Statutory Authority

• **Outer Continental Shelf Lands Act & the Energy Policy Act of 2005**
  - The Secretary shall establish royalties, fees, rentals, bonus, or other payments to ensure a fair return....

• **BOEM’s Competitive Lease Award Process**
  - §§ 585.220 -585.229
Request for Interest to Lease Sale

Request for Interest

Call for Information and Nominations

Area Identification
Wind Energy Areas

Leasing Document Development

Auction

Public Comment

45 days

Public Comment

45 days

Environmental Assessment Process & Public Involvement

Proposed Sale Notice

Potential Task Force Meetings / Webinars

Request for Interest

Call

Area Identification
Proposed Sale Notice

• Identifies Areas Proposed for Sale
• Identifies Proposed Auction Methodology
• Invites potential bidders to qualify
  o Legal, Financial, Technical Requirements
  o Seeks confirmation of interest from entities already qualified via the Call for Information and Nominations
• Initiates 60 day comment period for input from stakeholders
• Auction Seminar
Auction Formats for Consideration

- **Ascending Bid Single Factor Monetary Auction**
  - Bidders can move from one area to another in each round if a live bid was entered in the previous round
  - Exit bids
  - Affiliated Entities Cannot Bid Against Each Other
Auction Format - Bidding

Bidding occurs over multiple rounds

During each round, BOEM's asking price is raised, and a bidder indicates whether it would be willing to pay that amount for the lease area

When only one bidder is willing to pay that round price, or has the highest exit bid, that bidder wins the auction

<table>
<thead>
<tr>
<th>Round</th>
<th>Asking Price</th>
<th>Bidder 1</th>
<th>Bidder 2</th>
<th>Bidder 3</th>
<th>Bidder 4</th>
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<td>✓</td>
<td>✓</td>
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<td>$225</td>
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</table>

WINNER
Auction Formats for Consideration (continued)

- **Minimum Bid & Bid Deposits**
  - Increased demand for lease areas may result in increased minimum bids and associated bid deposit requirements
  - Interest in not spanning multiple days

- **Limits on Areas per Bidder**
  - One area per bidder
  - Two areas per bidder
  - Interest in competition and ability to construct projects in an efficient manner
Lease Stipulations

- **Term of Lease**
  - 33 years

- **Environmental Stipulations**
  - Protected Species Observers
  - Fisheries Liaison & Fisheries Communication Plan

- **Engagement with Tribal Governments**
  - Pre-survey meetings

- **Vessel Transit Corridors**
  - Width between adjacent areas

- **Financial Assurance Requirements**
Modified Lease Stipulations

- **Operating Fee Modifications**
  - Minor changes to simplify calculation of the 2% fee
  - Removal of the 10% limit on capacity factor adjustments
  - Specifying NYISO NYC hub for wholesale price benchmark
  - Overall resulting in negligible changes in the fee

- **Best Available Technologies for Mooring Designs**
  - Clarifies methods and procedures to prevent entanglement of marine life

- **Clarification of Compliance with Tribal Pre-survey meeting lease stipulations**
New Lease Stipulations

- Exploring potential for labor related provisions
- Are there other things BOEM should be considering for lease stipulations?
- Are there other modifications needed?
Final Sale Notice

- Specifies final areas for sale and selected auction format & rules
- Incorporates any changes based on feedback from the comment period
- Lists eligible bidders
  - Does not guarantee participation
- Minimum of 30 days from FSN to Auction
FSN to the Auction

1. Bidder Financial Forms Due to BOEM
2. Bid Deposits Paid
3. Mock Auction
4. Live Auction
Auction to Lease Issuance

1. Declaration of Provisional Winners
2. DOJ Review
3. Lease Sent to Winners for Execution
   1. Pay balance of bonus bid
   2. Agree to the terms of the lease
   3. File financial assurance
   4. Return signed lease copies
Task Force Discussion

• Quick poll

• Opportunity for Task Force Questions and Comments