

# Unsolicited Applications and Proposed Sale Notice

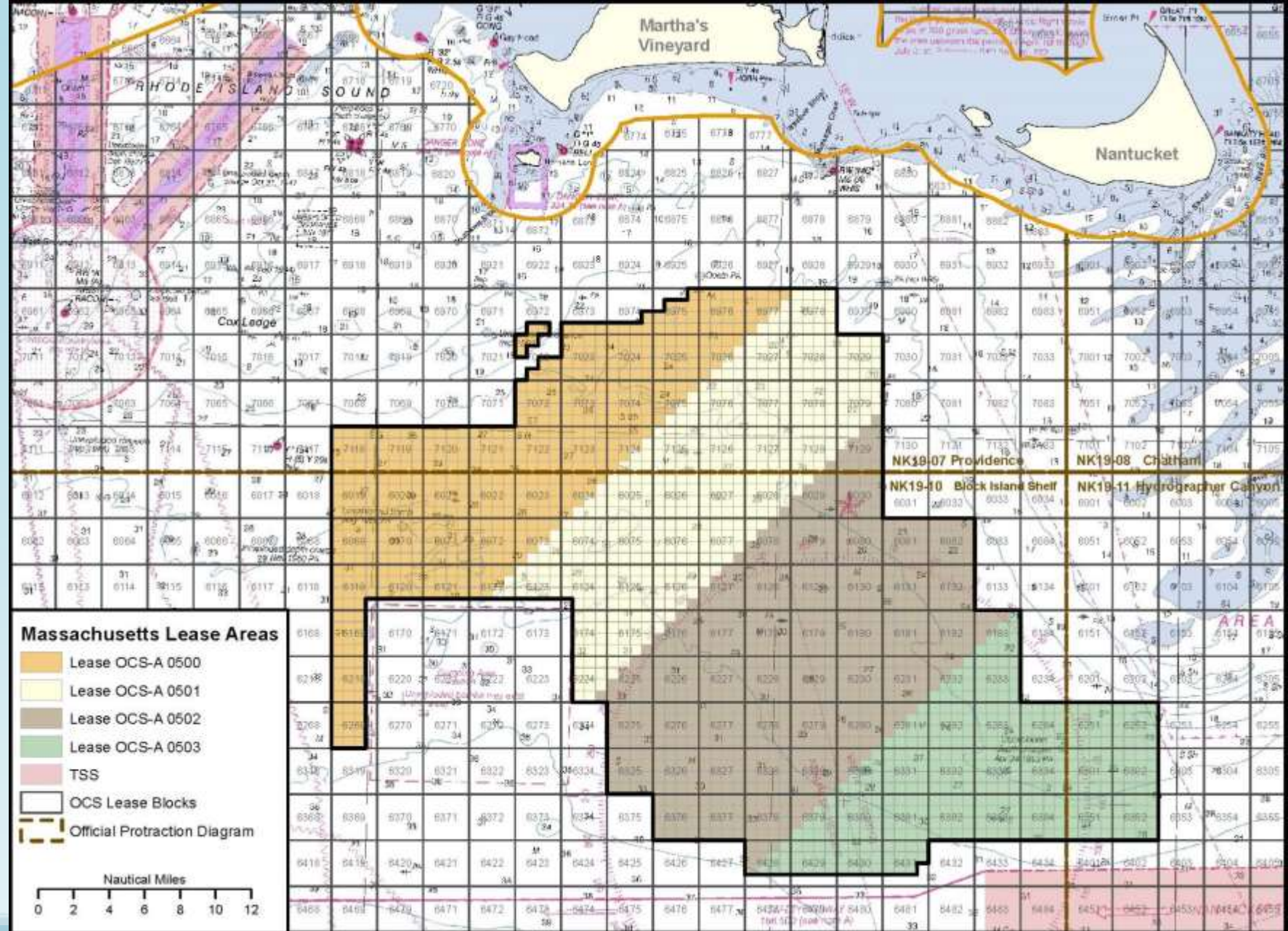
FALMOUTH, MASSACHUSETTS  
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OFFICE OF RENEWABLE ENERGY PROGRAMS  
BUREAU OF OCEAN ENERGY MANAGEMENT

# Unsolicited Applications

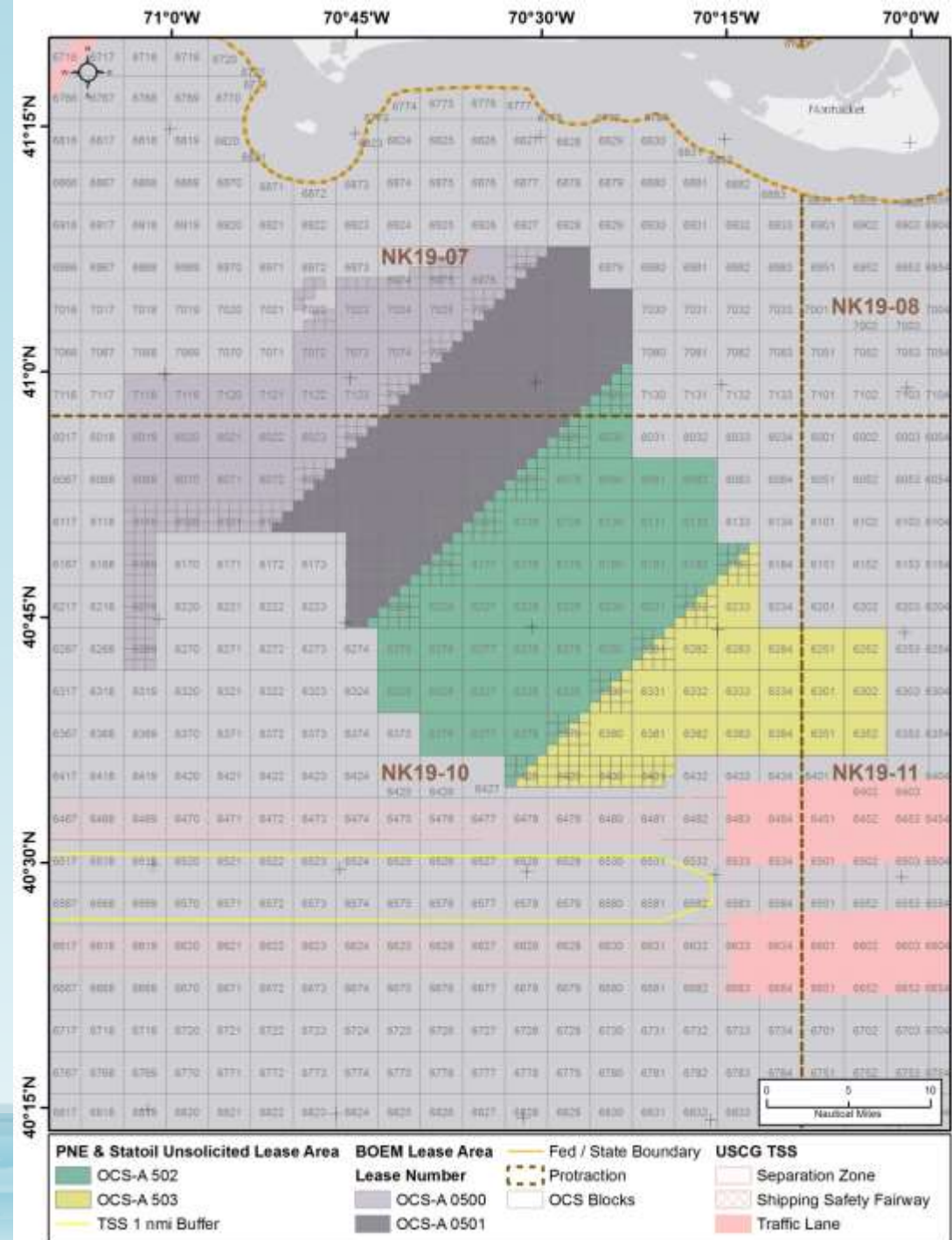
- Lease Areas OCS-A 502 and 503 went unsold during the 2015 Lease Sale
- On December 16, 2016 and January 4, 2017, Statoil Wind US LLC and PNE Wind USA, Inc., individually submitted unsolicited lease requests for both Lease Areas OCS-A 502 and 503.
- BOEM determined there is competitive interest and will initiate the competitive leasing process.





# OCS-A 502 and OCS-A 503 Lease Area Details

- OCS-A 502
  - 248,015 acres
  - 36 whole and 19 partial OCS blocks
  - Between 17 and 42 nautical miles from shore
  - Between the depths of 37 and 64 meters
- OCS-A 503
  - 140,554 acres
  - 19 whole and 9 partial OCS blocks
  - Between 24 and 43 nautical miles from shore
  - Between the depths of 32 and 64 meters



# Competitive Leasing Process Overview

## **Publish Proposed Sale Notice (PSN)**

- Federal Register Notice
- 60 day comment period
- Process New Company Qualification

## **Publish Final Sale Notice**

## **Bid Deposit & Non-Monetary Packages Due**

- \$450,000 per Lease Area

## **Non-Monetary Phase of Auction**

- BOEM notifies bidders of credit via email

## **Auction Seminar**

- Open to the Public
- Targeted to Bidders

## **Bidders' Financial Forms Due**

## **Mock Auction**

## **Monetary Phase of Auction**

45 Days

15 Days

# What is in a Proposed Sale Notice (PSN)?

## Areas for Leasing

Location

Identification of OCS Blocks

Areas of Concern

## Fiscal Terms and Financial Assurance

Rental Rates

Operating Fee Calculation

Royalty Rate & Price Index

Payment Schedule

Financial Assurance

## Auction Details

Place & Time

Non-Monetary Credit

Bidding Procedures

Bid Deposit Amount(s)

Minimum Bids

Award Procedures

Appeal Procedures

## Critical Steps For Bidders

Bidder Financial Form

Bid Deposits

Non-monetary Packages

Mock Auction

Non-Monetary Panel

Monetary Auction

Lease Execution

## Performance Requirements

Environmental and Other Stipulations

Diligence Requirements

# PSN Input from the Task Force

- BOEM is seeking input from the Task Force to draft the PSN.
- Preliminary issues identified by BOEM:
  - Timing of PSN? Summer/Fall 2017 publication of PSN.
  - Should BOEM auction both leases at the same time or have two different auctions?
  - BOEM is considering a minimum bid of \$2/acre and a \$450,000 bid deposit.
  - Should the auction be an ascending auction (highest bid wins) or a multi-factor auction (credits are incorporated into the bid value).
  - Should one entity be able to win both lease areas?
- Draft PSN will be shared with Task Force for additional review.
- PSN Task Force Webinar will follow.

# Next Steps

## Circulate Draft PSN to RIMA Task Force

- Task Force Comment Period
- Summer 2017

## Hold Task Force Meeting/ Webinar



## Hold Auction Seminar

- Open to the Public
- Targeted toward Bidders

## Consider Feedback in Response to the PSN

## Consider Task Force Feedback

## Publish Proposed Sale Notice (PSN)

- 60 day comment period
- Last Chance for developers to submit qualifications material
- 2017

## Finalize any New Company Qualifications

Legal and Technical Qualifications

## Publish Final Sale Notice

# Questions

