



Bidding Credits for Investments in Impacted Communities

This document describes the bidding credits and associated lessee obligations for BOEM's offshore wind leases off the California coast.

What is a lease sale bidding credit?

Bidding credits are a non-monetary factor which, together with the cash bid, sum to total the winning bid. BOEM included three bidding credits in the PACW-1 (California) auction. Bidding credits were granted to bidders that committed to:

- Supporting workforce training programs and/or development of a U.S. domestic supply chain for the floating offshore wind industry;
- Establishing a Lease Area Use Community Benefit Agreement (CBA) with groups who use the geographic space of the lease area or who use resources harvested from that geographic space; or
- Establishing a General Community Benefit Agreement with impacted communities who are expected to be affected by the potential impacts on the marine, coastal, and/or human environment from activities resulting from lease development.

Bidders who committed to the bidding credit requirements prior to the auction submitted a Conceptual Strategy outlining how they intended to fulfill that commitment. BOEM reviewed Conceptual Strategies during the auction process and determined whether companies met the associated requirements.

Lessees must fulfill their bidding credit commitments consistent with their lease terms. BOEM cannot control or direct the funds. BOEM can only ensure the bidding credit contributions or commitments are consistent with the requirements and criteria outlined in the lease.



How were bidding credits allocated?

Each lease is a contract that specifies the lessee's bidding credit requirements. The bidding credit is a deferred obligation of the lessee. The California offshore wind lease bidding credits were 20% of the cash bid for workforce training and supply chain development, 5% of the cash bid for the Lease Area Use CBA, and 5% of the cash bid for the General CBA. For lessees awarded with all three bidding credits, this totals to 23.08% of the *total bidding price* for each lease.

Each lease and its associated bidding credit values are included in the following table. Note that the Supply Chain and Workforce Training Bidding Credit requires an investment or contribution of an amount equal to the bidding credit. The two CBA bidding credits can include a combination of monetary and non-monetary benefits and lessees must make best efforts to provide benefits at least commensurate to the value of the bidding credit received.



Lease	Lessee	Supply Chain/Workforce	Lease Area Use CBA	General CBA
OCS-P0561	RWE Offshore Wind Holdings, LLC	\$24,261,538	\$6,065,385	\$6,065,385
OCS-P0562	California North Floating LLC	\$26,738,462	\$6,684,615	\$6,684,615
OCS-P0563	Equinor Wind US LLC	\$20,000,000	\$5,000,000	\$5,000,000
OCS-P0564	Golden State Wind LLC	\$24,048,000	\$6,012,000	N/A
OCS-P0565	Invenergy California Offshore LLC	\$22,353,846	\$5,588,462	\$5,588,462

How can the bidding credits be used?

The lease includes the specific requirements for each of the bidding credits.

Any benefits provided should not duplicate benefits or mitigation measures imposed on the Lessee through, or pursuant to, federal statutes other than the Outer Continental Shelf Lands Act.

If BOEM determines that a Lessee or assignee has failed to satisfy the commitment at the time of the first Facility Design Report submission, the amount corresponding to the bidding credit awarded will be immediately due and payable to the Department of the Interior’s Office of Natural Resources Revenue with interest from the date of lease execution.

Workforce Training and/or Supply Chain Development

The Workforce Training and/or Supply Chain Development Bidding Credit requires a contribution equal to the value of the bidding credit to support workforce training programs for the U.S. floating offshore wind industry, development of a domestic supply chain for the floating offshore wind industry, or both.

The lessee must provide documentation to BOEM verifying how the lessee’s funded initiative or program has advanced or will advance U.S. floating offshore wind industry workforce training and/or supply chain development.

Lease Area Use Community Benefit Agreement (CBA) and General Use Community Benefit Agreement (CBA)

Lease Area Use CBAs must be developed between the lessee and one or more Tribal governments, communities, or stakeholder groups 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. General CBAs are developed between lessees and one or more stakeholder groups that are expected to be affected by potential impacts on the marine, coastal, and/or human environment from activities resulting from lease development.

BOEM is not involved in the development of the CBAs, which is done solely between the lessee and communities or entities. To ensure a potential CBA qualifies for this credit, Lessees and communities are encouraged to review the Lessee’s lease for additional requirements.*

To confirm they have met their lease requirements, lessees must provide BOEM with a copy of all the Lease Area Use CBAs and/or General CBAs before submitting their first Facility Design Report. CBAs are not allowed to include exclusivity or preferential clauses that prevent or disincentivize an impacted community from entering into an agreement with other lessees. Lessees must show they have met the requirements for the bidding credit(s) by submitting documentation required in the lease.

*Leases can be found on BOEM’s website: <https://www.boem.gov/renewable-energy/lease-and-grant-information>, or at the links provided in the table above.