Good morning!

The Fifth BOEM Gulf of Mexico Intergovernmental Renewable Energy Task Force Meeting will begin at 9:00am CT.

If you are encountering any technical issues, please contact <u>elee@kearnswest.com</u>.





BOEM Bureau of Ocean Energy Management

BOEM Gulf of Mexico Intergovernmental Renewable Energy Task Force Meeting

April 18, 2024

Welcome & Opening Remarks

Dr. James Kendall, Regional Director, BOEM Gulf of Mexico Region

Webinar Instructions – Task Force Members

- Click the mute button in the bottom toolbar to mute yourself when not speaking. If you are calling into the meeting using a phone, dial *6 on your keypad to unmute yourself.
- To enter the discussion, use the "raised hand" icon on the taskbar or add a comment in the chat pod. If you are calling into the meeting using a phone, dial *9 on your keypad to raise your hand.
- Please direct any technical questions to Eunice Lee using the "chat" function or email <u>elee@kearnswest.com</u> for support.





Webinar Instructions – Members of the Public

- Members of the public will be muted throughout the Task Force meeting and will not be able to unmute themselves.
- Members of the public will have the opportunity to share comments during the public input opportunity. More guidance will be shared later in the meeting.
- The chat function is not available. Please direct any technical issues during the Task Force meeting using the Q&A function or email Eunice Lee at <u>elee@kearnswest.com</u> for support.



Webinar Instructions – Members of the Public

Please note, this meeting is being recorded.



Meeting Objectives

- Overall purpose: Facilitate coordination and consultation among federal, state, local, and tribal governments regarding offshore wind energy and the renewable energy leasing process on the Outer Continental Shelf (OCS) in the Gulf of Mexico (GOM).
- Provide an overview and seek in-depth feedback on the Proposed Sale Notice and related auction format.
- Provide opportunities for public input on the topics being considered by the Task Force.





Time (CT)	Agenda Item
9:00 a.m.	Welcome & Opening Remarks
8:10 a.m.	Task Force Meeting Overview
9:25 a.m.	Presentation of the GOM Renewable Energy Proposed Sale Notice (PSN)
10:05 a.m.	Task Force – Questions and Comments on the Proposed Sale Notice
10:35 a.m.	Break
10:45 a.m.	Tribal Member Updates
10:55 a.m.	Task Force Member Updates
11:50 a.m.	Next Steps and Closing Remarks
11:55 a.m.	Task Force Meeting Adjourns
12:00 p.m.	Public Input Opportunity and Discussion
1:00 p.m.	Adjourn



Introductions

BOEM Conveners

Liz Klein, Director Walter Cruickshank, Deputy Director

Office of Regional Director

- James Kendall, Regional Director
- Laura Robbins, Deputy Regional Director
- Lissa Lyncker, Chief of Staff

Office of Leasing and Plans

- Bernadette Thomas, Regional Supervisor
- Bridgette Duplantis, Chief, Leasing and Financial Responsibility Section
- Idrissa Boube, Program Analyst and GOM Task Force Coordinator, Leasing and Financial Responsibility Section
- Renee Bigner, Program Analyst, Leasing and Financial Responsibility Section
- Karoline DiPerna, Program Analyst, Leasing and Financial Responsibility Section

Public Affairs Office

- John Filostrat
- Hillary Mckey

Office of Environment

- Arie Kaller, Regional Supervisor
- Helen Rucker, Section Chief
- Ross Del Rio, NEPA Coordinator
- Michelle Nannen, NEPA Coordinator
- Mark Belter, Section Chief
- Kate Segarra, Supervisor
- Bill Rosenzweig, Tribal Liaison
- Mariana Steen, Fisheries Biologist

Office of the Solicitor

Robert Sebastian, Solicitor

Resource Evaluation

Chris DuFore, Geophysicist

Office of Renewable Energy

- Karen Baker, Program Manager
- Marilyn Sauls, Branch Chief
- David MacDuffee, Branch Chief



Introductions – Elected Officials & Representatives

- U.S. House of Representatives, Office of Congressman Clay Higgins (LA-03)
- U.S. House of Representatives, Office of Congressman Garret Graves (LA-06)
- U.S. House of Representatives, Office of Congressman Steve Scalise (LA-01)
- U.S. Senate, Office of Senator Bill Cassidy
- U.S. Senate, Office of Senator John Kennedy



Introductions – Tribal Nations

- Chitimatcha Tribe of Louisiana
- Coushatta Tribe
- Jena Band of Choctaw Indians
- Tunica-Biloxi Tribe of Louisiana



Introductions – States

State of Alabama

- Alabama Department of Conservation and Natural Resources (ADCNR)
- Alabama Department of Environmental Management (ADEM)

State of Louisiana

- Breazeale Sachse & Wilson
- Center for Planning Excellence
- Coastal Protection and Restoration Authority (CPRA)
- Department of Natural Resources (DNR)
- Entergy Louisiana
- Foundation for Louisiana
- Louisiana Chemical Association
- Louisiana Department of Agriculture and Forestry
- Louisiana Department of Natural Resources (DNR)
- Louisiana Department of Transportation and Development (DOTD)
- Louisiana Department of Wildlife and Fisheries (LDWF)

• State of Louisiana (cont.)

- Louisiana Division of Administration,
 Office of Facility Planning and
 Control
- Louisiana Division of Administration,
 Office of Fisheries
- Louisiana Division of Administration,
 Office of State Lands
- Louisiana Economic Development (LED)
- Louisiana Oil Spill Coordinator's Office (DOSCO)
- Louisiana Public Service Commission
- Louisiana State Legislature
- Office of Cultural Development, Division of Historic Preservation
- Office of Indian Affairs

State of Mississippi

- Mississippi Department of Environmental Quality (MDEQ)
- Mississippi Department of Marine Resources (MDMR)
- Mississippi Development Authority (MDA)
- Mississippi Military Communities Council
- Mississippi State
 Department of Health
 (MSDH)
- Office of Mississippi Governor Tate Reeves
- $_{\circ}$ $\,$ The Port of Gulfport $\,$



State of Texas

- Texas General Land Office (GLO)
- Texas Parks and Wildlife (TPWD)

Introductions – Local Governments

- Calcasieu Parish
- Cameron Parish
- Cameron Parish Port
- City of New Orleans
- Greater Lafourche Port (Port Fourchon)
- Gulf Coast Center for Law & Policy
- Jefferson Parish
- Lafourche Parish
- Loyola University New Orleans
- New Orleans City Council

- Plaquemines Parish
- Port of Lake Charles
- $_{\circ}\,$ Port of New Orleans
- St. Bernard Parish
- St. Mary Parish
- Terrebone Parish
- The Nature Conservancy of Louisiana
- University of Louisiana at Lafayette
- Vermilion Parish



Introductions – Federal Agencies

- Advisory Council on Historic Preservation (ACHP)
- Bureau of Indian Affairs (BIA)
- Bureau of Safety and Environmental Enforcement (BSEE)
- Environmental Protection Agency (EPA)
- Federal Energy Regulatory Commission (FERC)
- Federal Permitting Improvement Steering Council (FPISC)
- Marine Mammal Commission (MMC)
- National Oceanic and Atmospheric Administration (NOAA)

- National Park Service (NPS)
- National Renewable Energy Laboratory (NREL)
- Small Business Administration (SBA)
- U.S. Army Corps of Engineers (USACE)
- U.S. Coast Guard (USCG)
- U.S. Department of Defense (DOD)
- U.S. Department of Energy (DOE)
- U.S. Fish and Wildlife Service (FWS)
- U.S. Geological Survey (USGS)
- U.S. Department of Transportation (USDOT)



Task Force Meeting Process Guidelines

- "Honor" the agenda.
- Participate respectfully.
- Speak in order; facilitator will mind the queue.
- Provide name/affiliation each time you speak.
- Please mute yourself when not speaking.
- Participating on video for Task Force members is encouraged.





BOEM Bureau of Ocean Energy Management

Presentation of the GOM Renewable Energy Proposed Sale Notice (PSN)

April 18, 2024

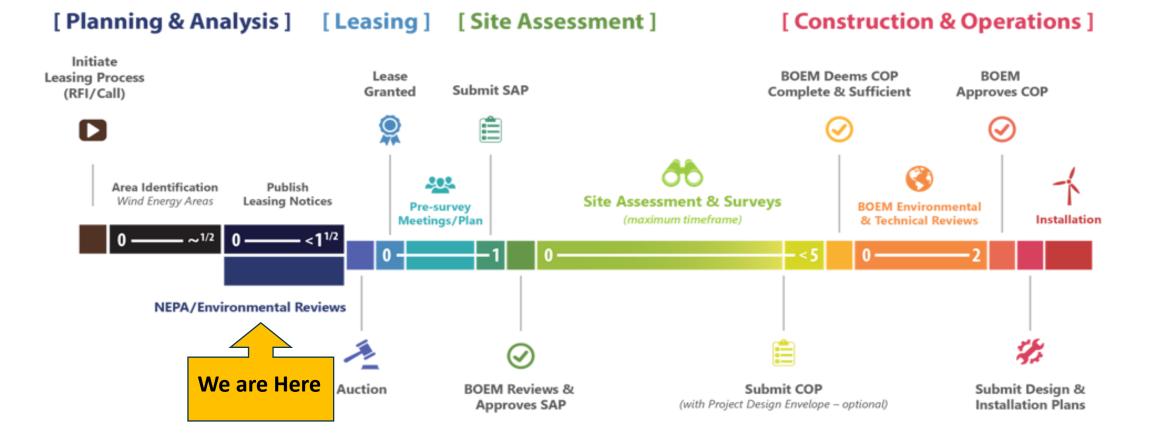
Renee Bigner, Program Analyst, Leasing and Financial Responsibility Section, BOEM Wright Frank, Chief, Renewable Energy Policy Group, BOEM



- Lease Sale Process and Background
- NEPA analysis
- Consultation and Coastal Zone Management Act (CZMA)
- Potential Lease-Specific Terms, Conditions and Stipulations
- $_{\odot}$ Auction Format and Bidding Credits

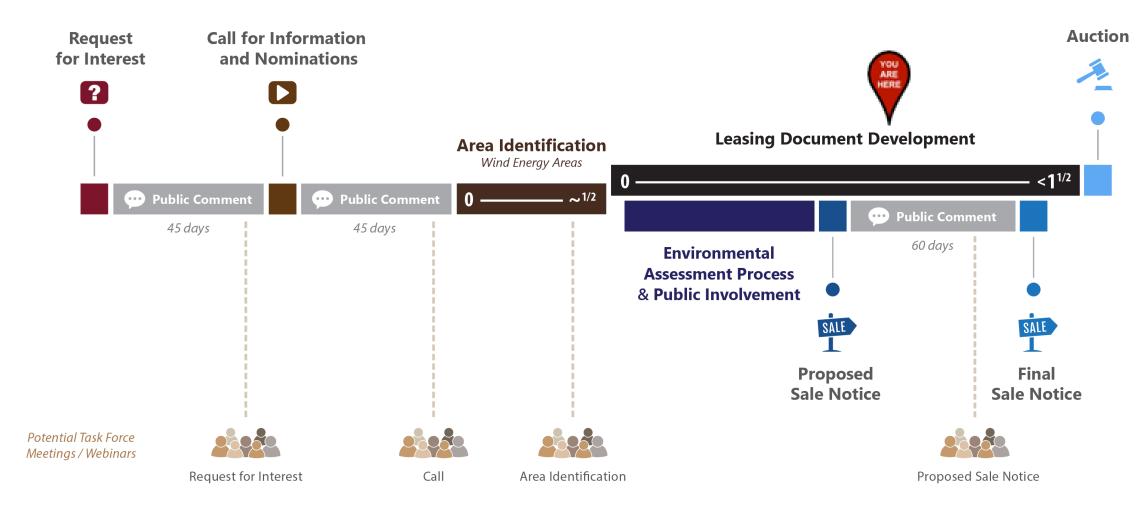


Leasing and Development Process



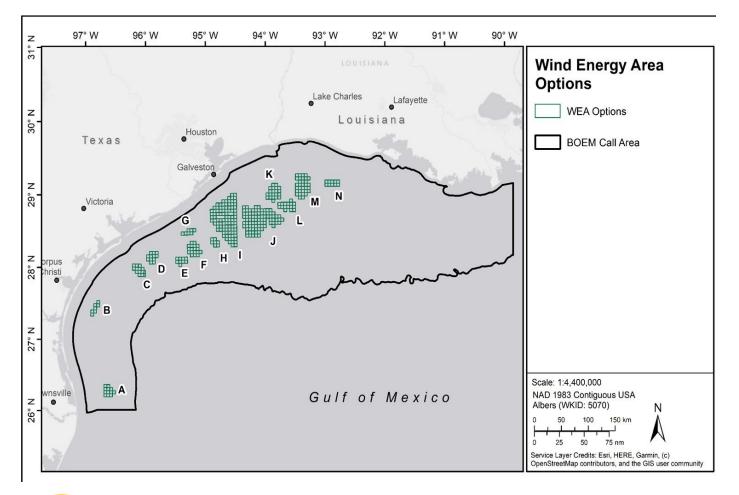


Renewable Energy Leasing Process: From RFI/Call to Lease Sale





Background - Identified Wind Energy Area Options



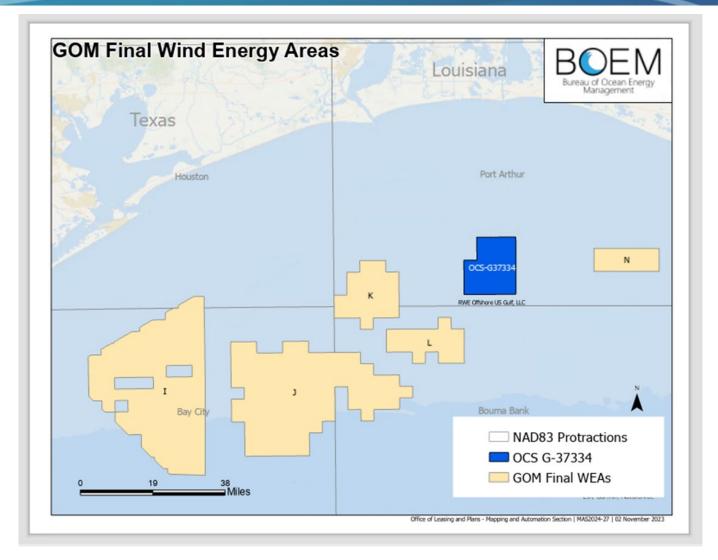
- \circ 14 WEAs were identified as possible options
- Option B was removed due to DOD conflicts
- The Programmatic Environmental Assessment covers the entire call area up to 18 leases.



GOMW-2 Final Wind Energy Areas

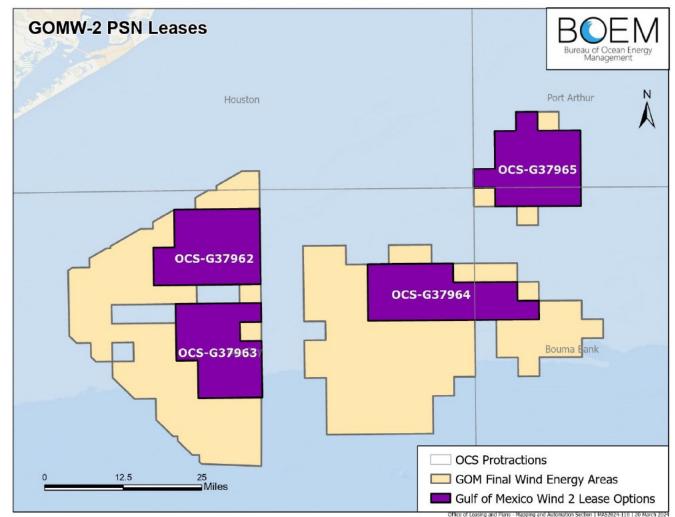
Published October 27, 2023

- 1. Option J: 495,567 acres
- 2. Option K : 119,635 acres
- 3. Option L : 91,157 acres
- 4. Option N : 56,978 acres
- 5. Option I : 508,265 acres
 - 1. Option I designated a Final WEA on October 31, 2022





Leases Proposed in GOMW-2 PSN



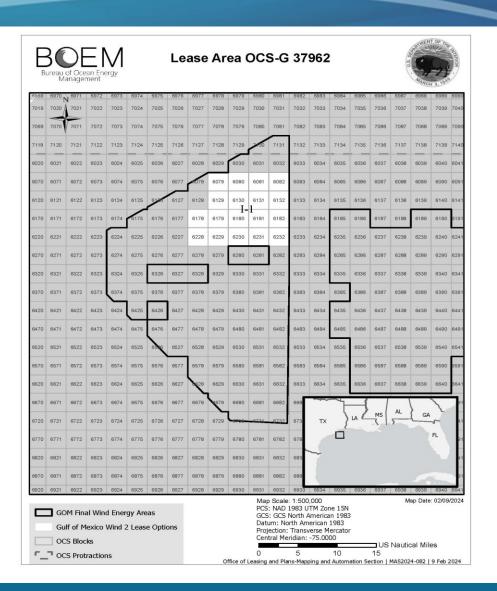


Proposed Lease G37962 (I-1)

	Lease G37962
Acres	102,480
Installation Capacity (MW) ^[1]	1,244
Homes powered ^[2]	435,400
Power Production (MWh/yr) ^[3]	3,269,232
Max Depth (meters[m])	36
Min Depth (m)	16
Closest distance to TX (km)	28

[1] Megawatts (MW) based upon 3MW/sqkm

[2] Based upon 350 homes per MW



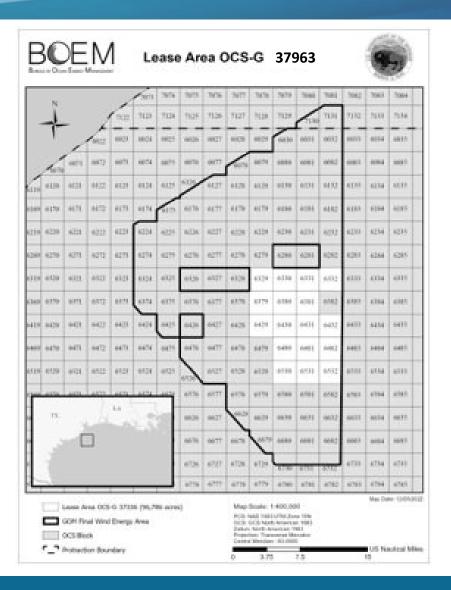


Proposed Lease G37963 (I-2)

	Lease G37963
Acres	96,786
Installation Capacity (MW) ^[1]	1,175
Homes powered ^[2]	411,250
Power Production (MWh/yr) ^[3]	3,087,900
Max Depth (meters[m])	36
Min Depth (m)	16
Closest distance to TX (km)	39

[1] Megawatts (MW) based upon 3MW/sqkm

[2] Based upon 350 homes per MW





Proposed Lease G37964 (J-1)

	Lease G37964
Acres	108,230
Installation Capacity (MW) ^[1]	1,314
Homes powered ^[2]	459,900
Power Production (MWh/yr) ^[3]	3,453,192
Max Depth (meters[m])	34
Min Depth (m)	21
Closest distance to TX (km)	75

[1] Megawatts (MW) based upon 3MW/sqkm

[2] Based upon 350 homes per MW

Bureau	of Ocea anager	= \ an Energ nent	/			L	eas	se A	rea	a 00	CS-	G	37	964	ŀ			LA DE	RCH 3.	349
7-50 N	7131	7132	7133	7134	7135	7136	7137	7138	7139	7140	7141	7101	7102	7103	7104	7105	7106	7107	7108	710
6031	6032	6033	6034	6035	6036	6037	6038	6039	6040	6041	6042	6001	6002	6003	6004	6005	6006	6007	6008	600
6081	6082	6083	6084	6085	6096	6087	6088	6089	6090	6091	6092	6051	6052	6053	6054	6055	6056	6057	6058	605
6131	6132	6133	6134	6135	6136	6137	6138	6139	6140	6141	6142	6101	6102	6103	6104	6105	6106	6107	6108	610
6181	6182	6183	6184	6185	6186	6187	6188	6189	6190	6191	6192	6151	6152	6153	6154	6155	6156	6157	6158	615
6231	6232	6233	6234	6235	6236	6237	6238	6239	6240	6241	6242	6201	6202	6203	6204	6205	6206	6207	6208	620
6281	6282	6283	6284	6285	6286	6287	6288	6289	6290	6291 J-1	6292	6251	6252	6253	6254	6255	6256	6257	6258	625
6331	6332	6333	6334	6335	6336	6337	6338	6339	6340	J-1 6341	6342	6301	6302	6303	6304	6305	6306	6307	6308	630
6381	6382	6383	6384	6385	6386	6387	6388	6389	6390	6391	6392	6351	6352	6353	6354	6355	6356	6357	6358	635
6431	6432	6433	6434	6435	6436	6437	6438	6439	6440	6441	6442	6401	6402	6403	6404	6405	6406	6407	6408	640
6481	6482	6483	6484	6485	6486	6487	6488	6489	6490	6491	6492	6451	6452	6453	6454	6455	6456	6457	6458	645
6531	6532	6533	6534	6535	6536	6537	6538	6539	6540	6541	6542	6501	6502	6503	6504	6505	6506	6507	6508	650
6581	6582	6583	6584	6585	6596	6587	6588	6589	6590	6591	6592	6551	6552	6553	6554	6555	6556	6557	6558	655
6631	6632	6633	6634	6635	6636	6637	6638	6639	6640	6641	6642	6601	6602	6603	6604	6605	6606	6607	6608	660
6681	6682	6683	6684	6685	6696	6687	6688	6689	6690	6691	6692	6651	6652	6653	6654	6655	6656	6657	6658	665
9734	6732.	6733	6734	6735	6736	6737	6738	6739	6740	6741	6742	6701	6702	6703	6704	6705	6706	6707	6708	670
6781	6782	6783	6784	6785	6786	6787	6798	6789	6790	6791	6792	6751	6752	6753	6754	6755	6756	6757	6758	675
тх) ~ (Ms		G	A }	8	6839	6840	6841	6842	6801	6802	6803	6804	6805	6806	6807	6808	680
		2	2			FL	8	6889	6890	6891	6892	6851	6852	6853	6854	6855	6856	6857	6858	685
~							8	6939	6940	6941	6942	6901	6902	6903	6904	6905	6906	6907	6908	690
							8	6989	6990	6991	6992	6951	6952	6953	6954	6955	6956	6957	6958	695
				-	15		8	7039	7040	7041	7042	7001	7002	7003	7004	7005	7006	7007	7008	700
GOM Final Wind Energy Areas Gulf of Mexico Wind 2 Lease Options OCS Blocks										F C F	PCS: NA GCS: G Datum: Projecti	AD 198 CS North North on: Tra	500,000 3 UTM th Ame Americ Insverse an: -75.	Zone 1 rican 1 an 198 e Merci	983 3			Map E	Date: 02	09/20



Proposed Lease G37965 (K-1)

	Lease G37965
Acres	102,544
Installation Capacity (MW) ^[1]	1,245
Homes powered ^[2]	435,750
Power Production (MWh/yr) ^[3]	3,271,860
Max Depth (meters[m])	23
Min Depth (m)	18
Closest distance to TX (km)	58
Closest distance to LA (km)	59

[1] Megawatts (MW) based upon 3MW/sqkm

[2] Based upon 350 homes per MW

Bur	eau of C Mana) E Dcean Er gement	M		L	.eas	e Ar	ea C	CS-	G	379	65			ST MARCH	05 74 HIEROP
6736	6737 J	6738	6739	6740	6741	6701	6702	6703	6704	6705	6706	6707	6708	6709	6710	6711
6786	6787	6788	6789	6790	6791	6751	6752	6753	6754	6755	6756	6757	6758	6759	6760	6761
6836	6837	6838	6839	6840	6841	6801	6802	6803	6804	6805	6806	6807	6808	6809	6810	6811
6886	6887	6888	6889	6890	6891	6851	6852	6853	6854	6855	6856	6857	6858	6859	6860	6861
6936	6937	6938	6939	6940	6941	6901	6902	6903	6904	6905	6906	6907	6908	6909	6910	6911
6986	6987	6988	6989	6990	6991	6951	6952	6953	6954	6955	6956	6957	6958	6959	6960	6961
7036	7037	7038	7039	7040	7041	7001	7002	7003	7004	7005	7006	7007	7008	7009	7010	7011
7086	7087	7088	7089	7090	7091	7051	7052	7053 K-	7054	7055	7066	7057	7058	7059	7060	7061
7136	7137	7138	7139	7140	7141	7101	7102	7103	7104	7105	7106	7107	7108	7109	7110	7111
6037	6038	6039	6040	6041	6042	6001	6002	6003	6004	6005	6006	6007	6008	6009	6010	6011
3087	6088	6089	6090	6091	6092	6051	6052	6053	6054	6055	6056	6057	6058	6059	6060	6061
6137	6138	6139	6140	6141	6142	6101	6102	6103	6104	6105	6106	6107	6108	6109	6110	6111
6187	6188	6189	6190	6191	6192	6151	6152	6153	6154	6155	6156	6157	6158	6159	6160	6161
6237	6238	6239	6240	6241	6242	6201	6202	6203	6204	6205	6206	6207	6208	6209	6210	6211
Γ	TX		MS	AL }	GA	. 51	6252	6253	6254	6255	6256	6257	6258	6259	6260	6261
			<u>, 1</u>		FL	ы	6302	6303	6304	6305	6306	6307	6308	6309	6310	6311
1	-					51	6352	6353	6354	6355	6356	6357	6358	6359	6360	6361
						21	6402	6403	6404	6405	6406	6407	6408	6409	6410	6411
GOM Final Wind Energy Areas Gulf of Mexico Wind 2 Lease Options OCS Blocks							0	ffice of Le	PCS: N GCS: G Datum: Project Central	CS North North A ion: Trar Meridia 4	UTM Zor America American Isverse M n: -75.00	in 1983 1983 ercator 00 8	12	US Nau	tical Mil	: 02/09/202 es 9 Feb 2024



Proposed Lease Area Statistics

Lease Area Descriptive Statistics

Lease Area	Acres	Installation Capacity ¹	Homes Powered ²	Power Production (MWh/yr.) ³	Max Depth (meters)	Min Depth (meters)	Closest Distance to TX (km)	Closest Distance to LA (km)
G37962	102,480	1,244	435,400	3,269,232	36	16	28	
G37963	96,786	1,175	411,200	3,087,900	36	16	39	
G37964	108,230	1,314	459,900	3,453,192	31	24	75	100
G37965	102,544	1,245	435,750	3,271,860	23	18	58	59
TOTAL	410,040	4,978	1,742,250	13,082,184				

[1] Megawatts (MW) based upon 3MW/sqkm

[2] Based upon 350 homes per MW



Input Requested from Stakeholders

- Delineation, number, size, orientation and location of Leases Areas Offered
- Benefits to underserved communities
- Bidding credits
 - $\,\circ\,$ Workforce training & supply chain development
 - Fishing compensatory mitigation fund
- Tribal Nations, ocean users, underserved communities, agencies, and other stakeholders engagement and reporting
- Prescribed layouts uniform and aligned



NEPA Analysis

Michelle Nannen

Environmental Assessment Unit 1, Gulf of Mexico Region

Determination of NEPA Adequacy (DNA)

Environmental Assessment (EA)

 BOEM conducted a programmatic EA for the Gulf of Mexico Call Area prior to the OSW-1 Lease Sale

Determination of NEPA Adequacy (DNA)

- BOEM revisited the analysis conducted in the EA and verified that the conclusions were still valid for the OSW-2 Lease Sale in a DNA
- The DNA will be filed in the administrative record for the OSW-2 Lease Sale



Environmental Assessment

- Analysis ONLY covers the impacts of issuing leases and the associated site assessment and site characterization activities
 - Meteorological (met) buoys
 - Vessel trips
 - Geological and biological surveys
- Analysis does NOT include
 - Specific project layouts
 - Cable routes for specific projects
 - Visual impacts of a project
 - Wind Energy Area (WEA) identification
- Analysis of *SPECIFIC* projects
 - Covered later in the process
 - After a lease is obtained and project plan submitted
 - Additional opportunities for engagement and consultation



Example of a meteorological (met) buoy Source: National Data Buoy Center, 2012



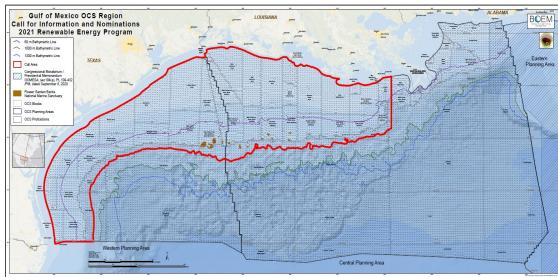
Approach for the EA

• Approach differs from Atlantic wind energy lease issuance EAs

- Analyzed the Call Area rather than the WEAs
 - Allows greater flexibility for future identification of WEAs
 - Provides NEPA coverage for non-competitive and research leases proposed in the Call Area

• Approach more in line with stakeholders in the GOM Region

- Familiar with regional NEPA analysis
- Similar approach to conventional energy NEPA in the GOM Region
 - Analysis for more than one lease issuance
 - Flexibility for ID of several WEAs and lease areas over time
 - Allows for up to 18 leases to be covered in this analysis





Scope of the Analysis

• EA is a programmatic assessment

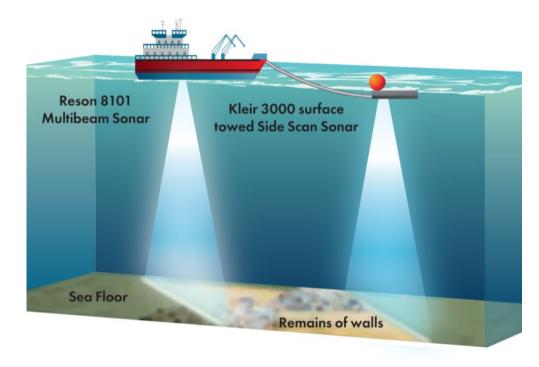
• May be used for more than one lease issuance

Up to 18 leases in the Call Area

- Number of leases based on the estimate of foreseeable future activities based on historical trends of an emerging Renewable Energy Program on the Atlantic OCS
- EA analyzes impacts of
 - A single OCS wind energy lease issuance
 - Issuance of 18 OCS wind energy leases

• No more than 6-8 leases issued per lease sale

Similar to those issued for Atlantic sales



Example of a seafloor survey



More Information on the Environmental Assessment

• The EA concluded with a Finding of No Significant Impact (FONSI)

- The FONSI is available on the BOEM website
 - <u>https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/FONSI_Signed20230524.pdf</u>
- Environmental Assessment (EA)
 - The EA is available on the BOEM website
 - <u>https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/GOM%20Wind%20Lease%20EA_0.pdf</u>
- Determination of NEPA Adequacy (DNA)
 - The DNA indicated that the conclusions of the EA are still valid and applicable for the OSW-2 Lease Sale



Coastal Zone Management Act

Michelle Nannen

Environmental Assessment Unit 1, Gulf of Mexico Region

Consistency Determination (CD)

Coastal Zone Management Act (CZMA)

• BOEM must comply with federal consistency regulations under CZMA for GOMW-2

Consistency Determination (CD)

- BOEM prepared a consistency determination (CD) for leases proposed in the GOMW-2 PSN
- The programmatic EA supports the evaluation contained within the CD
- The CD was sent to Louisiana (LA) and Texas (TX) coastal management programs (CMPs) in April 2024 beginning the federal consistency review process



Federal Consistency Review Process

• Federal Consistency Review under 15 CFR part 930 subpart C

- 60-day review period for LA and TX CMPs is scheduled to conclude in June 2024
- LA and TX CMPs could provide concurrence or objection to BOEM's CD, or BOEM could presume concurrence if a response is not provided by the end of the review period
- LA and TX CMPs may request a 15-day extension which BOEM must grant under CZMA



Potential Lease-Specific Terms, Conditions and Stipulations

Aditee Madkekar, Renewable Energy Policy Group

The following Lease-Specific Terms, Conditions and Stipulations are proposed to be included in Addendum C of the Lease Instrument:

- Site Characterization
- Reporting
- National Security and Military Operations
- Standard Operating Conditions
- Encourage Project Labor Agreements
- Supply Chain Statement of Goals
- Workforce Training and/or Domestic Supply Chain Development Bidding Credit (17%)
- Fisheries Compensatory Mitigation Fund Bidding Credit (8%)
- Siting Conditions



Potential Lease-Specific Terms, Conditions, and Stipulations

Reporting and Enhanced Engagement

- Progress Report submitted by Lessee every 6 months
 - Must include Communication Plans for fisheries, Tribes, and agencies
 - Must include coordinated engagement between Regional Lessees

Project Labor Agreements (PLAs)

 The Lessee must make every reasonable effort to enter into a PLA that covers the construction stage of any project proposed for the Lease Area.

Supply Chain Statement of Goals

 The Lessee must submit a statement describing plans, including engagement with domestic suppliers, for contributing to the creation of a robust and resilient US-based offshore wind supply chain.





- Minor edits were made to the lease instrument in the PSN to allow lessees to propose hydrogen production as an energy product of offshore wind generation under 585.200(b). Two core areas were adjusted:
 - Easement and Project Description
 - **o** Operations Calculations



Auction Format and Bidding Credits

Sarah Coffman, Chief of the Economics Division

Auction Format

Multiple-factor auction format

- Bidding system will be a combination of monetary and non-monetary factors.
- The non-monetary factors will be bidding credits for commitments to financial investments in specific initiatives that further OCSLA's objectives.
- The bid in each round will represent the sum of the cash bid and the value of any nonmonetary factors that the bidder qualified for in the form of bidding credits.
- BOEM will start the auction at the minimum bid price for the Lease Area and increase prices incrementally until no more than one active bidder per Lease Area remains in the auction.
 - The proposed minimum bid is \$50 per acre.
- Auction will use a 'second price' rule.
 - Lease Area will be won by the bidder that submits the highest bid, but the winning bidder will pay the highest bid amount where there was competition.

 $_{\odot}\,$ BOEM revised its calculation of bidding credits between GOMW-1 and GOMW-2

- For GOMW-2, Bidding Credits are calculated as a percentage of the winning bid
 - Previously, BOEM calculated bidding credits as a percentage of the cash bid.
- BOEM's proposed bidding credit percentages remain under its 25 percent winning bid bidding credit cap.

	GOMW-1	Example \$10mm bid	GOMW-2	Example \$10mm bid
Workforce Training/Supply Chain Development	15% of cash bid	\$1.54mm	17% of winning bid	\$1.7mm
Fisheries Compensatory Mitigation	10% of cash bid	\$0.77mm	8% of winning bid	\$0.8mm
Totals	23.08% of winning bid	\$2.31mm	25% of the winning bid	\$2.5mm



Proposed Bidding Credits

 Bidders may receive a bidding credit in exchange for committing to a monetary contribution to offshore wind programs or initiatives.

- Bidding credits are calculated as a percentage of the bid.
- BOEM caps bidding credits at 25 percent of the winning bid.
- 1. 17 percent non-monetary bid credit for a contribution to workforce training, supply chain development, or a combination of both.
 - Bidding credit for a commitment to invest in programs that will advance U.S. offshore wind energy workforce training and/or supply chain development.
 - The credit is intended to incentivize investments that would not occur otherwise.
- 2. 8 percent non-monetary bid credit for a contribution to a Fisheries Compensatory Mitigation Fund.
 - Bidding credit for establishing or contributing to an existing Gulf of Mexico Fisheries Compensatory Mitigation Fund.



Proposed Bidding Credits – Workforce Training and Supply Chain

Workforce Training and Supply Chain Development

- 17 percent of the Cash Bid with the Contribution due by the lease's first FDR
- Lessee retains flexibility consistent with its Conceptual Strategy to direct funds to most worthwhile training and supply chain efforts
 - Credit is intended to incentive investments that would not otherwise happen
- Enhance, through training, the offshore wind workforce or to stand-up the domestic supply chain for offshore wind technology, manufacturing, assembly, or services
 - OCSLA nexus: operations must be conducted in a safe manner by well-trained personnel
 - OCSLA nexus: expeditious and orderly development, and protection of national security interests



Proposed Bidding Credits – Fisheries Compensatory Mitigation

Fisheries Compensatory Mitigation Fund

- 8 percent bidding credit in exchange for an equivalent cash commitment to an Atlantic Fisheries Compensatory Mitigation Fund
 - OCSLA Nexus: 8(p) requires BOEM to consider other uses of the sea including fisheries
- Credit Design Features
 - Fund's first priority is for gear loss or damage or income loss, but if excess funds are actuarily determined, funds can be used for engagement and select gear upgrades
 - The fund provides certainty to fisheries stakeholders and is available as a perpetual fund to mitigate impacts from other leases
 - Fund must include fiduciary governance, strong internal controls, and annual reporting



Bidding Credits - Conceptual Strategy

• Bidders must submit a bidding credit conceptual strategy with the BFF.

- The bidder's conceptual strategy will be reviewed by a BOEM Auction Panel for compliance with the bidding credit requirements.
- Result is a Pass/Fail for each credit

• The BFF-Addendum provides instructions for completing the Conceptual Strategy.



- A provisional winner will pay the posted price for each lease area it won less its bidding credit.
- Example: a winning bidder qualifies for both bidding credits (a 25 percent bidding credit) and the total winning bid is \$10 million.
 - The bidder would pay its \$7.5 million cash bonus to the Office of Natural Resource Revenue (ONRR).
 - The bidder receives a credit of \$1.7 million towards its winning bid in exchange for committing \$1.7 million to workforce training or development of the domestic supply.
 - The bidder receives a credit of \$0.8 million towards its winning bid in exchange for committing \$0.8 million to a Fisheries Compensatory Mitigation Fund.



Task Force DiscussionQuestions and Comments on the Proposed Sale Notice

BREAK Return at 10:45 a.m. CT

Tribal Member Updates

Federal Updates

Gulf of Mexico Port Access Route Study

LCDR Rachel Stryker





Port Access Route Study (PARS)

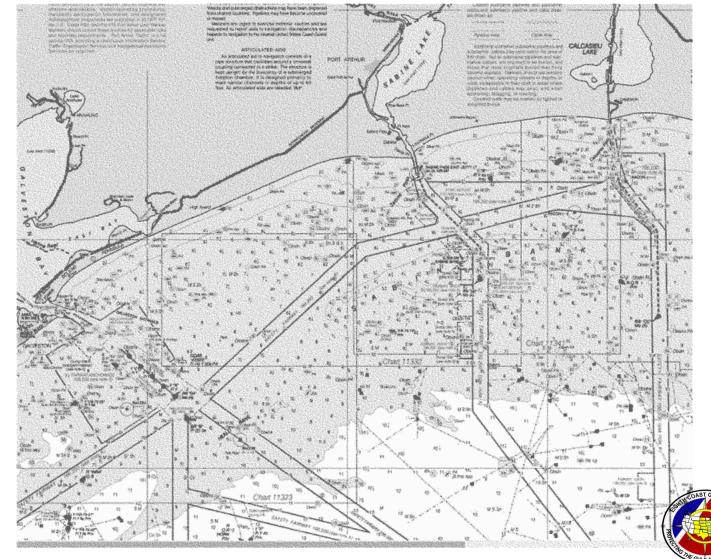
Previous Studies

- 1979-1981 (Approaches to US major ports)
 - No Major Changes to Gulf Fairways
 - Traffic Separation Scheme for Houston Galveston – adopted in 1982
 - Recommendation for Anchorages for Sabine Pass and Calcasieu Pass
- 1984-1985 (Heald Bank (31 nm off Galveston) and Louisiana Offshore Oil Port)
 - New Fairway around Heald Bank
 - No Changes to Louisiana Offshore Oil Port fairways

Additional Change 1989 – Traffic Separation Scheme for Houston Galveston updated



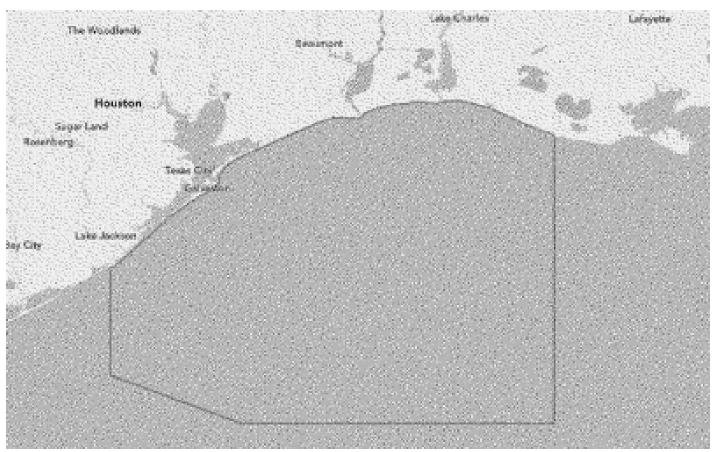
Nautical Chart with Current Access Routes



Port Access Route Study (PARS)

- Federal Register Notice
 - 01 March 2023
 - Open for Comment until 17 May 2023
 - 7 Comments
 - Wind Energy
 - Mariners
 - Shipping Companies
 - Concerns
 - Entry into the Port
 - Lightering
 - Width of Fairways

Outline of PARS area









NOAA FISHERIES

Successes & Challenges

- ➢ Building upon Successes
- ➤ Mission Critical Scientific Surveys
- ➤ Green Hydrogen
- ➤ Cumulative Impacts
- Stakeholder Interaction, Engagement, & Collaboration
- Regional Monitoring & Adaptive Management

Offshore Wind Energy in the Gulf of Mexico Task Force Meeting - April 18, 2024

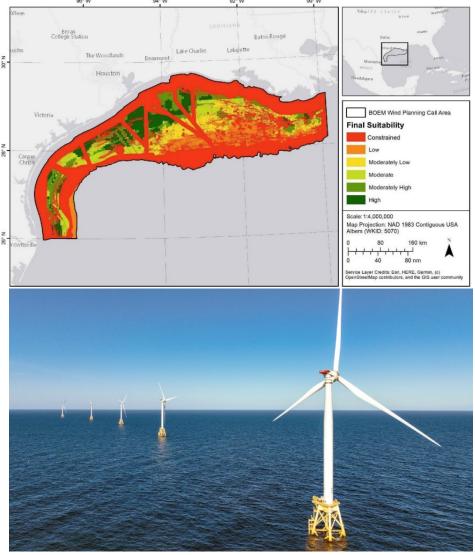
Port Arthur OCS-G37334 OCS-G37965 OCS-G37962 OCS-G37964 OCS-G37963 Bouma Bank **OCS** Protractions GOM Final Wind Energy Areas Gulf of Mexico Wind 2 Lease Options GOM Wind Lease OCS-G37334

Successes of OSW Collaboration in the Gulf of Mexico

BOEM's successful rollout of OSW in the Gulf of Mexico is the result of leveraging partnerships with resource and permitting agencies to collaboratively deconflict WEAs.

- ➢ BOEM/NCCOS
 - Marine Spatial Planning helped inform the designation of Wind Energy Areas which was met with support from affected stakeholders
 - GOM MSP model being employed nationwide
 - Reduced conflicts with affected fisheries
 - Avoided Rice's whale critical habitat
- ➢ BOEM/NMFS
 - Inclusion of bidding credits for contributions to fisheries compensatory mitigation fund
 - Coordination to develop a joint NMFS/BOEM Survey Mitigation Strategy (ongoing)
 - Participation in NMFS research planning efforts (Integrated Ecosystem Assessment, NCEAS Working Group)

Continued collaboration and coordination is paramount to ensuring responsible OSW development occurs in the GOM





Mission Critical Scientific Surveys

- ✤ Four impacts to surveys:
 - Exclusion vessels and aircraft
 - Increased vessel transit time;
 - Impacts to statistical designs
 - > Alteration of habitat types.
- Offshore wind development disrupts statistical design and increases uncertainty in stock assessments
- Finalize and implement the NOAA Fisheries/BOEM Southeast Region Survey Mitigation Strategy.



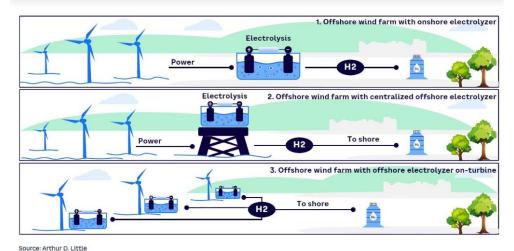




Green Hydrogen and Extension of Lease Scope

- Successful marine spatial planning was conducted for offshore wind, not green hydrogen.
- Green hydrogen requires substantial volumes of water, raising impingement concerns for fish eggs and larvae.
- Outputs from initial OSW developments are needed for electricity production that displaces fossil fuel generation.
- Future Marine Spatial Planning to inform additional lease opportunities (E.g. Gulf Wind 3+) must consider the full suite of potential lease activities.

Figure 5. Hydrogen integration with offshore wind farms, 3 models







Stakeholder Engagement, Interaction, & Collaboration

- Continue coordinated stakeholder engagement to build upon the success of spatial planning with NCCOS as this process is imperative to informing future lease sales, cable routing scenarios, and ongoing adaptive management strategies.
- Equity and Environmental Justice considerations
 - ➤ Inclusion of all groups in the OSW development process.
- Social surveys and targeted focus groups will aid in understanding the social impacts of offshore wind development to coastal communities.
- We support the bidding credit process to incentivize developer contributions to workforce training and fisheries compensation mitigation funds.
 - It is unclear if an 8% bidding credit will result in sufficient funds to compensate for direct and indirect impacts to commercial and recreational fisheries.

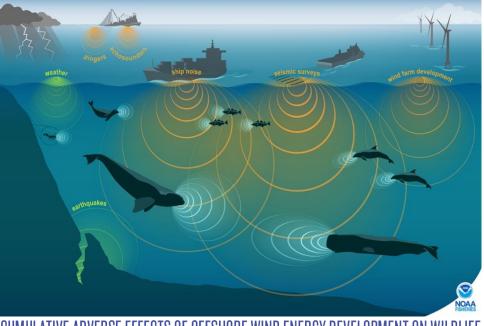
Coordinate regional stakeholder engagement throughout the lifespan of offshore wind projects to provide the forum necessary for adaptive management strategies.



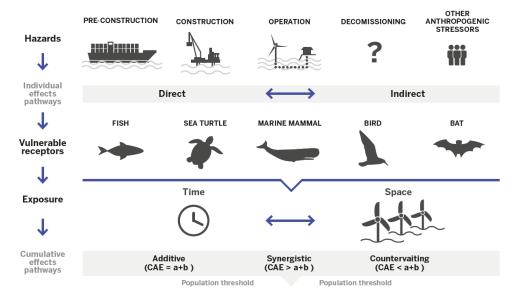


Cumulative impact consideration

- As OSW grows in the region, the process of leasing and approval of operations operates on a project-by-project basis.
- The existing comment and approval process does not readily support consideration of cumulative impacts.
- How do we set up a consideration of cumulative impacts?



UMULATIVE ADVERSE EFFECTS OF OFFSHORE WIND ENERGY DEVELOPMENT ON WILDLIFE



Cumulative adverse effects



U.S. Department of Commerce | National Oceanic and Atmospheric Administration | NOAA Fisheries | Page 63

Conclusion: Opportunities Moving Forward

- Programmatic Consultation
 - BOEM/NMFS could prepare a programmatic ESA Section 7 consultation to address construction, operation, and decommissioning activities.
 - This could greatly improve the efficiencies in the permitting process and consider cumulative impacts of wind energy on protected species.
- Regional Monitoring & Adaptive Management
 - Develop a regional monitoring program and funding mechanism tied to the lease sale to monitor the impacts of OSW energy development and inform adaptive management decisions.
 - Proactive measures and management will help mitigate the effects of offshore wind on trust resources at the local and regional scales.
 - Adaptive management to avoid and minimize unforeseen impacts from OSW development projects.
 - > Learn before doing, not after doing.

Challenges present opportunities for adaptivity. The best prepared work tomorrow is to do good work today.





State Updates Alabama Louisiana Mississippi Texas

Task Force Member Updates

Overview of Next Steps and Closing Remarks

Future Action: Next Few Months

• Next Steps

- $_{\odot}\,$ BOEM participation at IPF
- Provide formal comments on the PSN through <u>www.regulations.gov</u> [docket number BOEM-2024-0017] on or before 11:59 pm ET on May 20th, 2024.
- Final Sale Notice (FSN)
- Proposed Lease Auction



Task Force Meeting Adjourn Return at 10:35 a.m. CT for Public Input Opportunity

Public Input Opportunity

Public Input Opportunity – Participation Guidelines

- To get in the queue to speak, please click the "raised hand" button (icon in the bottom taskbar). The facilitator will call on you.
- For phone participants, dial *9 to Raise Hand to enter the queue once called on by the facilitator, dial *6 to unmute and begin speaking.
- If needed, you can also share comments using the "Q&A pod" in the bottom taskbar. Messages will be read aloud by the facilitation team following the oral comments.



- Provide informal public input opportunity to share thoughts on the Task Force discussions or the issues they are addressing.
- Formal comments on the PSN should be provide through <u>www.regulations.gov</u> [docket number BOEM-2024-0017] on or before 11:59 pm ET on May 20th, 2024



Contact Information

• For any questions, please contact:

Renee Bigner, Renee.Bigner@boem.gov

• For media inquiries, please contact:

- Hillary Mckey, Hillary.Mckey@boem.gov
- John Filostrat, John.Filostrat@boem.gov



Public Input Opportunity – Participation Guidelines

- $_{\odot}\,$ "Honor" the agenda and timing afforded.
- Participate respectfully.
- Speak in order; facilitator will mind the queue.
- Provide your name and affiliation before you speak.
- Speak clearly into the mic/phone for others to hear you.



THANK YOU!