FDR submission or beyond the 5-year timeframe.

- d. *The Auction:* Using an online bidding system to host the auction, BOEM will start the bidding for Lease Areas OCS-G 37334 through 37336, as described below. All three Lease Areas will be offered in a single auction. BOEM is employing a ‘one-per-customer’ rule for this auction. Each bidder may only bid for one of the offered Lease Areas at a time and, ultimately, acquire only one of the Lease Areas in the auction.

Lease Area Name	Lease Area ID	Acres	Minimum Bid
Lake Charles	OCS-G37334	102,480	\$5,124,000
Galveston I	OCS-G37335	102,480	\$5,124,000
Galveston II	OCS-G37336	96,786	\$4,839,300

- e. *Live Bids:* The auction will be conducted in a series of rounds. At the start of each round, BOEM will state an asking price for each Lease Area. If a bidder is willing to meet that asking price for one of the Lease Areas, it will indicate its intent by submitting a bid equal to the asking price for the selected lease area. A bid at the full asking price is referred to as a “live bid.” If the bidder has qualified for a non-monetary credit, it will meet the asking price by submitting a multiple-factor bid—that is, a live bid that consists of a monetary (cash) element and a non-monetary credit (10%, 20%, or 30% of the cash element, depending on the bidder’s qualification for bidding credits), the sum of which equals the asking price. A bidder without a non-monetary credit will submit a cash bid equal to the asking price. To participate in the next round of the auction, a bidder is required to have submitted a live bid for one of the Lease Areas (or have a carried-forward bid) in each previous round.

As long as there are two or more live bids (including carried-forward bids) for at least one of the Lease Areas, the auction moves to the next round. BOEM will raise the asking price for each Lease Area that received two or more live bids in the previous round. Asking price increments will be determined based on several factors, including, but not necessarily limited to, the expected time needed to conduct the auction and the number of rounds that have already occurred. BOEM reserves the right to increase or decrease bidding increments as it deems appropriate. If there was only one live bid (including carried-forward bids) or no live bids for a Lease Area in the previous round, the asking price will not be increased.

A live bid is automatically carried forward if it was uncontested in the previous round (i.e., if it was the only live bid for that Lease Area in the previous round), and the bidder who placed the uncontested bid will not be permitted to place any other bid in the current round of the auction.

Conversely, if a live bid was contested in the previous round (i.e., if there was at least one other live bid for the same Lease Area, including carried-forward bids), the bidder who placed the contested bid is free to bid on any Lease Area in the auction in the next round, at the new asking price.

A bidder's eligibility is for either one or zero lease areas and corresponds to the maximum number of lease areas that a bidder may include in a live bid during a single round of the auction. The initial eligibility of a bidder who has submitted a bidding deposit is one. The bidder's eligibility drops to zero following a round in which the bidder's live bid is not carried forward and in which the bidder does not

submit a new live bid for one of the Lease Areas. The bidder's eligibility can never increase from zero to one.

If a bidder decides to stop bidding before the final round of the auction, there are circumstances in which the bidder could nonetheless win a lease. For example, that bidder could be ultimately selected in the winner determination that is described in detail below, or the provisionally winning bidder could be disqualified at the award stage of the auction. In these circumstances, the bidder will be bound by its bid and thus obligated to pay the full bid amount. Bidders therefore might be bound by any of their bids up to and until the point at which the auction results are finalized.

Between rounds, BOEM will disclose to all bidders that submitted bids:

- (1) the number of live bids (including carried-forward bids) for each Lease Area in the previous round of the auction (i.e., the level of demand at the asking price); and
- (2) the asking price for each Lease Area in the upcoming round of the auction.

- f. *Exit Bids*: In any round after the first round, a bidder may submit an "exit bid" (also known as an "intra-round bid") only for the same Lease Area as the bidder's contested live bid in the previous round. An exit bid is a bid that is greater than the previous round's asking price, but less than the current round's asking price. An exit bid is not a live bid, and it represents the final bid that a bidder may submit in the auction. A bidder may not submit both an exit bid on one of the Lease Areas and a live bid on a different Lease Area. During the auction, the exit bid can be seen only by BOEM and not by other bidders.

The auction ends when a round occurs in which each of the Lease Areas in the auction receives one or zero live bids (including carried-forward bids), regardless of the number of exit bids on any Lease Area.

Determination of Provisional Winners: After the bidding ends, BOEM will determine the provisionally winning bid for each Lease Area by the following two-stage procedure.

In stage one, the highest bid (live bid, including any carried-forward bid, or exit bid) received for each Lease Area in the final round will be designated the provisionally winning bid, if there is a single highest bid. In the event of a tie (*i.e.*, if two or more bidders submitted identical highest exit bids for the same Lease Area), the selection of one of the highest exit bids will be deferred until stage two.

In stage two, BOEM will consider bids from all bidding rounds for Lease Areas that were not assigned in stage one made by bidders who were not assigned a Lease Area in stage one. BOEM will select the combination of such bids that maximizes the sum of the bid amounts of the selected bids, subject to the following constraints: (1) each Lease Area that received multiple highest exit bids in the final round (but no live bid) must be assigned to one of the bidders that submitted the highest exit bid; (2) at most one bid from each bidder can be selected; and (3) at most one bid for each Lease Area can be selected. If there is a unique combination of bids that solves this maximization problem, then these bids will be deemed to be the remaining provisionally winning bids. If two or more combinations of bids tie by producing the same maximized sum of bid amounts, the auction system will select one of the combinations by use of pseudorandom numbers. The provisional winners

will pay the amounts of their provisionally winning bids, or risk forfeiting their bid deposits. A provisional winner will be disqualified if it is subsequently found to have violated auction rules or BOEM regulations, or otherwise engaged in conduct detrimental to the integrity of the competitive auction. If a bidder submits a bid that BOEM determines to be a provisionally winning bid, the bidder must sign the applicable lease documents, establish financial assurance, and submit the cash balance (if any) of its bid (*i.e.*, its winning cash bid less its bid deposit) within 10 business days of receiving the lease copies, pursuant to 30 CFR 585.224. BOEM reserves the right not to issue the lease to a provisionally winning bidder if that bidder fails to: timely return the signed lease form, establish adequate financial assurance, pay the balance of its winning bid, or otherwise comply with applicable regulations or the terms of the FSN. In that case, the bidder will forfeit its bid deposit.

BOEM will publish the provisional winners and the provisionally winning bid amounts shortly after the conclusion of the sale. Full bid results, including round-by-round results of the entire sale, including exit bids, will be published on BOEM's website after review of the results and announcement of the provisional winners.

g. Additional Information Regarding the Auction Format:

- i. Authorized Individuals and Bidder Authentication:* A company that is eligible to participate in the auction will identify on its BFF up to three individuals who are authorized to bid on behalf of the company, including their names, business telephone numbers, and email addresses. After BOEM has processed the bid deposits, the auction contractor will send several emails to the authorized individuals. The emails will contain user login information and instructions for

accessing the bidder manual for the auction system and any auction system technical supplement (ASTS) that may be issued.

The auction system will require software tokens for two-factor authentication. To set up the tokens, authorized individuals will download an app onto their smartphone or tablet with a recent operating system. One of the emails sent to authorized individuals will contain instructions for installing the app and the credentials needed to activate the software token. A short telephone conversation with the auction contractor may also be required to use the credentials. The login information, along with the tokens, will be tested during the mock auction. If an eligible bidder fails to submit a bid deposit or does not participate in the auction, BOEM will deactivate that bidder's tokens and login information.

ii. Timing of Auction: The auction will begin at 8:00 a.m. CDT on August 29, 2023. Bidders may log in as early as 7:30 a.m. CDT on that day. BOEM recommends that bidders log in earlier than 8:00 a.m. CDT 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 anticipated 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 and next round asking prices are posted;
- Bidders review the previous round results and prepare their next round bids; and
- Next round bidding begins.

The first round will last about 30 minutes, though subsequent rounds will be substantially shorter. Recesses are anticipated to last approximately 10 minutes. This description of the auction schedule is tentative. Bidders should consult the auction schedule on the auction system during the auction for updated times. Bidding will continue until about 5:00 p.m. CDT each day. BOEM anticipates that the auction will last one to two business days, but may continue for additional business days as necessary until the auction has concluded.

iii. Messaging service: BOEM and its 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 an auction, it will use the messaging service to notify bidders that a revision has been made and will direct bidders to the relevant page. BOEM will also use the messaging service for other updates during the auction.

Bidders may place bids at any time during the round. At the top of the bidding page, a countdown clock shows how much time remains in the round. Bidders have until the end of the round to place bids. Bidders should place bids

according to the procedures described in this notice and the Bidder Manual. Information about the round results will only be made available after the round has closed, so there is no strategic advantage in placing bids early or late in the round.

BOEM may issue an ASTS to elaborate on the auction procedures described in this FSN. In the event of any inconsistency between the Bidder Manual, the ASTS, and the FSN, the FSN will be controlling.

- iv. Alternate Bidding Procedures:* Redundancy is the most effective way to mitigate technical and human issues during an auction. Bidders should strongly consider authorizing more than one individual to bid in the auction—and confirming during the mock auction that each individual is able to access the auction system. A 4G card or other form of wireless access is helpful in case a company’s main internet connection should fail. As a last resort, an authorized individual who is facing technical issues may request to submit its bid by telephone. In order to be authorized to place a telephone bid, an authorized individual must call the help desk number listed in the auction manual *before* the end of the round. BOEM will authenticate the caller’s identity, including requiring the caller to provide a code from the software token. The caller must also explain the reasons why a telephone bid needs to be submitted. BOEM may, in its sole discretion, permit or refuse to accept a request for the placement of a bid using this alternate telephonic bidding procedure.
- h. Prohibition on Communications Between Bidders During Auction:* During the auction, bidders are prohibited from communicating with each other regarding

their participation in the auction. Also, during the auction, bidders are prohibited from communicating to the public regarding any aspect of their participation or lack thereof in the auction, including, but not limited to, through social media, updated websites, or press releases.

XIV. Post-Auction Procedures

a. Rejection or Non-Acceptance of Bids

BOEM reserves the right to reject any and all bids that do not satisfy the requirements and rules of the auction, the FSN, or applicable regulations and statutes.

b. Anti-Competitive Review

Bidding behavior in this sale is subject to Federal antitrust laws. Following the auction, but before the acceptance of bids and the issuance of the lease, BOEM will “allow the Attorney General, in consultation with the Federal Trade Commission, thirty days to review the results of [the] lease sale.” 43 U.S.C. 1337(c)(1). If a provisionally winning bidder is found to have engaged in anti-competitive behavior in connection with this lease sale, BOEM will reject its provisionally winning bid. Compliance with BOEM’s auction procedures and regulations is not an absolute defense to violations of antitrust laws.

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

1. An express or tacit agreement among bidders not to bid in an auction, or to bid a particular price;
2. An agreement among bidders not to bid;
3. An agreement among bidders not to bid against each other; or

4. Other agreements among bidders that have the potential to affect the final auction price.

Pursuant to 43 U.S.C. 1337(c)(3), BOEM will decline to award a lease if the Attorney General, in consultation with the Federal Trade Commission, determines that awarding the lease would be inconsistent with antitrust laws.

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

c. Process for Issuing the Lease

Once all post-auction reviews have been completed to BOEM's satisfaction, BOEM will provide three unsigned copies of the lease to each provisionally winning bidder. Within 10 business days after receiving the lease copies, the provisionally winning bidders must:

1. Sign and return the lease copies 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 (if any) of the bonus bid (winning cash bid less the bid deposit). BOEM requires bidders to use EFT procedures (not *pay.gov*, the website bidders used to submit bid deposits) for payment of the balance of the bonus bid, following the detailed instructions available on ONRR's website at:

<https://onrr.gov/paying/payment-options?tabs=renewable-energy,bid-deposit-options>.

BOEM will not execute the lease until the three requirements above have been satisfied, BOEM has accepted the provisionally winning bidder's financial assurance pursuant to 30 CFR 585.515, and BOEM has processed the provisionally winning bidder's payment. BOEM may extend the 10-business-day deadline for signing a lease, filing the required financial assurance, and paying the balance of the bonus bid if BOEM determines, in its sole discretion, that the provisionally winning bidder's inability to comply with the deadline was caused by events beyond the provisionally winning bidder's control pursuant to 30 CFR 585.224(e).

If a provisionally winning bidder does not meet these requirements or otherwise fails to comply with applicable regulations or the terms of the FSN, BOEM reserves the right not to issue the lease to that bidder. In such a case, the provisionally winning bidder will forfeit its bid deposit. Also, in such a case, BOEM reserves the right to identify the next highest bid for that Lease Area submitted during the lease sale by a bidder who has not won one of the other Lease Areas and to offer the lease to that bidder pursuant to its bid.

Within 45 calendar days of the date that a provisionally winning bidder receives lease copies, each provisionally winning bidder will be required to pay the first year's rent using the "ONRR Renewable Energy Initial Rental Payments" form available at: <https://www.pay.gov/public/form/start/27797604/>.

Subsequent annual rent payments will be required to be made following the detailed instructions available on ONRR's website at: <https://onrr.gov/paying/payment-options?tabs=rent-payments>.

d. Non-Procurement Debarment and Suspension Regulations

Pursuant to 43 CFR part 42, subpart C, an OCS renewable energy Lessee will be required to comply with the Department of the Interior's non-procurement debarment and suspension regulations at 2 CFR parts 180 and 1400. The Lessee must also communicate this requirement to persons with whom the Lessee does business relating to this lease by including this requirement as a condition in their contracts and other transactions.

e. Changes to Auction Details

The Regional Director of BOEM's Gulf of Mexico Regional Office has the discretion to change any auction detail specified in the FSN, including the date and time, if s/he deems that events outside BOEM's control may interfere with a fair and proper lease sale. Such events may include, but are not limited to, natural disasters (*e.g.*, earthquakes, hurricanes, floods, and blizzards), wars, riots, act of terrorism, fire, strikes, civil disorder, Federal Government shutdowns, cyberattacks against relevant information systems, or other events of a similar nature. In case of such events, BOEM would notify all qualified bidders via email, phone, and BOEM's website at: <https://www.boem.gov/renewable-energy/state-activities/gulf-mexico-activities>. Bidders should call (504) 736-7502 if they have concerns.

f. Withdrawal of Blocks

BOEM reserves the right to withdraw all or portions of the Lease Areas prior to executing the leases with the winning bidders. If BOEM exercises this right, it will

refund bid deposits to winning bidders, without interest, as provided in 30 CFR 585.224(f).

g. Appeals

The bid rejection procedures are provided in BOEM's regulations at 30 CFR 585.225 and 585.118(c). Under 30 CFR 585.225:

(a) If BOEM rejects your bid, BOEM will provide a written statement of the reasons and will 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). The Director will send you a written response either affirming or reversing the rejection.

The procedures for requesting reconsideration of a bid rejection are described in 30 CFR 585.118(c).

h. Protection of Privileged or Confidential Information

BOEM will protect privileged or confidential information that the Lessee submits, as authorized by the Freedom of Information Act (FOIA), 30 CFR 585.114, or other applicable statutes. If the Lessee wishes to protect the confidentiality of information, the Lessee should clearly mark it "Contains Privileged or Confidential Information" and consider submitting such information as a separate attachment. BOEM will not disclose such information, except as required by FOIA. If your submission is requested under the FOIA, your information will only be withheld if a determination is made that one of the FOIA's exemptions to disclosure applies. Such

a determination will be made in accordance with the Department's FOIA regulations and applicable law. Labeling information as privileged or confidential will alert BOEM to more closely scrutinize whether it warrants withholding. Further, BOEM will not treat as confidential aggregate summaries of otherwise nonconfidential information.

XV. Compliance with the Inflation Reduction Act (Public Law No. 117-169 (Aug. 16, 2022)(hereinafter, the “IRA”):

Section 50265(b)(2) of the IRA provides that “[d]uring the 10-year period beginning on the date of enactment of this Act... the Secretary may not issue a lease for offshore wind development under section 8(p)(1)(C) of the Outer Continental Shelf Lands Act (43 U.S.C. 1337(p)(1)(C)) unless—(A) an offshore [oil and gas] lease sale has been held during the 1-year period ending on the date of the issuance of the lease for offshore wind development; and (B) the sum total of acres offered for lease in offshore [oil and gas] lease sales during the 1-year period ending on the date of the issuance of the lease for offshore wind development is not less than 60,000,000 acres.” Section 50264(d) of the IRA provides that “...not later than March 31, 2023, the Secretary shall conduct Lease Sale 259[.]” Lease Sale 259 was held on March 29, 2023, and at least one lease from the sale has been issued, satisfying the requirements in section 50265(b)(2) of the IRA for any lease issued by March 29, 2024. BOEM expects to issue any leases resulting from GOMW-1 no later than the one-year anniversary of Lease Sale 259.

AUTHORITY: 43 U.S.C. 1337(p); 30 CFR 585.211 and 585.216.

Elizabeth Klein
Director, Bureau of Ocean Energy Management.