North Carolina Commercial Wind Power Lease Sale: North Carolina (Kitty Hawk)

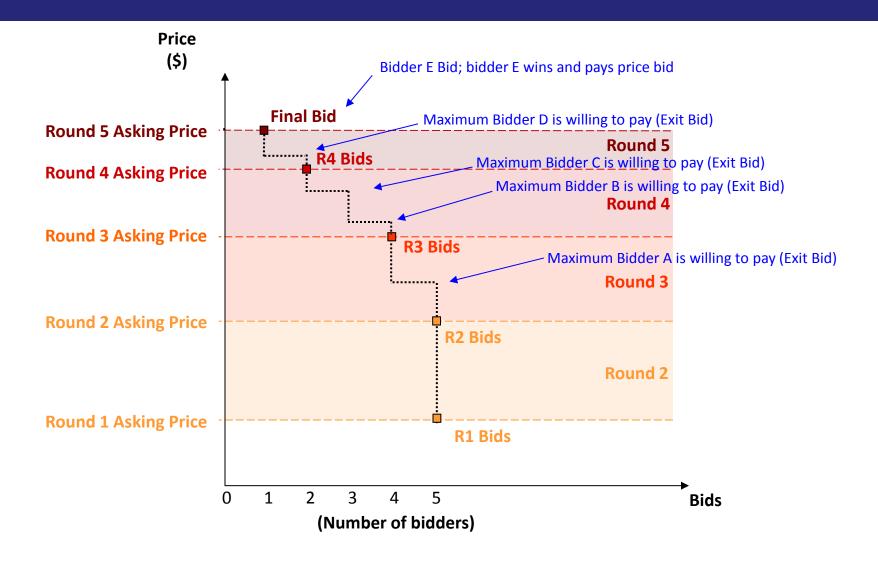
20 September 2016



Auction Design

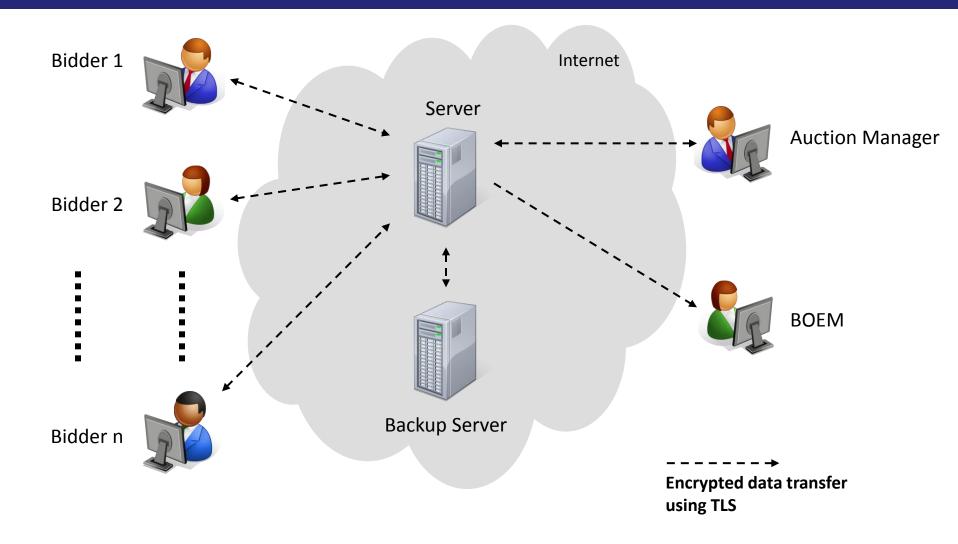
Ascending Clock Auction

Ascending clock auction (single item)



Auction Mechanics

Typical auction arrangements



IT and Backup Requirements for Participation

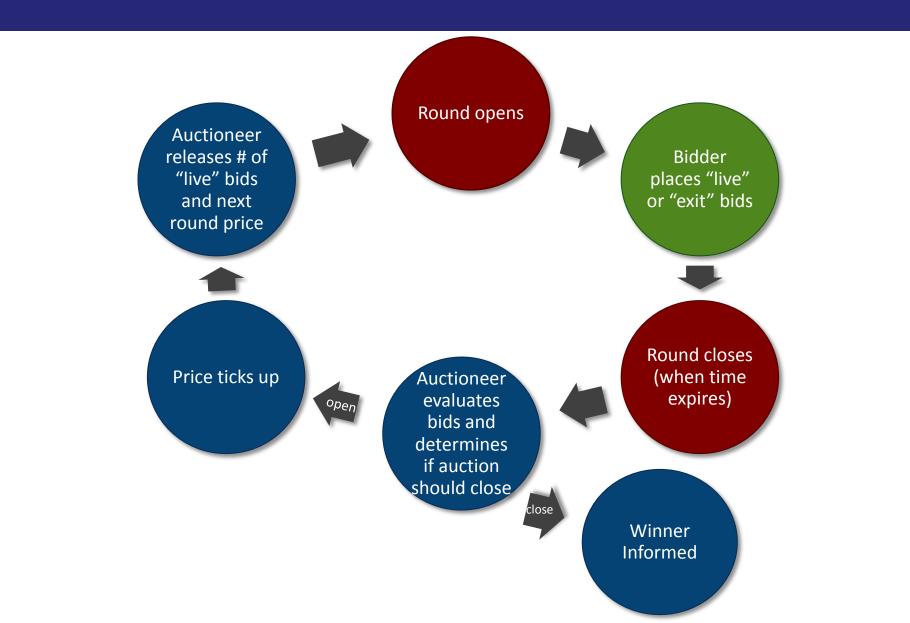
Computer requirements

- Computer with an 1.2 GHz processor or higher
- Web Browsers supported
 - √ Google Chrome (Windows or MAC platforms)
 - V Internet Explorer 10 or 11 (with required configuration change for Internet Explorer 10)
- Access to the internet
- 1366x768 or higher resolution monitor

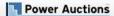
Recommended backup facilities

- Secondary means to access the internet, such as a mobile wireless card
- More than one individual (up to three) authorized to bid for your company

Illustrative Single Item Ascending Clock Auction Round Process



Link to Access the System





Bureau of Ocean Energy Management Auction

Offshore Renewable Energy Program

Welcome to the Auction Site for the Bureau of Ocean Energy Management's Offshore Renewable Energy Program.



Demo Bidders



Bob & Co



Main Character in this Demo



Chris & Co



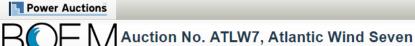
Diana & Co





Three additional bidders

Log in



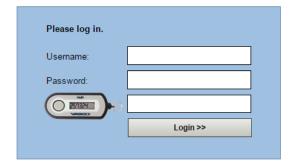
Offshore North Carolina

20 July 2016, 9:00:00 EDT

The Auction will start at 10:00:00 EDT

Welcome to the Auction Site for the BOEM Offshore Renewable Energy Program.

This web site is operated for the U.S. Government. Any unauthorized access is prohibited. Access of this system may be monitored, recorded, and subject to audit. Use of this system indicates consent to the monitoring and recording of the user's use of the system. The data and documents on this system include Federal records that may contain sensitive information protected by various Federal statutes. Unauthorized user attempts or acts to (1) access, upload, change, delete or deface information on this system, (2) modify this system, (3) deny access to this system, or (4) otherwise misuse this system are strictly prohibited and may result in criminal and civil penalties.



Auction Schedule



Authorized Individual Bob of Bob & Co is logged in.

Settings

Lock Screen

20 July 2016, 9:00:00 EDT

The Auction will start at 10:00:00 EDT

Logout [X]

Current Bids

Generate Bid Confirmation

Auction Info

My Results

View Demand Round Results

Auction Schedule

Messages

Downloads

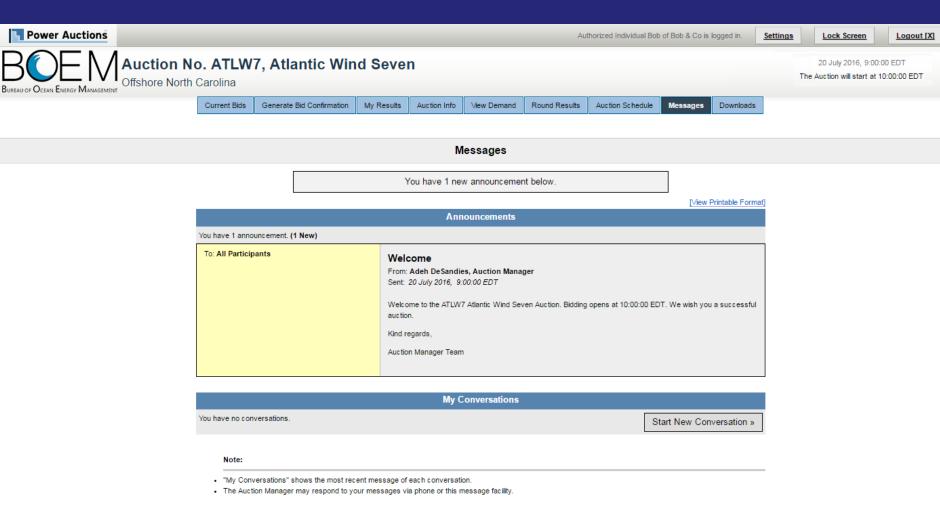
Auction Schedule

[View Printable Format]

The Auction Schedule is shown below. The number of Rounds will be dependent on bidding in the auction, and thus this screen does not reflect the expected number of Rounds.

Round	Status	Start	End
Round 1	Next <u>View Pr</u>	20 Jul, 10:00:00 EDT	20 Jul, 10:30:00 EDT
	Recess	20 Jul, 10:30:00 EDT	20 Jul, 10:40:00 EDT
Round 2	Future	20 Jul, 10:40:00 EDT	20 Jul, 10:50:00 EDT
	Recess	20 Jul, 10:50:00 EDT	20 Jul, 11:00:00 EDT
Round 3	Future	20 Jul, 11:00:00 EDT	20 Jul, 11:10:00 EDT
	Recess	20 Jul, 11:10:00 EDT	20 Jul, 11:20:00 EDT
Round 4	Future	20 Jul, 11:20:00 EDT	20 Jul, 11:30:00 EDT
	Recess	20 Jul, 11:30:00 EDT	20 Jul, 11:40:00 EDT
Round 5	Future	20 Jul, 11:40:00 EDT	20 Jul, 11:50:00 EDT
	Recess	20 Jul, 11:50:00 EDT	20 Jul, 12:00:00 EDT
Round 6	Future	20 Jul, 12:00:00 EDT	20 Jul, 12:10:00 EDT
	Recess	20 Jul, 12:10:00 EDT	20 Jul, 12:20:00 EDT
Round 7	Future	20 Jul, 12:20:00 EDT	20 Jul, 12:30:00 EDT
	Recess	20 Jul, 12:30:00 EDT	20 Jul, 12:40:00 EDT
Round 8	Future	20 Jul, 12:40:00 EDT	20 Jul, 12:50:00 EDT

Announcement



Send Messages to Auction Manager Team

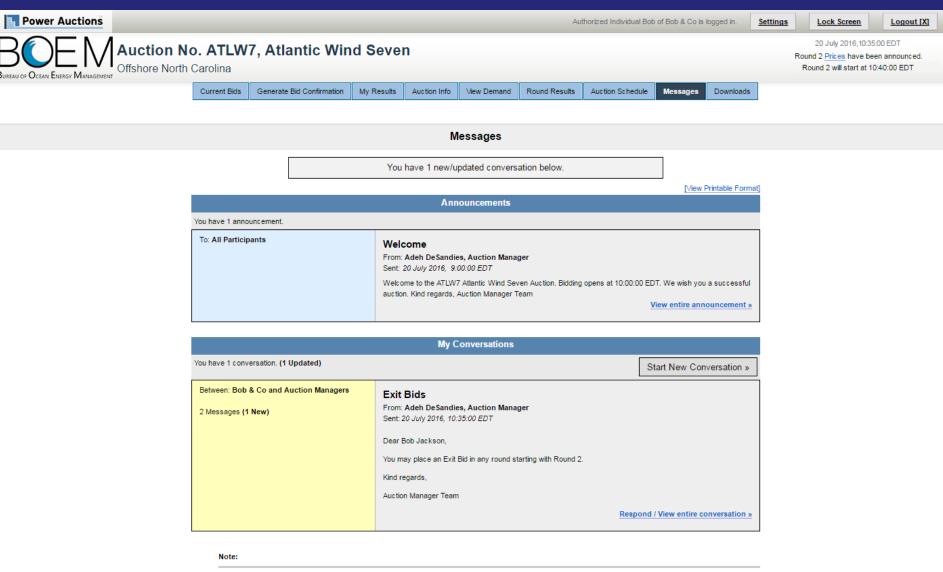
CEO Bob & Co

« Back to Messages



Send

Announcement and Message from Auction



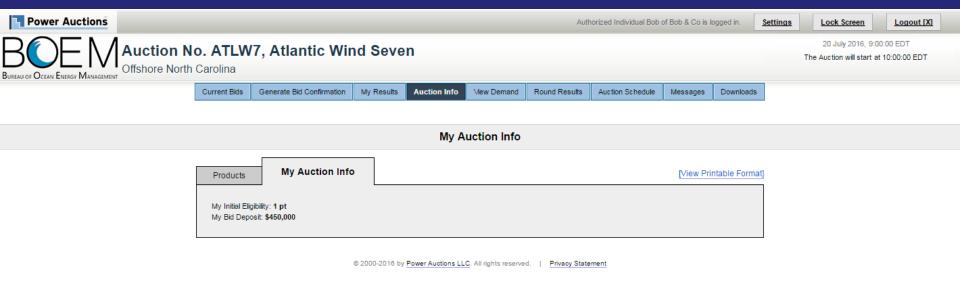
- "My Conversations" shows the most recent message of each conversation.
- . The Auction Manager may respond to your messages via phone or this message facility.

Auction Info

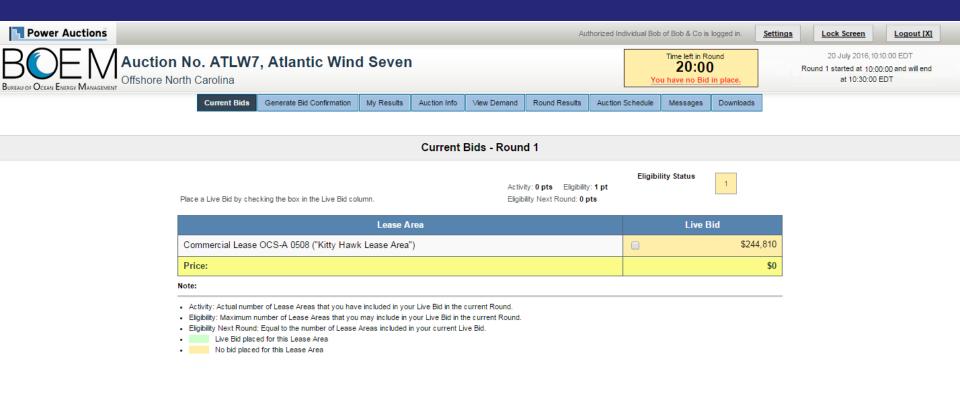


© 2000-2016 by Power Auctions LLC. All rights reserved. | Privacy Statement

My Auction Info

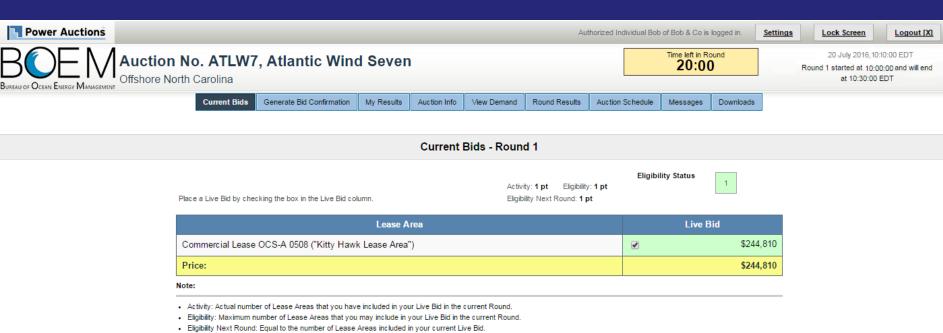


Current Bids Screen in Round 1 before placing bids

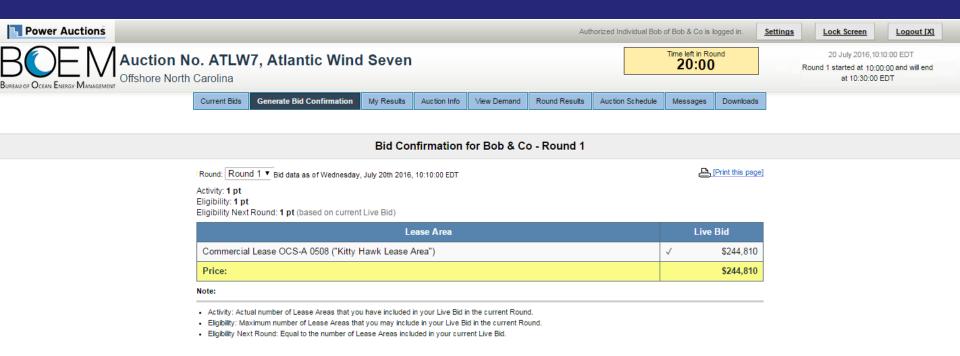


Bidding in Round 1

Live Bid placed for this Lease Area
 No bid placed for this Lease Area



Generate Bid Confirmation



Round 1 Posted, but Next Round Price not yet Announced — Round Results



Round Results

Print this page]

Round	Lease Area	This Round Next Round			
Round	Lease Alea	Price	Demand	Increment (% or \$)	Price
Round 1	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$244,810	6	N/A	N/A

Note:

. Demand reflects the number of bidders placing Live Bids in each Round.

Round 1 Posted and next Round Price Announced – Round Results



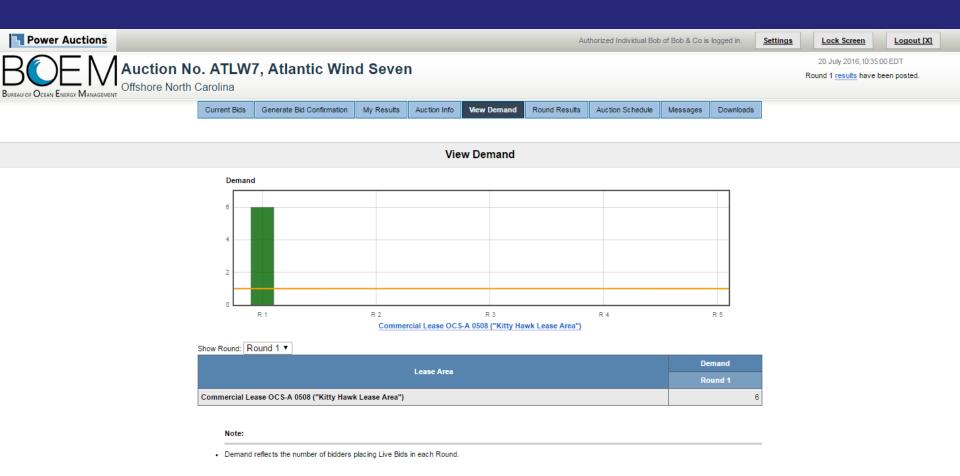
Round Results

[Print this page						
Round Lease Area	This R	lound	Next Round			
Round	Lease Alea	Price	Demand	Increment (% or \$)	Price	
Round 1	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$244,810	6	20.00%	\$293,772	

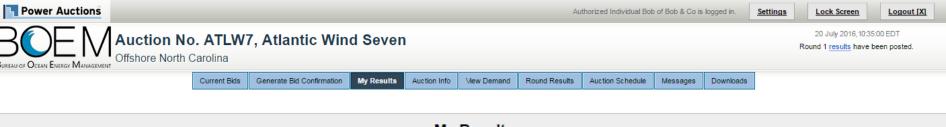
Note:

. Demand reflects the number of bidders placing Live Bids in each Round.

Round 1 Closed and Posted – View Demand



Round 1 Closed and Posted – My Results



My Results

Posted Bids:



This table contains the results for all posted Rounds in which you were eligible to bid.

Dound	Exit Bid	Exit Bid		id	Eligibility	Activity	Eligibility	
Round	Lease Area	Price	Lease Area	Price	this Round	this Round	next Round	
Round 1	N/A		✓	\$244,810	1 pt	1 pt	1 pt	

- Eligibility: Maximum number of Lease Areas on which you could have placed a Live Bid (this Round) or will be able to place a Live Bid (next Round).
- Activity: Actual Number of Lease Areas on which you placed a Live Bid.

Round 1 Closed and Posted – Download



Downloads

To download a file, please click on a link below. When prompted by the browser, please select either OPEN (to look at the file) or SAVE (to make a copy of the file on your computer). If you decide to SAVE the file, the system will suggest a default name. You can override the default name, but you should choose a filename that ends in ".csv".

[.csv] « My Bids

[.csv] « Round Results

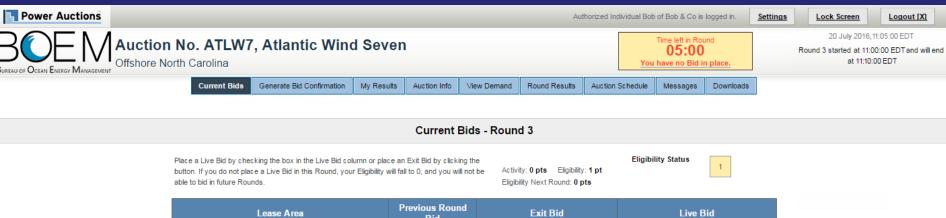
View Demand after Round 2



Logout [X]

. Demand reflects the number of bidders placing Live Bids in each Round.

Round 3 – Current Bids Screen before placing bid



Lease Area	Previous Round Bid	Exit Bid	Live Bid
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$293,772		\$352,527
Price:		Place Exit Bid	\$0

- · Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- . Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- Eligibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.
- Live Bid placed for this Lease Area
- No bid placed for this Lease Area
- You can not place a bid for this Lease Area at this time
- Exit Bid placed for this Lease Area

Round 3 – Live Bid placed



Current Bids - Round 3

Place a Live Bid by checking the box in the Live Bid column or place an Exit Bid by clicking the button. If you do not place a Live Bid in this Round, your Eligibility will fall to 0, and you will not be able to bid in future Rounds.

Activity: 1 pt Eligibility: 1 pt
Eligibility Next Round: 1 pt

Eligibility Status

1

Lease Area	Previous Round Bid	Exit Bid	Live Bid
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$293,772		₹ \$352,527
Price:		Place Exit Bid	\$352,527

- Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- . Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- . Eligibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.
- Live Bid placed for this Lease Area
- No bid placed for this Lease Area
- You can not place a bid for this Lease Area at this time
- Exit Bid placed for this Lease Area

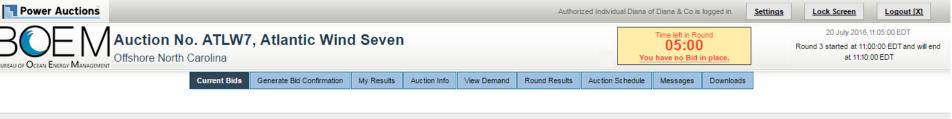
Round 3 - Bid Confirmation for Live Bid



Lease Area	Exit Bid	Live Bid
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")		√ \$352,527
Price:	-	\$352,527

- · Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- . Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- . Eligibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.

Round 3 – Exit Bid, before placing bid (Diana & Co)



Current Bids - Round 3

Place a Live Bid by checking the box in the Live Bid column or place an Exit Bid by clicking the button. If you do not place a Live Bid in this Round, your Eliqibility will fall to 0, and you will not be able to bid in future Rounds.

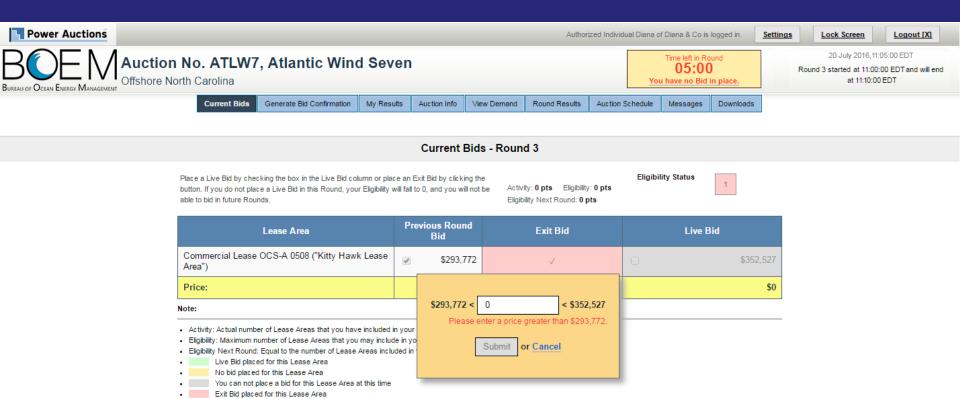
Activity: 0 pts Eligibility: 1 pt Eligibility Next Round: 0 pts

Eligibility Status

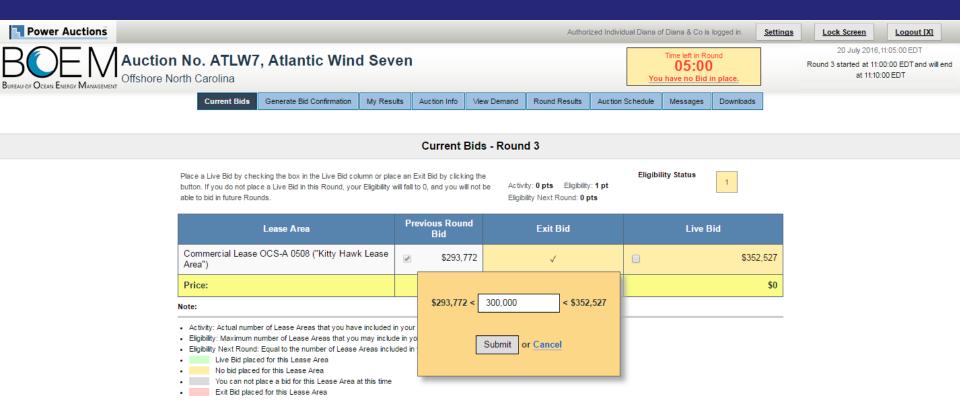
Lease Area	Previous Round Bid	Exit Bid	Live Bid	
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$293,772		\$352,527	
Price:		Place Exit Bid	\$0	

- · Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- . Eligibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.
- Live Bid placed for this Lease Area
- No bid placed for this Lease Area
- You can not place a bid for this Lease Area at this time
- Exit Bid placed for this Lease Area

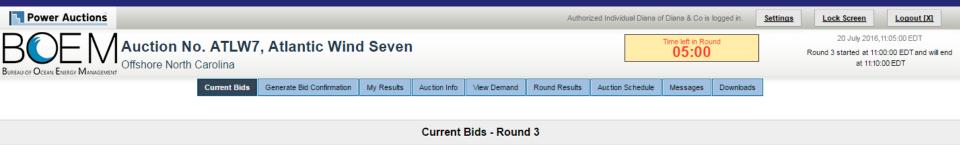
Round 3 – Exit Bid – Bidding Box



Round 3 – Exit Bid – entering bid amount



Round 3 – Exit Bid Reduces Eligibility to 0



Place a Live Bid by checking the box in the Live Bid column or place an Exit Bid by clicking the button. If you do not place a Live Bid in this Round, your Eligibility will fall to 0, and you will not be able to bid in future Rounds.

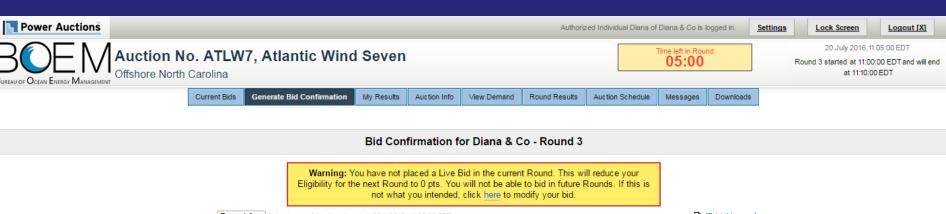
Activity: 0 pts Eligibility: 0 pts
Eligibility Next Round: 0 pts



Lease Area		us Round Bid		E	xit Bid		Live Bid
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	€	\$293,772			√		\$352,527
Price:			Edit	or [Delete	\$300,000	\$0

- Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- · Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- . Eligibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.
- Live Bid placed for this Lease Area
- No bid placed for this Lease Area
- You can not place a bid for this Lease Area at this time
- Exit Bid placed for this Lease Area

Round 3 – Exit Bid Confirmation – Bidder exiting the auction



Round: Round 3 ▼ Bid data as of Wednesday, July 20th 2016, 11:05:00 EDT

[Print this page]

Activity: 0 pts
Eligibility: 0 pts

Eligibility Next Round: 0 pts (based on current Live Bid)

You Eligibility will be reduced next Round.

Lease Area	Exit Bid	Live Bid
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	✓	
Price:	\$300,000	\$0

Note

- . Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- Eligibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.

Round 3 Posted and Next Round's Prices Announced – Round Results (Bob & Co)



Round Results

	Print	this	nao	A)
and the same		uno	puy	~,

Round	Lease Area	This Round		Next Round	
Kouna	Lease Area	Price	Demand	Increment (% or \$)	Price
Round 3	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$352,527	5	20.00%	\$423,033
Round 2	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$293,772	6	20.00%	\$352,527
Round 1	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$244,810	6	20.00%	\$293,772

Note:

Demand reflects the number of bidders placing Live Bids in each Round.

Round 3 Closed and Posted – My Results for bidder who placed Live Bid (Bob & Co)



My Results

Posted Bids:

This table contains the results for all posted Rounds in which you were eligible to bid.

Round	Exit Bid		Live Bid		Eligibility	Activity	Eligibility
	Lease Area	Price	Lease Area	Price	this Round	this Round	next Round
Round 3	N/A		✓	\$352,527	1 pt	1 pt	1 pt
Round 2	N/A		✓	\$293,772	1 pt	1 pt	1 pt
Round 1	N/A		✓	\$244,810	1 pt	1 pt	1 pt

- Eligibility: Maximum number of Lease Areas on which you could have placed a Live Bid (this Round) or will be able to place a Live Bid (next Round).
- Activity: Actual Number of Lease Areas on which you placed a Live Bid.

Round 3 Closed – My Results for Bidder who placed Exit Bid (Diana & Co)



My Results

Posted Bids:

This table contains the results for all posted Rounds in which you were eligible to bid.

Round	Exit Bid		Live Bid		Eligibility	Activity	Eligibility
	Lease Area	Price	Lease Area	Price	this Round	this Round	next Round
Round 3	✓	\$300,000	N/A		0 pts	0 pts	0 pts
Round 2	N/A		✓	\$293,772	1 pt	1 pt	1 pt
Round 1	N/A		✓	\$244,810	1 pt	1 pt	1 pt

- Eligibility: Maximum number of Lease Areas on which you could have placed a Live Bid (this Round) or will be able to place a Live Bid (next Round).
- Activity: Actual Number of Lease Areas on which you placed a Live Bid.

Round 4 - Current Bids screen for bidder who placed exit bid in previous round (Diana & Co)



Your Activity in a previous Round was zero. Your Eligibility is zero and you are no longer eligible to bid in this

Round 5 Closed and Posted – View Demand



Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")

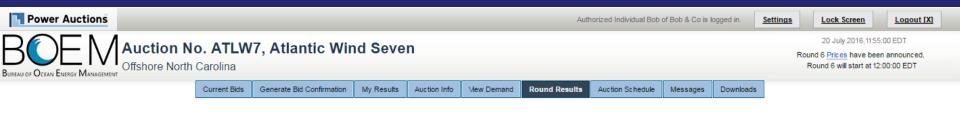
Show Round: Round 5 ▼ (and up to 4 Rounds before)

Lease Area	Demand					
Lease Aica	Round 5	Round 4	Round 3	Round 2	Round 1	
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	2	3	5	6	6	

Note:

. Demand reflects the number of bidders placing Live Bids in each Round.

Round Results after Round 5 and Prices for Round 6 are announced



Round Results

[Print this page]

Round	Lease Area	This R	lound	Next Round	
Round	Lease Alea	Price	Demand	Increment (% or \$)	Price
Round 5	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$486,488	2	15.00%	\$559,462
Round 4	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$423,033	3	15.00%	\$486,488
Round 3	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$352,527	5	20.00%	\$423,033
Round 2	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$293,772	6	20.00%	\$352,527
Round 1	Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$244,810	6	20.00%	\$293,772

Note:

. Demand reflects the number of bidders placing Live Bids in each Round.

Round 6 – Live Bid placed (Chris & Co)



Current Bids - Round 6

Place a Live Bid by checking the box in the Live Bid column or place an Exit Bid by clicking the button. If you do not place a Live Bid in this Round, your Eligibility will fall to 0, and you will not be able to bid in future Rounds.

Activity: 1 pt Eligibility: 1 pt Eligibility Next Round: 1 pt

Eligibility Status

Lease Area	Previous Round Bid		Exit Bid	Live Bid	
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	✓	\$486,488		•	\$559,462
Price:			Place Exit Bid		\$559,462

- . Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- . Eliqibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.
- Live Bid placed for this Lease Area
- No bid placed for this Lease Area
- You can not place a bid for this Lease Area at this time
- Exit Bid placed for this Lease Area

Round 6 – Exit Bid placed (Bob & Co)



Place a Live Bid by checking the box in the Live Bid column or place an Exit Bid by clicking the button. If you do not place a Live Bid in this Round, your Eligibility will fall to 0, and you will not be able to bid in future Rounds.

Activity: 0 pts Eligibility: 0 pts Eligibility Next Round: 0 pts

Eligibility Status

Lease Area	Previous Round Bid	Exit Bid	Live Bid	
Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")	\$486,488	✓	\$559,462	
Price:		Edit or Delete \$500,000	\$0	

- · Activity: Actual number of Lease Areas that you have included in your Live Bid in the current Round.
- . Eligibility: Maximum number of Lease Areas that you may include in your Live Bid in the current Round.
- . Eligibility Next Round: Equal to the number of Lease Areas included in your current Live Bid.
- Live Bid placed for this Lease Area
- No bid placed for this Lease Area
- You can not place a bid for this Lease Area at this time
- Exit Bid placed for this Lease Area

Auction Ends – My Results for winner (Chris & Co)



Authorized Individual Chris of Chris & Co is logged in.

<u>Settings</u>

Lock Screen

Logout [X]

20 July 2016, 12:15:00 EDT

The Auction has concluded.

Auction No. ATLW7, Atlantic Wind Seven

Offshore North Carolina

Current Bids

Generate Bid Confirmation

My Results

Auction Info

View Demand

Round Results

Auction Schedule

Messages

Downloads

My Results - Auction Concluded

Congratulations!

You have preliminarily been designated the winner of the following Lease Area:

Price

\$559,462

[Print this page]

Lease Area Commercial Lease OCS-A 0508 ("Kitty Hawk Lease Area")

BOEM reserves the right not to issue a lease pursuant to this bid pursuant to its authority under the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq. and section 1337(c)(3) in particular), 30 CFR 585.224(f), and the rules listed in the Final Sale Notice.

Posted Bids:

This table contains the results for all posted Rounds in which you were eligible to bid.

Round	Exit Bid		Live Bid		Eligibility	Activity	Eligibility
	Lease Area	Price	Lease Area	Price	this Round	this Round	next Round
Round 6	N/A		✓	\$559,462	1 pt	1 pt	N/A
Round 5	N/A		✓	\$486,488	1 pt	1 pt	1 pt
Round 4	N/A		✓	\$423,033	1 pt	1 pt	1 pt
Round 3	N/A		✓	\$352,527	1 pt	1 pt	1 pt
Round 2	N/A		✓	\$293,772	1 pt	1 pt	1 pt
Round 1	N/A		✓	\$244,810	1 pt	1 pt	1 pt

- Eligibility: Maximum number of Lease Areas on which you could have placed a Live Bid (this Round) or will be able to place a Live Bid (next Round).
- · Activity: Actual Number of Lease Areas on which you placed a Live Bid.

Auction Ends – My Results for bidder who did not win (Bob & Co)



My Results - Auction Concluded

Your Final Results:

Lease Area

Price

You did not win the Lease Area.

Posted Bids:

This table contains the results for all posted Rounds in which you were eligible to bid.

Round	Exit Bid		Live Bid		Eligibility	Activity	Eligibility
Round	Lease Area	Price	Lease Area	Price	this Round	this Round	next Round
Round 6	✓	\$500,000	N/A		0 pts	0 pts	N/A
Round 5	N/A	N/A		\$486,488	1 pt	1 pt	1 pt
Round 4	N/A		✓	\$423,033	1 pt	1 pt	1 pt
Round 3	N/A		✓	\$352,527	1 pt	1 pt	1 pt
Round 2	N/A		✓	\$293,772	1 pt	1 pt	1 pt
Round 1	N/A		√	\$244,810	1 pt	1 pt	1 pt

- . Eligibility: Maximum number of Lease Areas on which you could have placed a Live Bid (this Round) or will be able to place a Live Bid (next Round).
- · Activity: Actual Number of Lease Areas on which you placed a Live Bid.

Bidder Preparation

Prospective Bidders

- Login credentials are sent via FedEx. Signature is required
 - Each Authorized Individual is assigned a User ID, password and hardware token
 - User IDs and passwords are sent to the Authorized Individuals
 - Hardware tokens are sent to the Point of Contact for the Bidder
- The User Guide is available online and can be accessed via a link sent with the login credentials
- Authorized Individuals are granted access to the Auction System for the mock auction and live auction

Mock Auction

- A Mock Auction (training session) is scheduled just prior to the Auction to provide bidders with an opportunity to test their login codes and place practice bids
- Participation in the Mock Auction will occur remotely over the internet, from the bidders' respective offices
- It is recommended that bidders use the PC and connection that they intend to use for the Live Auction
- No results of the Mock Auction will be published
- The Auction Manager will provide support (by telephone and messaging facility of auction system) during the Mock Auction

Live Auction

- Participation in the Live Auction will occur remotely over the Internet, from the bidders' respective offices
- Bidders should establish a protocol in which a single Authorized Individual submits bids, and the second and third Authorized Individuals are available as backups
- All submissions are subject to the constraints of the Auction Rules
- The Auction Manager will provide support (telephone and messaging facility of auction system) during the Live Auction

Final Sale Notice

- Further details about the Mock and Live Auction details will be announced later in the Final Sale Notice (FSN)
- The FSN is important reading for any prospective bidder

Questions and Answers

BOEM and Power Auctions LLC