

Bidder’s Financial Form Addendum

Bidding Credits – Requirements and Restrictions

Purpose and Goals

BOEM is using a multiple-factor auction format, with a multiple-factor bidding system, for this lease sale. Under this system, BOEM will consider a combination of a monetary bid and bidding credits in determining the outcome of the auction.

The bidding credits are designed to: enhance, through training, the floating offshore wind workforce; allow for the establishment of a domestic supply chain for floating offshore wind manufacturing, assembly, or services; and/or mitigate potential impacts stemming from lease development.

General Requirements

In order for a Bidder to qualify for any or all of these credits, BOEM requires the Bidder to submit a conceptual strategy for the bidding credits the Bidder selects in its Bidder’s Financial Form (BFF). The Auction Panel, as described in the Final Sale Notice, will judge each strategy on its own merits to determine the Bidder’s final bidding credit(s). Bidders will be notified of their final bidding credit amounts prior to the Mock Auction.

Each individual conceptual strategy must enable BOEM to objectively verify that the Bidder has formulated a plan that will lead to the fulfillment of the bidding credit requirements. The conceptual strategy for each bidding credit is expected to be a forward-looking document and is not required to include specific investments or beneficiaries. Bidders requesting multiple bidding credits should submit individual conceptual strategies for each credit with their BFF. A proposed Community Benefit Agreement (CBA) or Contribution¹ may fulfill the criteria for only one credit; where there is potential for proposed CBAs or Contributions to meet the criteria of more than one credit, it is incumbent on the Bidder to identify to which credit the proposed CBA or Contribution should apply.

The conceptual strategies will be reviewed by BOEM’s Auction Panel pursuant to the guidelines in this document.

¹ See definition of Contribution in Section One: Workforce Training and/or Supply Chain Development Value: 20% of Cash Bid Component.

Section One: Workforce Training and/or Supply Chain Development

Value: 20% of Cash Component of Bid

Qualifications

- To qualify for the **workforce training and/or supply chain development bidding credit**, the Bidder must commit to make a qualifying monetary contribution (“Contribution”²) to programs or initiatives, as described below, that support workforce training programs for the U.S. floating offshore wind industry, development of a U.S. domestic supply chain for the floating offshore wind industry, or both. The Contribution must be verifiable by BOEM. Specifically, BOEM must be able to verify both that the Contribution was made and that it was applied in the manner described in the Lessee’s conceptual strategy submitted with the BFF (explained below).
 - The Contribution for workforce training must result in a better trained and/or larger domestic floating offshore wind workforce that would provide for more efficient operations via an increase in the supply of fully trained personnel.
 - The Contribution to domestic supply chain development must result in (i) overall benefits to the U.S. floating offshore wind supply chain for 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; or (iii) a more robust floating offshore wind domestic supply chain by reducing 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 or assembly facilities.
 - The Contribution for workforce training and/or domestic supply chain development can be made in support of existing programs, or for the establishment of new programs or incentives associated with the planning, design, construction, operation, maintenance, or decommissioning of U.S. floating offshore wind energy projects, or manufacturing or assembling of their components, in the United States.
 - No portion of the Contribution may also be used to meet the requirements of any other bidding credits for which the Lessee qualifies.
 - This bidding credit will only be awarded for floating offshore wind supply chain or workforce training initiatives.

Forms of Contributions

- To qualify for a bidding credit, Contributions to workforce training must be one or more of the following:
 - Contributions toward 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,

² As used herein, “Contribution” means: (i) the direct transfer or payment of monetary funds; and (ii) establishment of non-refundable monetary commitments or guarantees (such as, but not limited to, revolving funds, trusts, and loan guarantees).

- construction, operation, maintenance, or decommissioning of floating offshore wind energy projects on the United States OCS.
- Contributions toward maritime training necessary for the crewing of vessels to be used for the construction, servicing, and/or decommissioning of floating offshore wind energy projects on the United States OCS.
 - Contributions toward training workers in skills or techniques necessary to manufacture or assemble floating offshore wind components, subcomponents, or subassemblies. Examples of these skills and techniques include those in the areas of welding; floating offshore wind energy technology; hydraulic maintenance; braking systems; mechanical systems, including blade inspection and maintenance; or computers and programmable logic control systems.³
 - Contributions toward Tribal workforce development programs or training for employees of wholly owned Tribal corporations that lead to the expeditious and orderly development of floating offshore wind energy projects on the United States OCS.
 - Contributions toward training in any other job skills that the Lessee can demonstrate are necessary for the planning, design, construction, operation, maintenance, or decommissioning of floating offshore wind energy projects on the United States OCS.
- To qualify for a bidding credit, Contributions to domestic supply chain development must be one or more of the following:
 - Contributions supporting the development of a domestic supply chain for the floating offshore wind industry, including manufacturing of components and subassemblies and the expansion of related services.
 - Contributions to domestic Tier 2⁴ and Tier 3⁵ floating offshore wind component suppliers, such as mooring line manufacturers, and domestic Tier 1⁶ supply chain efforts, including quayside fabrication of floating foundations and assembly of floating towers.
 - Contributions for technical assistance grants to help U.S. manufacturers re-tool or certify (e.g., ISO-9001) for floating offshore wind manufacturing.
 - Contributions for the development of Jones-Act-compliant vessels for the construction, servicing, and/or decommissioning of floating offshore wind energy projects in the United States, including semi-submersible barges for use during quayside manufacturing, assembly, or installation.

³ <https://www.bls.gov/ooh/installation-maintenance-and-repair/wind-turbine-technicians.htm#tab-4>

⁴ Tier 2: Subassemblies are the systems that have a specific function for a Tier 1 component. They may include subassemblies of a number of smaller parts, such as a pitch system for blades. Tier 2 manufacturers contract with Tier 1 suppliers as a subcontractor or vendor.

⁵ Tier 3: Subcomponents are commonly available items that are combined into Tier 2 subassemblies, such as motors, bolts, and gears. Tier 3 manufacturers are typically vendors that provide components to Tier 2 suppliers.

⁶ Tier 1 component examples include the primary offshore wind components, such as the blades, nacelles, towers, foundations, and cables. Tier 1 components are the major products that are purchased by an offshore wind project developer, such as the wind turbine, foundation, or cables. Tier 1 suppliers are primary suppliers that contract directly with the project developer. Contributions for Tier 1 supply chain development can include infrastructure necessary for quay-side manufacturing, fabrication, or assembly.

- Contributions to the purchase and installation of self-propelled modular transporter systems (SPMTs), lift cranes capable of installing foundations, towers, and nacelles quayside, and domestic mooring manufacturing facilities.
- Contributions to port infrastructure related to floating offshore wind component manufacturing and preparation of quayside manufacturing and assembly areas for the construction and deployment of floating foundations for, or other components of, offshore wind turbines.
- Contributions to establish a new or existing bonding support reserve or revolving fund available to all businesses providing goods and services to floating offshore wind energy companies, including disadvantaged businesses,⁷ and/or wholly owned Tribal corporations.
- Other Contributions to supply chain development efforts that the Lessee can demonstrate further the manufacture of floating offshore wind components or subassemblies, or the provision of floating offshore wind services, in the United States.

Requirements and Restrictions

Workforce Training and/or Supply Chain Development

- The Contribution must be made by the Lessee, its parent company, or an affiliated entity.
- To qualify for a bidding credit, Contributions must be made to one or more of the following:
 - Private, public, or municipal corporations, companies, associations, or partnerships; counties, cities, or towns (as those terms are used in the California Government Code); or other legal entities organized under the laws of any State of the United States, the District of Columbia, the law of any federally recognized Tribe or federal law applying to Tribes, or the law of any territory or insular possession subject to U.S. jurisdiction;
 - An Executive Agency of the United States as defined in section 105 of Title 5 of the U.S. Code with authority to accept the Contribution for the purposes for which the bidding credit is authorized; or
 - A State of the United States or a political subdivision thereof or a federally recognized Tribe.
- Contributions cannot be made to the parent or affiliated entities of the Lessee or for purposes of directly or indirectly satisfying a purchase or work order of the Lessee.
- The Lessee, its parent company, or its affiliated entities are not permitted to retain an ownership/equity interest in the entity receiving the Contribution, a discount to the market price for goods or services provided by the recipient, or other preferential treatment, but can purchase offshore wind goods or services from the recipient of the Contribution at market rates.
- The Lessee and any future assignee(s) of the lease are bound by the bidding credit commitments made to earn a bidding credit for the lease.

⁷ A disadvantaged business entity is at least 51% owned and controlled by a socially and economically disadvantaged individual or individuals.

- If BOEM determines that a Lessee or assignee has failed to satisfy the commitment at the time of the first Facility Design Report (FDR) submission, or if a Lessee or assignee relinquishes or otherwise fails to develop the lease by the tenth anniversary date of lease issuance, 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 date of lease execution. BOEM may, at its sole discretion, extend the documentation deadline beyond the first FDR submission or the 10-year timeframe stated in this paragraph. The interest rate is the underpayment interest rate published by ONRR.

Workforce Training Credit – Specific Requirements and Restrictions

- All offshore wind lessees must have the opportunity to hire individuals trained in programs that benefited from the Contribution. Trainees cannot be contractually required to enter into employment agreements with either the Lessee making the Contribution or the entity providing the training.
- The workforce training must be provided in the United States and to citizens of the United States, nationals of the United States, or aliens lawfully admitted for permanent residence in the United States as defined in 8 U.S.C. 1101(a)(20).
- The training must be provided by any of the following:
 - Private, public, or municipal corporations, companies, associations, partnerships; counties, cities, or towns (as those terms are used in the California Government Code); or other legal entities organized under the laws of any State of the United States, the District of Columbia, the law of any federally recognized Tribe or federal law applying to Tribes, or the law of any territory or insular possession subject to U.S. jurisdiction;
 - An Executive Agency of the United States as defined in section 105 of Title 5 of the U.S. Code with authority to accept the Contribution for the purposes for which the bidding credit is authorized; or
 - A State of the United States or a political subdivision thereof or a federally recognized Tribe.
- Training of existing Lessee employees, Lessee contractors, or employees of affiliated entities will not qualify under this bidding credit.

Domestic Supply Chain Credit – Specific Requirements and Restrictions

- Contributions must be made to programs supporting the development of the floating offshore wind supply chain or as direct Contributions for re-tooling or certification of component manufacture/assembly or other services supporting the floating offshore wind industry.
- This credit must further the overall buildout of the floating offshore wind domestic supply chain without a direct quantifiable benefit to the Lessee.

Conceptual Strategy

Bidders who elect to pursue this bidding credit must submit the following with their BFF:

- A strategy describing how the Bidder intends to meet the **workforce training or supply chain development** bidding credit requirements. The conceptual strategy must:
 - Describe the Bidder’s commitment, including the form of Contributions, subject to the requirements and restrictions described above.
 - Describe how the Bidder’s commitment will support workforce training programs for the floating offshore wind industry, development of a U.S. domestic supply chain for the floating offshore wind energy industry, or both.
 - Explain how the Lessee will select Contribution recipients. The Bidder can identify different workforce training or supply chain programs the Lessee will consider. The conceptual strategy can prioritize different programs under consideration while maintaining flexibility to select recipients that provide the greatest value and benefit for training workers or supporting development of the floating offshore wind supply chain closer to the time when the Contribution is made.
 - Describe the process for documentation and verification once the Contribution has been made, consistent with the requirements below.

Documentation to Demonstrate Compliance with Conceptual Strategy

The Lessee will commit to making its Contribution consistent with the conceptual strategy submitted with the BFF.

- The Lessee must provide documentation showing that it has met its commitment and complied with the applicable bidding credit requirements as provided in applicable sections of Addendum “C,” Sections 11.1.1 and 11.1.2 no later than the date on which the first FDR is submitted.
- The documentation must enable BOEM to objectively verify the amount of the Contribution and the beneficiary(ies) of the Contribution. At a minimum, this documentation must include:
 - All written agreements between the Lessee and beneficiary(ies) of the Contribution, which must detail the amount of the Contributions and how they will be used by the beneficiaries of the Contribution in order 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 the beneficiary(ies) of the Contribution, attesting that all information provided is true and accurate in the above documentation.
- The documentation must also describe how the funded initiative or program has advanced, or is expected to advance, U.S. floating offshore wind workforce training and/or supply chain development. The documentation must provide qualitative and/or quantitative information that includes the estimated number of trainees or jobs supported and/or the estimated leveraged supply chain investment resulting or expected to result from the Contribution.
- The documentation provided by the Lessee must contain and elaborate on the information specified in the conceptual strategy submitted with the BFF and must allow BOEM to objectively verify (i) the amount of the Contribution and the beneficiary(ies) of the

Contribution; and (ii) compliance with the bidding credit criteria provided in Addendum “C” of the Lease.

- If the Lessee’s implementation strategy has changed from that in the conceptual strategy due to market needs or other factors, the Lessee must explain the changed approach. BOEM reserves the right to determine whether the conditions of the bidding credit have been satisfied.

Section Two: Lease Area Use Community Benefit Agreement Bidding Credit Value: 5% of Cash Component of Bid

Qualifications

- To qualify for the **Lease Area Use Community Benefit Agreement (CBA) Bidding Credit**, bidders must execute a CBA no later than at the time the first FDR is submitted, and bidders must enter into the CBA with one or more communities, stakeholder groups, or Tribal entities whose use of the geographic space of the Lease Area, or whose use of resources harvested from that geographic space, is expected to be impacted by the Lessee’s potential offshore wind development (hereinafter, in the context of Lease Area Use CBA bidding credit, referred to as “impacted community”).
- The Lease Area Use CBA may assist fishing and related industries (including Tribal fisheries) by supporting their resilience and ability to adapt to gear changes or any potential gear loss or damage, as well as any loss of income, or other similar potential impacts that may arise from the development of the Lease Area.
- The Lease Area Use CBA may include payments into a special purpose fund, such as payments to support gear changes, navigation technology improvements, and other efforts to improve safety and navigation, or to compensate the fishing and related industries whose use of the geographic space of the Lease Area is impacted by the Lessee’s potential offshore wind development.
- The qualifying, executed Lease Area Use CBA must be a Lease Area Use CBA relevant to the Lease Area won by the Lessee. The North Coast Region includes leases OCS-P 0561 and OCS-P 0562 and the Central Coast Region includes leases OCS-P 0563, OCS-P 0564, and OCS-P 0565. Bidders with an executed Lease Area Use CBA in one region should consider describing how they would identify and enter into a qualifying Lease Area Use CBA in the other region in the event they win a Lease for which their existing Lease Area Use CBA would not qualify. Alternatively, the conceptual strategy describing how the Bidder intends to qualify for this bidding credit should address how bidders would assist communities located within both the North Coast Region and the Central Coast Region. It is incumbent upon the lessees to ensure it has a Lease Area Use CBA with a regionally appropriate impacted community no later than its first FDR submission.

Lessees must use best efforts to provide benefits at least commensurate to the value of the bidding credit received. This may include both monetary and non-monetary benefits.

Requirements and Restrictions

- No Lease Area Use CBA that makes a Lessee eligible for a bidding credit may include exclusivity or preferential clauses that prevent or disincentivize an impacted community from entering into such agreements with other lessees or potential lessees. BOEM reserves the right to review Lease Area Use CBAs for such clauses. If an exclusivity or preferential clause exists in the Lease Area Use CBA or a related agreement, BOEM will rescind the bidding credit and commence the enforcement process as described in the lease Addendum “C,” Section 12.3.

- No portion of a Lease Area Use CBA, fund, or agreement used for this credit may be used to meet the requirements of any other bidding credit for which the Lessee qualifies.
- The Lessee may execute a Lease Area Use CBA with a single entity, which may be a coalition that represents the diverse interests and inclusive needs of more than one impacted community, or multiple entities, or multiple impacted communities, and may execute more than one Lease Area Use CBA.
- Any benefits provided to the impacted community should not duplicate benefits or mitigation measures imposed on the Lessee through, or pursuant to, statutes other than the Outer Continental Shelf Lands Act (OCSLA).
- To qualify for the Lease Area Use CBA bidding credit, the Lessee must enter into a Lease Area Use CBA with an impacted community that is a:
 - Private, public, or municipal corporation, company, association, or partnership; county, city, or town (as those terms are used in the California Government Code); or other legal entity organized under the laws of any State of the United States or the District of Columbia, the law of any federally recognized Tribe or federal law applying to Tribes, or the law of any territory or insular possession subject to U.S. jurisdiction;
 - Federally recognized Tribe under 25 U.S.C. § 5131; or
 - State of the United States or a political subdivision thereof.
- The Lease Area Use CBA must:
 - Be between the Lessee or its affiliated entity, or if appropriate, its assignee(s), and an impacted community;
 - Specify how the impacted community's uses of the Lease Area or how the impacted community's use of resources harvested from the geographic space of the Lease Area is expected to be impacted by the Lessee's potential offshore wind development;
 - Address impacts to the impacted community arising from lease development;
 - Specify any monetary, material, or other benefits provided, or to be provided, by the Lessee to the impacted community, including any mitigation or other compensatory measures provided by the Lessee to the impacted community, such as the establishment of any special purpose funds and the mechanisms through which monies therein will be disbursed;
 - Indicate commitment of the parties to collaboration and resolution of issues. This commitment may be indicated by a statement that the parties will agree to mediation, a strategy for collaboration, or other type of plan describing how the parties will collaborate or resolve issues as needed;
 - Describe communication methods, engagement methods, or educational opportunities for the impacted community; and
 - Specify plans (or strategies) to mitigate potential impacts from the proposed development of the Lease Area on the impacted community.
- If BOEM determines that a Lessee or assignee has failed to enter into a Lease Area Use CBA that satisfies the commitment by the Lessee's first FDR submission, or if a Lessee or assignee relinquishes or otherwise fails to develop the lease by the tenth anniversary date of lease issuance, the amount corresponding to the bidding credit awarded will be immediately due and payable to ONRR with interest from the date of lease execution. The interest rate will be the underpayment interest rate identified by

ONRR. BOEM may, at its sole discretion, extend the documentation deadline beyond the FDR or the 10-year timeframe stated in this paragraph.

Conceptual Strategy

BOEM encourages the Lessee to engage with any and all communities that are expected to be impacted due to their use of the Lease Area, such as seafood processors and commercial, recreational, and/or Tribal fisheries, to inform the Lease Area Use CBA(s) and any special purpose fund used to qualify for the Lease Area Use CBA bidding credit.

Bidders who elect to pursue this bidding credit must submit the following with their BFF:

- A qualifying executed Lease Area Use CBA or a conceptual strategy describing how the Bidder intends to qualify for the Lease Area Use CBA bidding credit.
- A conceptual strategy that:
 - Explains how the Lessee will select or identify impacted communities with whom to enter into a Lease Area Use CBA.
 - Describes the provisions that may be included in the Lease Area Use CBA and how the provisions mitigate potential impacts from the proposed development of the Lease Area.
 - Describes the process for documentation and verification that the Lease Area Use CBA has been executed according to the requirements above.

If elements of the Lessee’s conceptual strategy undergo any significant change(s) due to market needs or other factors, the Lessee must explain the change(s) and the reasons(s) therefor in the Lessee’s submitted documentation. This includes any change in the chosen impacted communities or any change from an existing Lease Area Use CBA to a new Lease Area Use CBA, if the Lessee needs to conform to a different region. A Lessee may qualify with an existing Lease Area Use CBA in one region; however, if necessary to comply with the regionality requirement cited above, a Lessee may submit documentation explaining that its existing Lease Area Use CBA is not regionally appropriate for the Lease Area in which it won a lease, and that it will amend the existing CBA or enter into a new Lease Area Use CBA which is regionally appropriate. BOEM reserves the right to determine that the bidding credit commitment to enter into a Lease Area Use CBA has not been satisfied because of such changes.

Documentation to Demonstrate Compliance with Conceptual Strategy

The Lessee will commit to executing a Lease Area Use CBA in accordance with the conceptual strategy submitted with the BFF and to provide BOEM a copy of the executed Lease Area Use CBA no later than at the time of the submission of the Lessee’s first FDR. The documentation provided by the Lessee must contain and elaborate on the information specified in the conceptual strategy submitted with the BFF. The documentation must enable BOEM to objectively verify that the Lease Area Use CBA has met the requirements for the Lease Area Use CBA bidding credit listed, and that it is in compliance with the bidding credit criteria provided in the lease Addendum “C,” Section 12.1. At a minimum, this documentation must include:

- All written agreements between the Lessee and the impacted community, including the executed Lease Area Use CBA;

- A description of work done with impacted communities, including the monetary and non-monetary commitments that reflect the value of the bidding credit received; and
- Sworn statements by the Lease Area Use CBA signatories or their assignees, attesting to the truth and accuracy of all the information provided in the above documentation.

Section Three: General Community Benefit Agreement Bidding Credit

Value: 5% of Cash Component of Bid

Qualifications

- To qualify for the **General Community Benefit Agreement Bidding Credit**, the Bidder must commit to execute a General CBA with one or more communities, Tribes, or stakeholder groups that are expected to be affected by the impacts on the marine, coastal, and/or human environment (such as impacts on visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA (hereinafter, in the context of the General CBA bidding credit, referred to as “impacted community”). The Lessee must enter into a General CBA with such an impacted community, and the General CBA must include provisions and plans to address impacts to the impacted community arising from lease development that are not addressed by a Lease Area Use CBA.
- Any benefits provided to the impacted community should not duplicate benefits or mitigation measures imposed on the Lessee through, or pursuant to, statutes other than OCSLA. For example, such benefits could include:
 - Contributions to a community benefit fund whose purpose is to provide funds for infrastructure to impacted communities to alleviate impacts from the Lessee’s project;
 - Increased support to facilitate engagement in the process through which the lease will be developed; and
 - Mitigating potential impacts to cultural viewsheds or potential impacts on marine and land species that are of significance to Tribal culture or impacted communities.
- The qualifying, executed General CBA must be a General CBA relevant to the Lease Area won by the Lessee. The North Coast Region includes leases OCS-P 0561 and OCS-P 0562 and the Central Coast Region includes leases OCS-P 0563, OCS-P 0564, and OCS-P 0565. Bidders with an executed General CBA in one region should consider describing how they would identify and enter into a qualifying CBA in the other region in the event they win a lease for which their General CBA would not qualify. Alternatively, the conceptual strategy describing how the Bidder intends to qualify for this bidding credit should address how bidders would identify impacted communities located within both the North Coast Region and the Central Coast Region. It is incumbent upon the lessees to ensure they have a CBA with a regionally appropriate impacted community no later than the Lessee’s first FDR submission.
- Lessees must use best efforts to provide benefits commensurate to the value of the bidding credit received. This may include both monetary and non-monetary benefits.

Requirements and Restrictions

- No General CBA that makes a Lessee eligible for a bidding credit may include exclusivity or preferential clauses that prevent or disincentivize an impacted community from entering into such agreements with other lessees or potential lessees. BOEM reserves the right to review General CBAs for such clauses. If an exclusivity or

preferential clause exists in the General CBA or a related agreement, BOEM will rescind the bidding credit and commence the enforcement process as described in the lease Addendum “C,” Section 13.3.

- No portion of a General CBA, fund, or agreement used for this credit may be used to meet the requirements of any other bidding credit for which the Lessee qualifies.
- The Lessee may execute a General CBA with a single entity, which may be a coalition that represents the diverse interests and inclusive needs of more than one impacted community, or multiple entities, or multiple impacted communities and may execute more than one General CBA.
- To qualify for the General CBA bidding credit, the Lessee must enter into a General CBA with an impacted community that is a:
 - Private, public, or municipal corporation, company, association, or partnership; county, city, or town (as those terms are used in the California Government Code); or other legal entity organized under the laws of any State of the United States or the District of Columbia, the law of any federally recognized Tribe or federal law applying to Tribes, or the law of any territory or insular possession subject to U.S. jurisdiction;
 - Federally recognized Tribe under 25 U.S.C. § 5131; or
 - State of the United States or a political subdivision thereof.
- The General CBA must:
 - Be between the Lessee or its affiliated entity, or, if appropriate, its assignee(s), and an impacted community;
 - Specify how the impacted community is expected to be affected by the potential impacts on the marine, coastal, and/or human environment from activities resulting from lease development;
 - Address impacts to the impacted community arising from lease development that are not addressed by a Lease Area Use CBA;
 - Specify the monetary, material, or other benefits provided, or to be provided, by the Lessee to the impacted community, including any mitigation or other compensatory measures provided by the Lessee to the impacted community;
 - Indicate commitment of parties to collaboration and resolution of issues. This commitment may be indicated by a statement that the parties will agree to mediation, a strategy for collaboration, or other type of plan describing how the parties will collaborate or resolve issues as needed;
 - Describe communication methods, engagement methods, or educational opportunities for the impacted community; and
 - Specify plans (or strategies) to mitigate potential impacts from the proposed lease development on the impacted community.
- If BOEM determines that a Lessee or assignee has failed to enter into a General CBA that satisfies the commitment by the Lessee’s first FDR submission, or if a Lessee or assignee relinquishes or otherwise fails to develop the lease by the tenth anniversary date of lease issuance, the amount corresponding to the bidding credit awarded will be immediately due and payable to ONRR with interest from the date of lease execution. The interest rate will be the underpayment interest rate identified by ONRR. BOEM may, at its sole

discretion, extend the documentation deadline beyond the FDR or the 10-year timeframe stated in this paragraph.

Conceptual Strategy

BOEM encourages the Lessee to engage with any and all communities that are expected to be affected by the potential impacts on the marine, coastal, and/or human environment (such as impacts on visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA, to inform the General CBA(s) and any special purpose fund used to qualify for the General CBA bidding credit.

Bidders who elect to pursue this bidding credit must submit the following with their BFF:

- A qualifying executed General CBA or a conceptual strategy describing how the Bidder intends to qualify for the General CBA bidding credit.
- A conceptual strategy that:
 - Explains how the Lessee will identify impacted communities with whom to enter into a General CBA.
 - Describes the Bidder's commitment, including the form of investments that will be made, subject to the requirements and restrictions described above.
 - Describes the provisions that will be included in the General CBA and how the provisions will address the potential impacts arising from activities performed in connection with lease development.
 - Describes the process for documentation and verification through which the General CBA has been executed according to the requirements above.

If elements of the Lessee's conceptual strategy undergo any significant change(s) due to market needs or other factors, the Lessee must explain the change(s) and the reasons(s) therefor in the Lessee's submitted documentation. This includes any change in the chosen impacted communities or any change from an existing General CBA to a new General CBA, if the Lessee needs to conform to a different region. A Lessee may qualify with an existing General CBA in one region; however, if necessary to comply with the regionality requirement cited above, a Lessee may submit documentation explaining that its existing General CBA is not regionally appropriate for the Lease Area in which it won a lease, and that it will amend the existing CBA or enter into a new General CBA which is regionally appropriate. BOEM reserves the right to determine that the bidding credit commitment to enter into a General CBA has not been satisfied because of such changes.

Documentation to Demonstrate Compliance with Conceptual Strategy

The Lessee will commit to executing a General CBA in accordance with the conceptual strategy submitted with the BFF and to provide BOEM with a copy of the executed General CBA no later than at the time of the submission of the Lessee's first FDR. The documentation provided by the Lessee must contain and elaborate on the information specified in the conceptual strategy submitted with the BFF. The documentation must enable BOEM to objectively verify that the CBA has met the requirements for the General CBA bidding credit, and that it is in compliance with the bidding credit criteria provided in Addendum "C," Section 13.1. At a minimum, this documentation must include:

- All written agreements between the Lessee and the impacted community, including the executed General CBA;
- A description of work done with impacted communities to reach monetary and non-monetary commitments that reflect the value of the bidding credit received; and
- Sworn statements by the General CBA signatories or their assignees, attesting to the truth and accuracy of all the information provided in the above documentation.