

Response to Comments and Explanation of Changes from the Virginia Proposed Sale Notice to the Final Sale Notice

BOEM received 15 comment submissions in response to the *Proposed Sale Notice for Commercial Leasing for Wind Power on the Outer Continental Shelf (OCS) Offshore Virginia* (PSN) comment period that closed February 1, 2013. The submissions comprised over 85 individual comments that addressed many aspects of this lease sale, and this document was prepared in response to several of the key comments and questions. BOEM's responses to the comments are organized into six categories: (1) Auction Procedures, (2) Fiscal Terms, (3) BOEM's procedures, (4) Lease Stipulations, (5) Conditions on Development, and (6) Miscellaneous.

1. Comments Related to Auction Procedures

***Comment:* The reliance on price as the gauge to choose auction winners will increase the likelihood that some of the lease will not be developed. A more effective approach would be to better coordinate the lease auction with state-specific or regional revenue solutions.**

The auction process proposed in this notice is the result of a lengthy and thorough analysis of options dating to early 2011. It has chosen to use the monetary auction format for several policy reasons:

- Cash bidding is objective;
- Cash bidding minimizes the risk that BOEM will issue leases based on project proposals and cost estimates that the lessee may not ultimately be able to deliver;
- Cash bidding eliminates the difficulty BOEM would have in subjectively determining which bidder is best equipped to construct a project; and
- Cash bidding provides a fair return to the government, as required by the Outer Continental Shelf Lands Act (OCSLA).

***Comment:* BOEM should lease more than one lot instead of the single lot that has been proposed.**

Several stakeholders submitted comments voicing either support or concern regarding BOEM's proposed leasing of the Virginia WEA as a single lease or lot.

Some stakeholders expressed concern that a single lot could result in potentially negative outcomes, including the possibility that: the lease area will remain undeveloped; electricity prices could be driven higher; the area is too large for industry to develop expeditiously at its current state of development; it may cause a more expensive lease sale; and it could create a heavily concentrated market.

Other stakeholders voiced support for a single-lot auction, suggesting that a single lease would best ensure that: the lease is awarded to a bidder that is more likely to have the means and wherewithal to develop the area in the most efficient manner; it would enable the lessee to learn from one phase of development to the next, thereby reducing capital cost and thus, the cost of energy as the area is developed in stages; it could ensure a steady market demand for turbines,

foundation support structures, and array cables; it could be more likely to attract capital investment in a domestic supply chain and thus have a greater chance of providing scale and long-term market certainty, potentially resulting in the creation of domestic manufacturing jobs; and it could result in lower electricity prices.

After careful consideration, BOEM has decided to auction the Virginia WEA as a single lease area resulting in a single lease. This decision was informed by a number of factors, including but not limited to: the simplicity of this type of sale, the importance of which was highlighted by comments received in response to the Auction Format Information Request (76 FR 76174); the potential that a larger size lease area will allow the lessee to adjust the layout of its project if future conflicts are identified (e.g., shallow gas deposits, archaeological resources, fishing grounds, vessel use and safety) that may restrict turbine arrangement; providing flexibility to the lessee in how it may arrange turbines for maximum efficiency within the lease area; and additional reasons as expressed in the comments supporting a single lease area. In addition, even if the Virginia WEA was auctioned as two separate lease areas, nothing prevents a single bidder from winning both lease areas in such a scenario. BOEM sees value in avoiding the complexity of an auction where some bidders feel the need to win more than one adjacent lease area in order to support a project.

***Comment:* BOEM should make auction information, such as the winning bid, available to the public.**

BOEM intends to do so. Although the specifics of the timing and content of the information to be released to the public have not been finalized, at a minimum, BOEM will identify the winning bidder and indicate the amount of the winning bid.

***Comment:* BOEM should hold the auction no sooner than 60 days following publication of the Final Sale Notice (FSN) in the *Federal Register*. BOEM should require bid deposits 30 days following publication of the FSN in the *Federal Register*.**

BOEM agrees that although BOEM's regulations require the FSN and the sale to be separated by at least 30 days, that period is a minimum. Under the schedule described in the FSN, bidders will have more than 30 days to establish bid deposits. The auction will take place 43 days from the FSN publication date.

***Comment:* BOEM should allow 15 business days for the lessee to post the required financial assurance instead of the required 10 business days.**

The auction winner will have 10 business days from receiving the lease copies in which to post financial assurance, pay any outstanding balance of their bonus bids, and sign and return the three copies, pursuant to 30 CFR 585.224(a). It is important to note that the winning bidder will receive these lease copies following the required antitrust review of BOEM's lease sales, which will last up to 30 calendar days. This antitrust review will afford the provisional winner additional time to acquire the financial assurance prior to receiving the lease copies.

Comment: BOEM should conduct a generic mock auction prior to the auction. This mock auction should be open to a larger set of participants, e.g., any company that has been qualified by BOEM to hold an offshore renewable energy lease or grant.

BOEM has endeavored to deliver a variety of ways for the regulated public to learn about BOEM's auctions, and contribute to their design. BOEM commissioned three white papers on auction formats that were published in September 2011. BOEM held a public workshop on auction formats followed by a series of webinars and a notice with public comment period in December 2011. In January 2012, BOEM held public Auction Seminars in Narragansett, RI and Richmond, VA. Although the mock auction that BOEM plans to hold on August 28, 2013 is the only outreach in which a bidder will be able to use the auction software, we believe that the public outreach conducted to date has been adequate to ensure that the public can understand BOEM's process, and bidders understand the auction environment well enough to participate meaningfully. Moreover, the contract that BOEM has with the auction services contractor does not include a mock auction such as was requested in the comments. Still, the demand for additional opportunities to participate in this kind of event is noted, and BOEM will consider adding other opportunities for participation of the kind requested.

Comment: BOEM should conduct additional rounds of bidding in the event of a tie.

BOEM understands the preference for a transparent process to resolve ties. BOEM has decided not to add additional rounds to auctions to avoid ties for several reasons. In most cases, a tie in the auction reflects a situation where each tied bidder is willing to pay, at most, the exact same amount as other bidder(s) with whom it is tied. If bidders are bidding strategically, it may take many additional rounds to resolve the tie. In any case, in such situations, the economic value of the lease to each bidder is—if not precisely equal—substantially so. It should also be noted that adding complexity to the auction format is not itself without a cost. Who should be able to bid in such a tie-breaker? If bidders remain tied after an additional round, should BOEM hold additional rounds until the tie is resolved? The cost of implementing such additional rules and the cost of educating the bidders on such rules masks the fact that BOEM expects such ties to be extremely rare. BOEM and its predecessor agencies have been holding oil and gas lease sales involving thousands of tracts for dozens of years, and ties have occurred very rarely. Moreover, one of the reasons for allowing Intra-Round Bids is to mitigate the likelihood of a tie by letting bidders express their willingness to pay down to the dollar. Accordingly, unless BOEM finds that ties are more common than anticipated in renewable energy auctions, we do believe the proposed approach for resolving them is adequate and fair.

Comment: BOEM should allow more than one registered representative of a bidder to be logged in at once.

Multiple authorized users from the same bidder are permitted to be logged in at the same time. Bidders designate up to three authorized users on the Bidder's Financial Form. These users can be logged in simultaneously. If more than one bidder submits a bid, the system will register the last bid placed before the end of the round. The login procedures were determined in consultation with the auction services contractor and the Bureau of Safety and Environmental Enforcement's information technology security staff. Moreover, many aspects of the system's

design are in place to meet security and legal requirements such as FISMA (Federal Information Security Management Act, 44 U.S.C. 3541 et. seq.).

Comment: BOEM should lower the minimum bid.

BOEM proposed a minimum bid of \$5 per acre in the PSN, but has lowered the minimum bid for the Virginia lease area to \$2 per acre. BOEM has decided that further lowering of minimum bids would run the risk of unnecessarily prolonging the duration of the auction.

In addition, BOEM has made several other relevant changes to the terms of the lease sale. First, in the PSN, BOEM proposed to make the minimum bid the same amount as the bid deposit. BOEM has decided to lower the bid deposit in the FSN to \$450,000 for the Virginia lease area. This means a bidder that would like to bid in the first round of the auction must submit a bid deposit of \$450,000. BOEM has not further reduced the bid deposit because the bid deposit is the primary way that BOEM discourages bidders from bidding beyond their ability to pay. If a bidder cannot or will not pay its bid, BOEM will not execute a lease with that bidder, and BOEM will, at the very least, retain that bidder's bid deposit. Moreover, BOEM may later determine that this reflects poorly on a company's financial qualifications to acquire other OCS renewable energy leases. Because relatively few leases are available in any given lease sale, this situation would be a serious setback to a lease sale. Accordingly, BOEM has substantively preserved the amount of the bid deposit while modifying its form. BOEM has chosen to require a fixed bid deposit amount rather than a per acre bid deposit to simplify determination of required bid deposit amounts.

BOEM is concerned that by lowering the minimum bid, it is also lowering the increments by which it will raise asking prices, which could unduly prolong the auction. Accordingly, until asking prices have surpassed \$5 per acre, BOEM plans to increase asking prices at a rate of 20% to 50% to advance the auction more quickly. Once the asking prices have risen to \$5 per acre, BOEM plans to use smaller increments—closer to the 4% to 20% schedule published in the PSN. However, the increments remain in the sole discretion of BOEM at all times, and BOEM will adjust these increments as it deems appropriate to speed or slow the pace of the auction.

Comment: BOEM should clarify the review of anticompetitive behavior and rejection authority in the FSN.

OCSLA requires BOEM to afford the Department of Justice (DOJ), in consultation with the Federal Trade Commission, 30 calendar days in which to complete an antitrust review of BOEM's lease sales. This review could entail issues such as competition, concentration and collusion. At the end of the 30-day period, the DOJ will send a recommendation to BOEM. Any post-auction decision not to issue leases will be made by BOEM and/or the panel.

Comment: BOEM should avoid withdrawing blocks prior to lease execution, but should establish procedures for doing so.

BOEM does not anticipate withdrawing blocks or reducing their size prior to lease execution. BOEM reserves this right to preserve its flexibility in the event of some unanticipated

event. However, in the unlikely event that the lease area is reduced, the winning bidder will be given the right to renege without penalty on the lease area. In addition, if we exercise this right, we will refund your bid deposit without interest pursuant to 585.224(f).

***Comment:* BOEM should allow sufficient time between auction rounds to allow individual bidders enough time to complete their internal analysis in support of subsequent round bidding decisions. At least one hour is recommended.**

BOEM agrees that rounds should be spaced apart to allow enough time for bidders to prepare for subsequent rounds. The specific schedule will be determined by BOEM in consultation with BOEM's auction contractor, and will be posted on the morning of the auction before the first round commences. The early rounds may be scheduled to allow more time for bidding than later rounds, since bidder familiarity with the system will be improved through the course of the auction. If a bidder is concerned with the duration of a specific round, that bidder may communicate his/her concern to the auction manager through the auction software using the available messaging tool. The Mock Auction will also give bidders the opportunity to become acquainted with the auction software and likely schedule of rounds.

2. Comments Related to Fiscal Terms

***Comment:* BOEM should prorate rent in the year in which commercial operations begin.**

BOEM has decided not to prorate the final year's rent before commercial operations. This is consistent with the way rentals are treated for oil and gas leases. Before commercial operations on a lease begin, a lessee pays rent. Once commercial operations have begun, the lessee stops paying rent and starts paying operating fees. This comment addresses the fact that BOEM does not prorate the final year of rent before operations begin. If a lessee starts operations on the day after it pays rent, it would pay the same rent as a lessee that started operations, say, three hundred days later. However, the situation is not as stark as it appears. BOEM allows a lessee to construct its project in phases, and expects most lessees to do so. A lessee who constructs 1/5 of its project in the first year would start paying operating fees for 1/5 of its project, and rent for 4/5. If rent for the entire lease area is approximately \$300,000 per year, then in the first year, someone installing 1/5 of the capacity would forgo paying between \$0 and \$60,000 in prorated rent for each year that new capacity is added. This will have an averaging effect. Moreover, for phased development projects, BOEM determines rent based on the MWs in commercial operations divided by the MWs an operator specifies as "total project size" in their Construction and Operations Plan (COP), instead of on the actual acres used for each project phase or on a MW/block (or acre) basis. As a result, a lessee that has developed most of the capacity of a proposed project on a relatively small part of the lease area can keep a large portion of unused acreage while paying no rent once he is at "full operations", even if full operation does not use nearly the entire lease area.

Comment: Operating fees should not increase from 2% to 4% in the ninth year of commercial operations.

Several commenters recommended keeping the operating fee rate at 2% throughout the lease term, instead of raising the operating fee rate to 4% in the ninth year of operations, as proposed in the PSN. Pursuant to the OCSLA, BOEM must ensure that the government receives a fair return for leases and grants issued on the OCS. BOEM has determined that a 2% operating fee rate throughout the term of the lease does not threaten the government's ability to receive a fair return and is in accordance with the default operating fee specified in CFR 585.506. Previous offshore wind lease agreements that incorporated an increasing operating fee rate were issued through BOEM's noncompetitive lease negotiations process. Lower revenues to the government resulting from a lower operating fee rate may be at least partially offset by higher bids received through the lease sale. Accordingly, the leases to be offered in this auction feature a flat 2% operating fee rate throughout the term of the lease.

Comment: Only six months' rent should be due 45 days after the lease copies are sent to the lessee.

The comment correctly notes that per BOEM's regulations at 30 CFR 585.224(b), only the first six months' rent is due. The lease published concurrently with the PSN stated that the first year's rent is due. We have decided to reduce the first payment to a six-month payment, with another six-month payment due six months after the Effective Date of the lease. One effect of a proposed rule change published by BOEM (78 FR 12676) is that the first rent payment would cover the first year's rent, as BOEM proposed in the PSN. However, because the rule change has not yet been finalized, BOEM will not require the second six months' rent to be paid until the six month lease anniversary.

Comment: The capacity factor used in the operating fee should be able to change by more than 10%.

The 10% band was included to smooth out excessive variability that might occasionally occur from one performance period to the next. BOEM's wind simulation data and resource modeling indicate that averaging the previous five years' worth of actual metered electricity generation delivered to the electrical grid when setting the capacity factor in each subsequent performance period most often results in variations of less than 10%. This finding is consistent the results found from a review of capacity utilization for existing wind energy projects, which indicated that variations from one five-year period to the next rarely exceeded the 10% band. So, it can be inferred that adjustments of over 10% would be largely anomalous and not due to the natural variance that is to be expected from changes in resource strength, operational issues, etc. Accordingly, adjustments of over 10% are not likely to accurately represent electrical generation in the next performance period, and even less likely to accurately reflect any one year's result within the next performance period. Moreover, applying a 10% band on adjustments mitigates the incentive that a lessee might otherwise have to deliberately underperform during one performance period to secure a lower operating fee following the capacity factor adjustment. Accordingly, in setting the capacity factor for each year in an upcoming performance period, using the average value over the previous five-year performance period, in combination with a

maximum adjustment of 10% from one performance period to another, results in an applicable annual capacity factor that is a less volatile and more accurate representation of future performance compared to alternative formulations, *e.g.*, annual unconstrained measures.

3. Comments on BOEM's Leasing Process

***Comment:* BOEM should establish a formal written public comment period for the Site Assessment Plan (SAP). Having a public comment period allows stakeholders to offer their support and concern for certain aspects of the lessee's plan and assist in informing BOEM's decision.**

The regulations do not provide for a formal written public comment period for SAPs. However, BOEM intends to make the SAP publicly available and will consider any comments received. The SAP will also undergo scrutiny against previous NEPA analyses conducted by BOEM to ensure that activities proposed by the plan have been adequately addressed in previous environmental reviews, including in the *Commercial Wind Lease Issuance and Site Assessment Activities on the Atlantic Outer Continental Shelf Offshore New Jersey, Delaware, Maryland, and Virginia Final Environmental Assessment*. In the event that additional NEPA analysis is needed, this analysis will likely include a public comment period.

***Comment:* BOEM should have a plan for future auctions of all or portions of the Virginia lease area in the event the lessee relinquishes any portion of the awarded lease.**

In the event a portion or all of the lease awarded is relinquished or the lease is contracted, BOEM will consider the area that is available for leasing in coordination with the BOEM Virginia Renewable Energy Task Force and determine whether the area can be leased competitively or noncompetitively pursuant to the regulatory process in 30 CFR 585.

4. Comments Related to Lease Specific Terms, Conditions, and Stipulations

***Comment:* BOEM should extend the operations term of the Virginia commercial lease.**

BOEM agrees that development of the Virginia WEA would benefit from a longer operations term. Based on development timetables of the largest offshore projects permitted in Europe, and given the size of the Virginia lease area, it is not unreasonable to expect that a phased-development scenario could occur. To better accommodate such a scenario, the operations term for lease OCS-A 0483 has been extended from 25 years to 33 years, resulting in an overall lease term of 38 years. The preliminary and site-assessment terms remain unchanged at six months and five years, respectively. BOEM's estimation is that 38 years would enable the Lessee to have two years to develop each phase of a four-phase project, which is consistent with development plans proposed by the qualified developers that responded to the Virginia Call for Information and Nominations. Additionally, BOEM is confident that any diligence concerns regarding progress during this extended term can be sufficiently addressed during review of the COP and the subsequent development of conditions on construction and operations.

***Comment:* BOEM should not extend the 25-year operations term in the Virginia commercial lease. Extending the duration of this phase of the lease could increase the possibility that the WEA will remain undeveloped for an extended period of time.**

BOEM has given careful thought to the request to extend the commercial lease term for Virginia, and has decided that extension of the operations term in this area is warranted. Due to the fact that the area will be awarded as a single lease, the area is likely to require multiple seasons to achieve full build-out. The Commonwealth and each of the qualified respondents to the Virginia Call for Information and Nominations (Call) propose that the area could be developed in phases, with varying timetables. Each proposed scenario would benefit from an operations term longer than the standard 25 years, and the Renewable Energy Rule at 30 CFR 585 provides BOEM with the flexibility to enter into a longer-term lease. Diligence requirements will help ensure that progress continues on the lease, including but not limited to BOEM's expectation that site characterization activities will be conducted for the full lease area during the site assessment term; a requirement for the submission of survey plans describing planned site characterization activities; a requirement for high-resolution geophysical surveys to be completed by the third anniversary of the lease; and the requirement for the SAP and COP to be submitted six months into the lease and four-and-a-half years following SAP approval, respectively. Additionally, BOEM is confident that any diligence concerns regarding progress during this extended term can be sufficiently addressed during review of the COP and the subsequent development of conditions on construction and operations.

***Comment:* Several commenters recommended that BOEM adopt additional stipulations for the protection of North Atlantic right whales similar to those contained in a voluntary agreement for the Mid-Atlantic Wind Energy Areas.**

BOEM is supportive of the collaborative efforts between environmental non-governmental organizations and offshore wind developers to pursue novel mitigation measures. At this point, the measures in the environmental non-governmental organizations' agreement are voluntary and reflect the commitment of the offshore wind industry and, in some instances, to go above and beyond existing requirements developed by BOEM in consultation with NOAA for the protection of North Atlantic right whales. For any voluntary measures that may be less restrictive than those described by BOEM, BOEM's environmental requirements and lease stipulations must be followed.

***Comment:* Reducing speed to 10 knots or less could compromise safety in some circumstances. Therefore, each stipulation that requires speed be reduced to 10 knots (18.5 km/h) or less should include the exception "or to the lowest speed greater than 10 knots that does not pose a safety threat to the crew or vessel."**

BOEM is satisfied with the exception in place in the lease to address this concern, which is specified in Addendum "C", stipulation 4.1.1, of the lease where it is required that the lessee "comply with the vessel-strike avoidance measures specified...except under extraordinary circumstances when the safety of the vessel or crew is in doubt or the safety of life at sea is in question."

***Comment:* BOEM should add a stipulation in Addendum “C” that provides the ability to extend deadlines for good cause. This extension would apply to the deadlines for submission of the COP survey plan and the completion of HRG surveys to support submission of a COP.**

BOEM believes that the stipulations pertaining to the submission of the COP survey plan and completion of HRG surveys, along with other due-diligence requirements will help facilitate continued progress throughout the life of the lease. BOEM believes these due-diligence requirements are reasonable and responsive to stakeholders who have voiced concern with the potential for delays in activity on-lease.

***Comment:* BOEM should revise the lease to clarify that the project easement(s) described in Section 6 and Addendum “D” of the lease have priority over any right-of-way or easement considered or approved at any time by BOEM.**

As Section 6 of the lease states, “the Lessee has the right to one or more project easements, without further competition, for the purpose of installing gathering, transmission, and distribution cables, pipelines, and appurtenances on the OCS, as necessary for the full enjoyment of the lease, and under applicable regulations in 30 CFR Part 585.” BOEM believes that the lease ensures that any subsequent ROW application or associated plan that BOEM receives will undergo careful review to ensure that the lessee of OCS-A 0483 enjoys full enjoyment of its lease free of unreasonable interference or further competition.

5. Comments Related to Conditions on Development

BOEM received a number of comments related to conditions that could be applied to the construction and operations term of the lease, some of which are summarized below. Since these conditions would be applied following the appropriate environmental and engineering analysis of a submitted COP, BOEM believes that many of these comments request requirements that are premature for inclusion in the lease. The lease conveys the exclusive right to submit one or more plans to BOEM for review and approval; it does not convey the right to development. The plans (i.e., SAP and COP), once reviewed by BOEM, may be approved, approved with conditions, or rejected. A few of the key comments BOEM received on this topic are below:

***Comment:* BOEM should require that any construction begin in the southwest quadrant of the lease and proceed easterly, preserving the northern portions of the WEA until the final stages of development. This will help minimize potential encroachment on the natural deep-water channel to the west of the lease area.**

***Comment:* BOEM should publish complete lease terms in advance of the auction, including any conditions on installation (such as minimum rotor spacing guidelines and offsets from lease boundaries).**

Comment: BOEM should discourage a phased development plan that results in development being treated as multiple projects, which would require multiple approvals from the State Corporation Commission.

Comment: BOEM should require full development of the Virginia lease area by 2028, and consider requiring that at least one half of the lease area be developed by 2023. If the COP submitted does not meet this or a similar schedule, BOEM should contract the lease.

6. Miscellaneous: Other Changes Not Prompted by Proposed Sale Notice Comments

Why did BOEM make changes to certain marine mammal and sea turtle-related specific terms, conditions and stipulations in Addendum “C”?

BOEM published the PSN prior to concluding formal consultations with National Oceanic and Atmospheric Administration National Marine Fisheries Service (NMFS) under Section 7 of the Endangered Species Act. BOEM concluded formal consultations with NMFS on May 24, 2013. The Biological Opinion, which considered Programmatic Geological and Geophysical Activities in the Mid and South Atlantic Planning Areas from 2013 to 2020, differed in certain aspects from the results of the informal consultation carried out as part of the February 2012 *Commercial Wind Lease Issuance and Site Assessment Activities on the Atlantic Outer Continental Shelf Offshore New Jersey, Delaware, Maryland, and Virginia Final Environmental Assessment*. As a result of the May 24, 2013 Biological Opinion, BOEM updated the stipulations in Addendum “C”.

What happened to Appendix A to Addendum “C”: High Resolution Geophysical Surveys & Analysis for the Identification or Reporting of Archaeological Resources?

BOEM has elected to remove Appendix A “High Resolution Geophysical Surveys & Analysis for the Identification or Reporting of Archaeological Resources” and remove reference to Appendix A from Addendum “C” (at stipulations 4.2.1 and 4.2.4). These changes allow BOEM greater flexibility in efforts to identify historic properties, results in better protection for historic properties, and are consistent with the consultations held under Section 106 of the National Historic Preservation Act and resulting programmatic agreement. Including Appendix A in the lease, as it was proposed in the PSN, binds BOEM and the developers to those exact survey parameters and does not allow the flexibility of updating the survey methodologies as technology changes, new methods are developed, and other recommendations are considered. For example, input from the BOEM-funded studies and subsequent consultations with consulting parties may result in additional changes to BOEM’s *Guidelines for Providing Geological and Geophysical, Hazards, and Archaeological Information Pursuant to 30 CFR Part 585* (see <http://www.boem.gov/Renewable-Energy-Program/Regulatory-Information/GGARCH.aspx>). BOEM has sufficient opportunity to communicate to lessees its current minimum survey standards (as defined in the latest version of the *Guidelines*) at the required pre-survey meeting and through review of lessees’ required survey plans. The removal of Appendix A does not release lessees from the necessity of survey; it simply removes the expectation that an inflexible set of standards, codified in lease stipulations, will be required of lessees. Instead, if a

lessee provides insufficient data, BOEM will reject the survey information and cite the regulations which require the lessee to provide the results of surveys. Thus, the removal of Appendix A and its associated references in Addendum “C” result in better protection of historic properties while remaining consistent with the intention of the regulations and the Section 106 consultations to date.

Why have two new Appendices been added to the lease package?

BOEM developed two new appendices to the lease OCS-A 0483 to facilitate protected-species reporting requirements included in Addendum “C”, 4.4. Appendix A, entitled “Incident Report: Protected Species Injury or Mortality” and Appendix B, entitled “Required Data Elements for Protected Species Observer Reports” are referenced in stipulations 4.4.1 and 4.4.2, respectively.

Why is there a new stipulation requiring the lessee to provide BOEM with a copy of its Marine Mammal Protection Act authorization(s)?

Stipulation 4.4.4 in Addendum “C” has been added to the lease as a result of the Biological Opinion BOEM received on May 24, 2013 from NOAA NMFS. The stipulation requires the lessee to provide BOEM with a copy of any authorization obtained by the lessee pursuant to section 101(a)(5) of the Marine Mammal Protection Act pertaining to their planned survey activities prior to conducting these activities.