



# Deadlines and Milestones:

From the PSN through  
the RIMA Auction  
Process

Narragansett, Rhode Island  
January 15, 2013

# Overview

- MFA and the Panel
- During PSN Comment Period (before February 1)
- From PSN Comment Close to FSN
- During FSN Waiting Period
- The Auction Itself
- From Auction to the Execution of Leases

# MFA

## ■ Multiple Factor Auction format

- Contains a Non-Monetary phase and a Monetary phase.
- Not a “black box” format. BOEM seeks a fair and transparent process.

## ■ Non-Monetary Phase

- *“Under the multiple-factor auction format, [BOEM] will publish criteria for winning bid determinations in the Final Sale Notice.” 74 FR 19666.*
- Each company submits a “non-monetary package
- Non-monetary package describes how the company does or does not qualify for a credit based on the factors BOEM has selected:
  - JDA: If eligible, company qualifies for 15% credit; OR
  - PPA: If eligible, company qualifies for up to 25% credit.

# The Panel

- What does the panel do?
  - *“A panel made up of members selected by [BOEM], or members from [BOEM], would assess and rank the proposals.”* 74 FR 19666.
  - The panel evaluates non-monetary packages, and reports the credit for each bidder to BOEM. The credit will be incorporated into the auction platform.
  - The panel confirms the results of the auction following the monetary auction phase.
  - BOEM anticipates that the panel will consist of BOEM staff.

# The Competitive Process (One Slide Summary)

- ☑ Call for Information
- ☑ Proposed Sale Notice
  - ☑ 60-day Comment Period  We are here.
  - BOEM prepares Final Sale Notice
- Final Sale Notice
  - 30-day Waiting Period
- Auction
  - 30-day DOJ/FTC Review
- Send blank leases to winner
  - Winner has 10 days to sign, file financial assistance, and pay balance of auction bids.
- BOEM signs

# During PSN Comment Period (before February 1)

- Public submits comments
- Auction Seminar (here we are)
- Select and Invite Panelists
- Receive **Qualifications** materials (legal, financial and technical)
  - Ensure that bidders are Legally Qualified.
  - Ensure that bidders are Technically and Financially Qualified.
  - Deadline to submit materials: End of PSN Comment period
  - Deadline establish all qualifications: Publication of FSN.
  - If you are not qualified by publication of the FSN, you will not participate in this auction.
  - Eligible Bidders List will be published in the FSN.

# From PSN Comment Close (February 1) to FSN

- BOEM will review PSN Comments.
- BOEM will finalize company qualification evaluations.
- BOEM will consider what should change from the PSN to the FSN, update the FSN, and publish it in the *Federal Register*.
- BOEM RI/MA Intergovernmental Task Force Meeting

# FSN Waiting Period Milestones

- **FSN + 7** (Seven days after publication of the FSN):  
Bidders Financial Forms are **DUE!**
  - Once BOEM has processed this information, bidders may log in and leave bid deposits.
- **FSN +7**: Self-Certification of antitrust compliance is **DUE!**
  - I certify that [name of qualified bidder] did not and will not engage in anticompetitive bidding behavior in violation of Federal law, BOEM's regulations, or auction procedures.
  - I certify that this bid is made in a good faith effort to win a lease to engage in the development of renewable energy resources.

# FSN Waiting Period Milestones

## ■ **FSN + 14:** Bid Deposits are **DUE!**

- The amount of the Bid Deposit depends on how many Zones/Leases the bidder would like to be eligible to bid on.
  - To be eligible to bid on one Zone/Lease or the other, *but not both*, a bidder must deposit \$487,490 (\$5 per acre for the larger Zone).
  - To be eligible to bid on one *or both* of the Zone/Leases, a bidder must deposit \$823,750 (\$5 per acre for both Zones).

## ■ **FSN + 21:** Non-Monetary Package is **DUE!**

- **Mandatory.** If a bidder is not seeking a non-monetary credit, or does not believe that it is eligible to receive such a credit, that bidder must still submit a timely statement to BOEM to that effect.
- If no statement is submitted within 21 days of the publication of the FSN, BOEM may assume that the bidder is not interested in participating in the auction, and an otherwise eligible bidder may be prevented from bidding.

# FSN Waiting Period Milestones

- Mock Auction
  - Will be shortly before the monetary auction date. It may be before or after consideration of non-monetary packages.
  - Mock Auction details will be published in the FSN.
  - Mock Auction participation is for RIMA sale bidders only.
- No sooner than **FSN +30:**
  - **THE AUCTION MAY NOW BEGIN!**

# The Auction Itself

- The Panel convenes to consider Non-Monetary Packages.
- Non-Monetary determinations are sent to BOEM.
- BOEM notifies eligible bidders of the Panels determinations:
  - BOEM only tells bidders of their Non-Monetary credit. BOEM will not tell bidders about the Non-Monetary credits of other bidders.
- BOEM notifies the auction services contractor and Office of Natural Resources Revenue of the determinations.
- **MONETARY AUCTION**
- The Panel re-convenes to verify the auction results.

# From Auction to Lease Execution

- BOEM will allow DOJ 30 days to conduct an Antitrust review of the auction, subject to 43 USC 1337(c):
  - **Antitrust review of lease sales.** (1) Following each notice of a proposed lease sale and before the acceptance of bids and the issuance of leases based on such bids, the Secretary [of the Interior] shall allow the Attorney General, in consultation with the Federal Trade Commission, thirty days to review the results of such lease sale, except that the Attorney General, after consultation with the Federal Trade Commission, may agree to a shorter review period.
- If BOEM determines that the government would not receive a fair return for the leases, BOEM could decide, even at this stage, not to issue any leases pursuant to the sale.
- BOEM will announce the winners of the lease sale if it has not already done so.

# From Auction to Lease Execution

- BOEM will send three lease copies to the winners. (Rent is due within 45 days of this date).
- Unless BOEM allows more time, winners have 10 days in which to post financial assurance, pay the balance of the bonus bid at auction, and sign and return the three copies.
- BOEM receives these copies, and executes the leases.

# Questions and Comments

Wright Frank  
703-787-1325

[Wright.Frank@boem.gov](mailto:Wright.Frank@boem.gov)