

BOEM Virtual Meeting

Gulf of Maine Proposed Sale Notice & Research Lease Update

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May 23, 2024

Focus for Today

- Research Lease Update
- Renewable Energy Authorization Process
- o Where are we, and how did we get here?
- Proposed Sale Notice
 - Lease area attributes
 - Lease Stipulations
 - Bidding Credits
- Public Meeting Schedule and Next Steps
- Questions & Answers



Gulf of Maine Engagement Meetings – Spring 2024

Meeting Guidelines

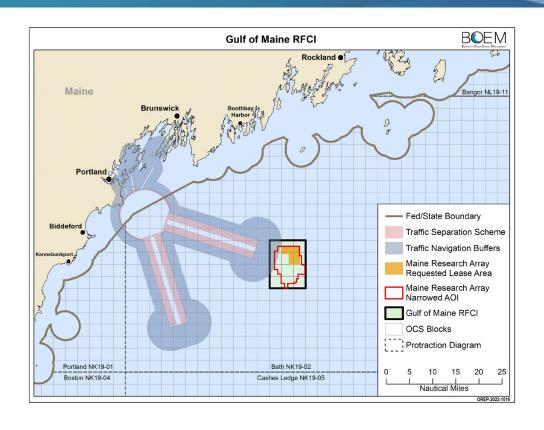
- Share the floor
 - o We're a big group!
- Respect different views
 - It's OK to bring different perspectives. Show others the respect you'd want people to show you

Also, we're all together in a public meeting. Let's keep basic decorum, just like in a Fisheries Council meeting. No profanity, no threats, etc.



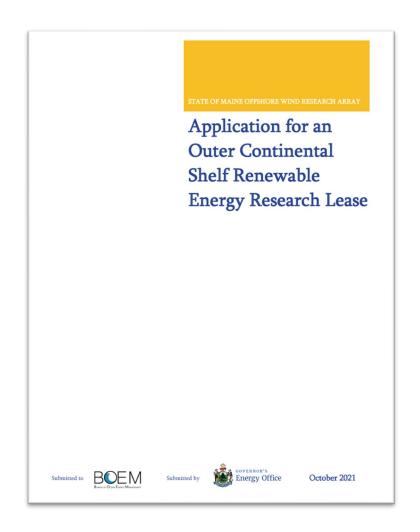
Maine Research Lease: Process

- October 1, 2021 Application received from Maine
- August 19, 2022 Request for Competitive Interest (RFCI) issued by BOEM
- March 20, 2023 Determination of No Competitive Interest in the RFCI is published enabling leasing negotiations to begin
- July 19, 2023 Draft Environmental Assessment for the Research Lease RFCI Area is published
- Summer 2024 Target for Lease Execution



Maine Research Lease

- Represents an opportunity for the State of Maine to conduct the research outlined in their application:
 - Fisheries
 - Ecosystem and Environment
 - Navigation
 - Socioeconomic Impacts on Coastal Communities
 - Workforce Development
 - Technology Development
 - Research Consortium



What is a Research Lease?

	Research Lease	Commercial Lease
Who can acquire the lease?	Federal agency or a State (585.239)	Commercial entities qualified with BOEM per 585.107.
How is a lease issued?	Non-competitively, after determining a lack of competitive interest	Competitively, after determining competitive interest
What fees are paid?	No fees (rent or operating fees) charged	All applicable fees under the regulations apply.
How is the lease language developed?	The lease is a negotiation between BOEM and the head of the Federal agency or the Governor of a requesting State	A lease is developed by BOEM and offered to the lessee



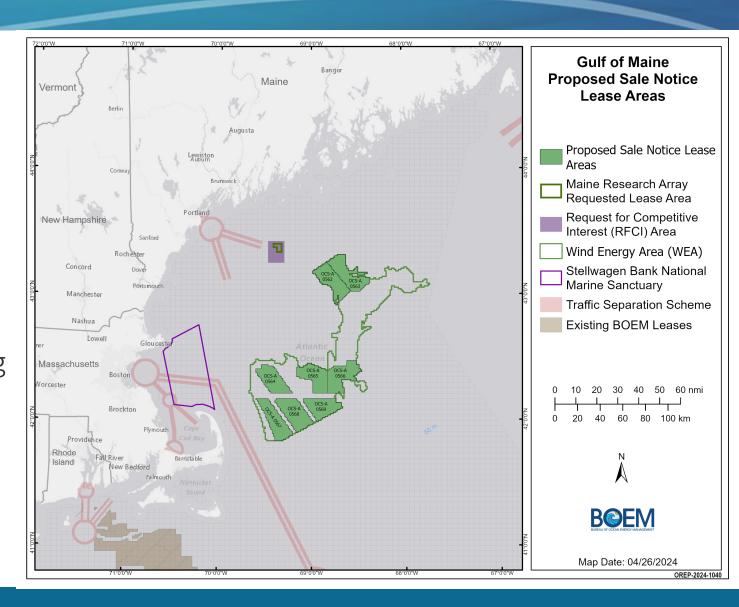
Research Lease: Next Steps

- BOEM expects to complete a Final Environmental Assessment in May.
 - Examines the impacts of lease issuance (Site assessment and characterization)
- Once the EA is complete, BOEM will be able to offer the lease to the state for review.
- When BOEM and Maine agree on the lease, both parties will sign the lease and it will become effective
 - Expected Summer 2024



Proposed Sale Notice (PSN)

- On April 30, 2024, the Interior
 Department <u>announced</u> its proposal for a first offshore wind energy auction in the Gulf of Maine.
- The PSN published in the <u>Federal</u>
 Register on May 1, 2024, initiating a
 60-day public comment, which closes
 on July 1, 2024.
- Individuals may comment by navigating to Regulations.gov and searching for BOEM-2024-0026, or by attending one of the BOEM public meetings on the PSN.

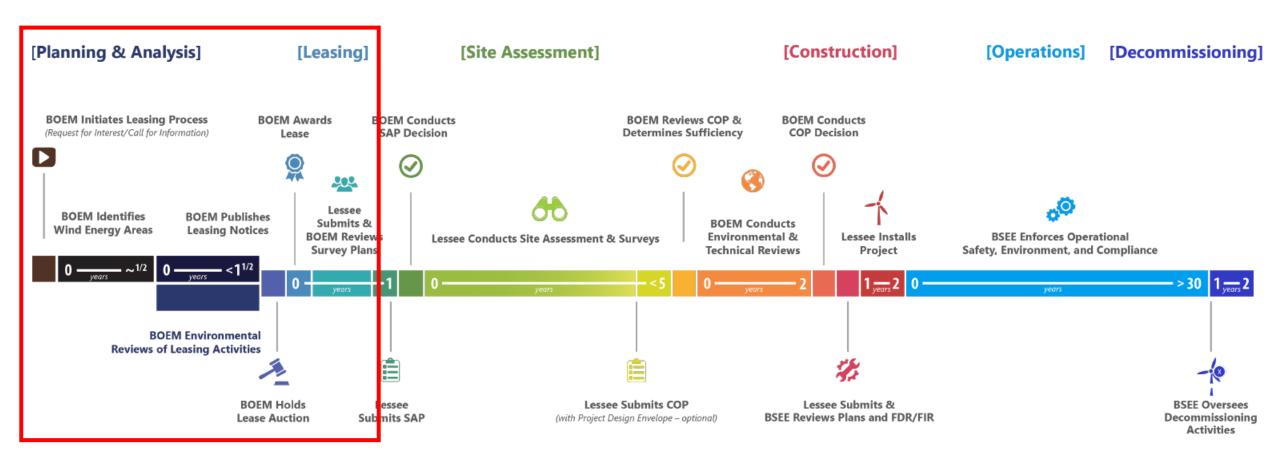


Presentation Table of Contents

- Renewable Energy Authorization Process
- Gulf of Maine Planning Process (from Planning Area to PSN Lease Areas)
- PSN Lease Stipulations
- PSN Auction Format & Bidding Credits
- PSN Public Meetings
- PSN Overlay Maps
 - Distance from shore, HVAC vs. HVDC, depth characterization
 - AIS vessel traffic, USCG MNMPARS, National Security
 - Avian Considerations
 - Fishing Industry
 - North Atlantic Right Whale
 - Habitat
 - Biomass
 - NMFS Surveys
- Energy Density Estimates
- New 5-Year Renewable Energy Leasing Schedule



Renewable Energy Authorization Process

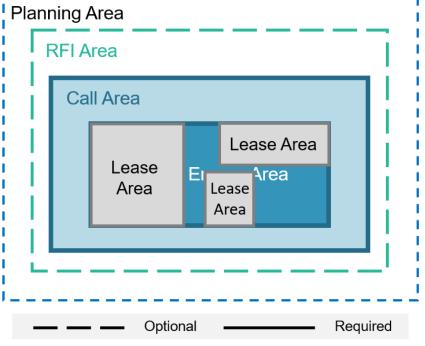






Gulf of Maine Planning & Leasing Process





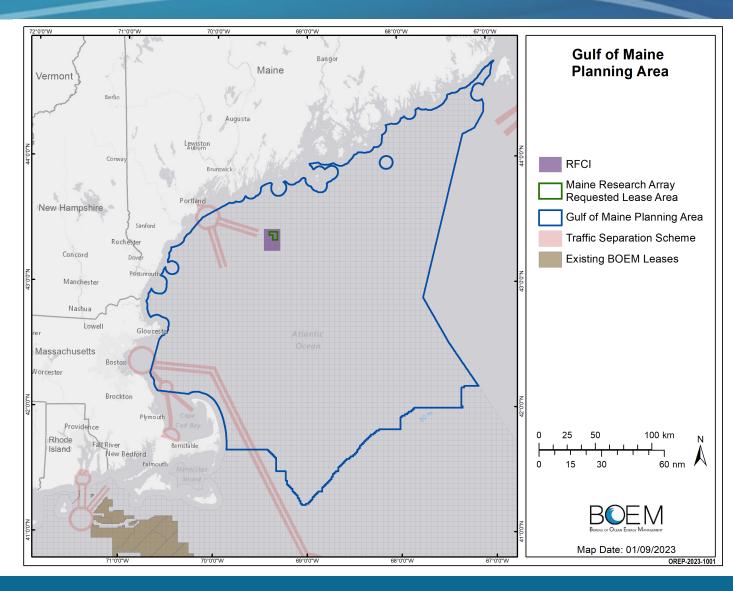




Planning Area

Planning Area Proposed Lease Areas Proposed Lease Areas

- Preliminary and optional step in the BOEM Planning Process
- Shared Planning Area and Draft RFI Area at the <u>May 2022 Task Force</u> meeting







Request for Interest (RFI) Area

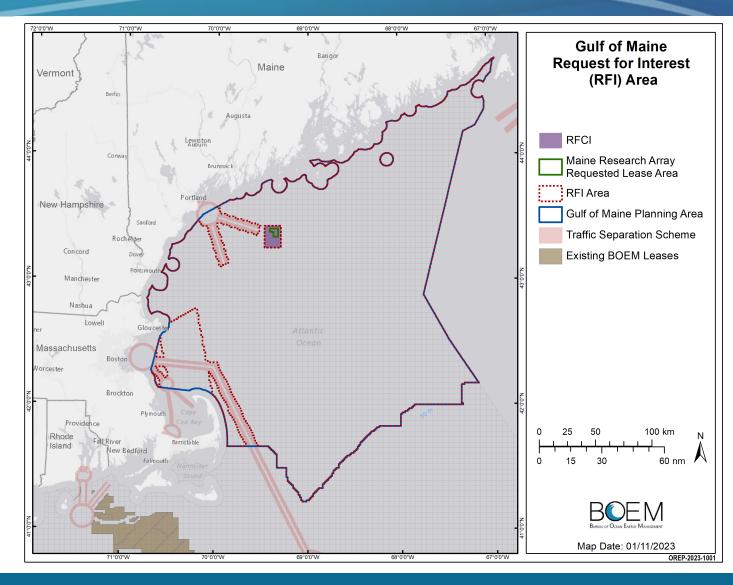


Published RFI on August 19, 2022

 45-day comment period closed October 3, 2022

RFI Area excluded "incompatible areas"

- National Park System, National Wildlife Refuge System, National Marine Sanctuary System, or any National Monument (§585.204)
- Existing Traffic Separation Schemes (TSS), fairways, or other internationally recognized navigation measures
- Unsolicited lease request areas that are the subject of a separate request for competitive interest



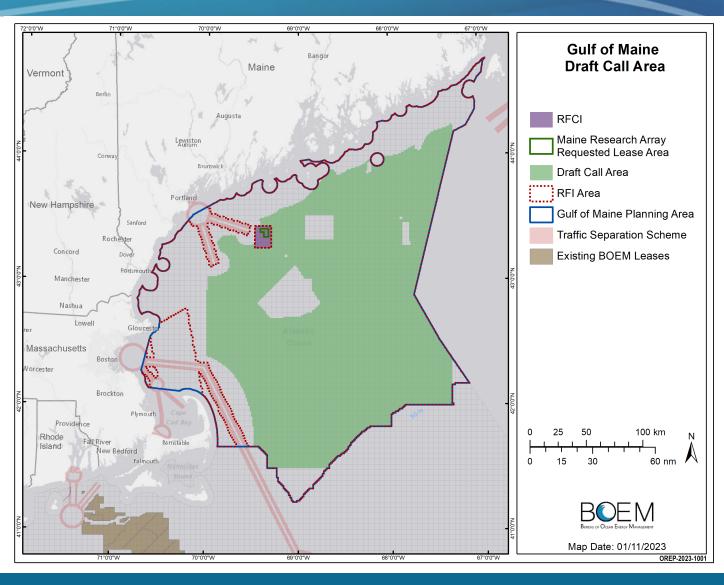




Draft Call Area



- BOEM reviewed responses to RFI and worked with NOAA NCCOS to conduct spatial analysis to inform Draft Call Area
 - 27% reduction from RFI Area
- BOEM held a series of in-person and virtual <u>meetings</u>.



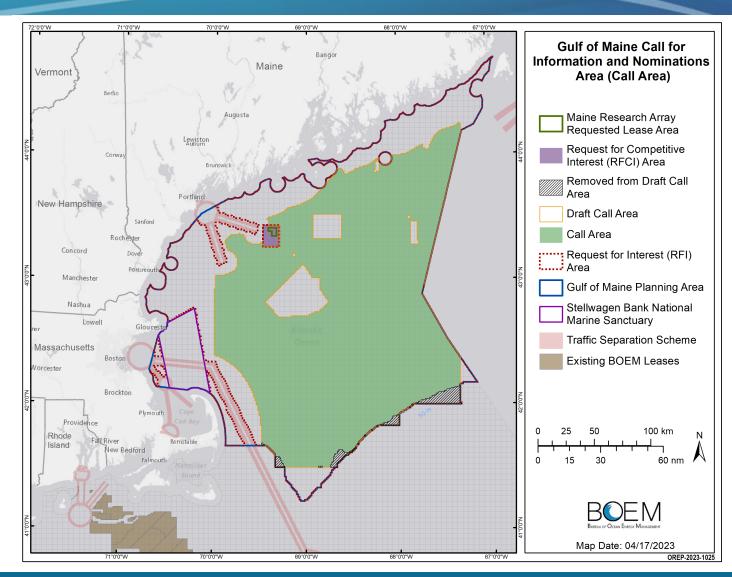




Final Call Area



- The Final Call Area was published on April 26, 2023
 - 45-day public comment period (closed June 12, 2023)
- BOEM removed areas from the southern edge of the Call Area to better avoid Georges Bank
- BOEM held a <u>Task Force meeting</u> (<u>May 2023</u>) and invited public comment on, and assessed interest in, possible commercial wind energy development in areas within the Call Area.



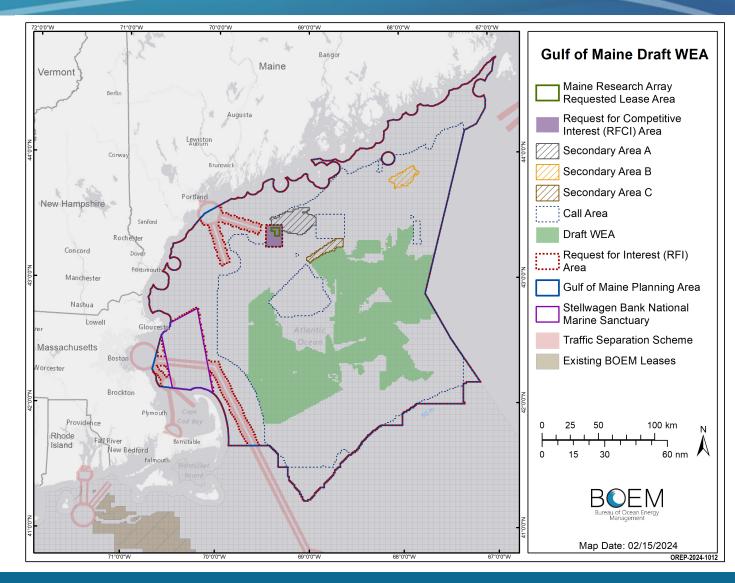




Area ID: Step 1 (Draft WEA)



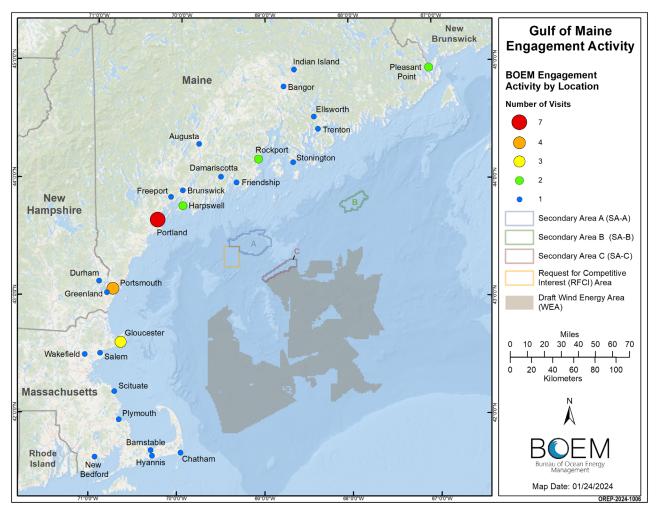
- Draft WEA was published on October 19, 2023—opening a 30-day public comment period (closed November 20, 2023)
- ~3.5 million acres, representing a 64% reduction from the Call.
- Request for Comment
 - Explained the Draft WEA and Secondary Areas
 - Asked questions about:
 - Relative developability of different areas
 - Phased leasing
 - Fishing gear used, migration patterns of fish, protected species
- Draft NCCOS Report: Wind Energy Siting Analysis
 - Modeling methodology
 - Model performance across different resource groups/stakeholder interests
- Public Meetings
 - BOEM held public meetings in <u>July 2023</u> on the NCCOS model and underlying data, before holding additional meetings in <u>October 2023</u> on the Draft WEA



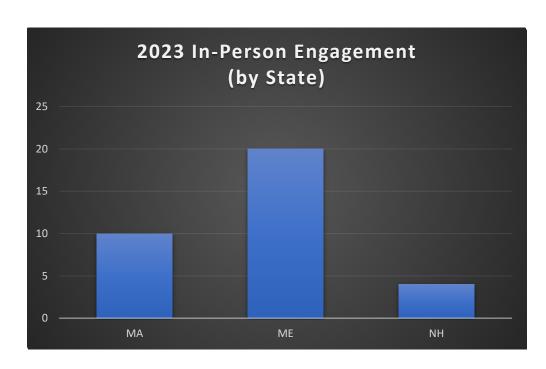




2023 Gulf of Maine Engagement



Engagement in the map spans 2019-2023; however, all but 5 meetings took place in 2023



Specific to the Draft WEA, we held 7 meetings in ME, 6 in MA, 2 in NH



Area ID: Step 2 (Final WEA)

Planning Area

Planning Area

Draft Call Area

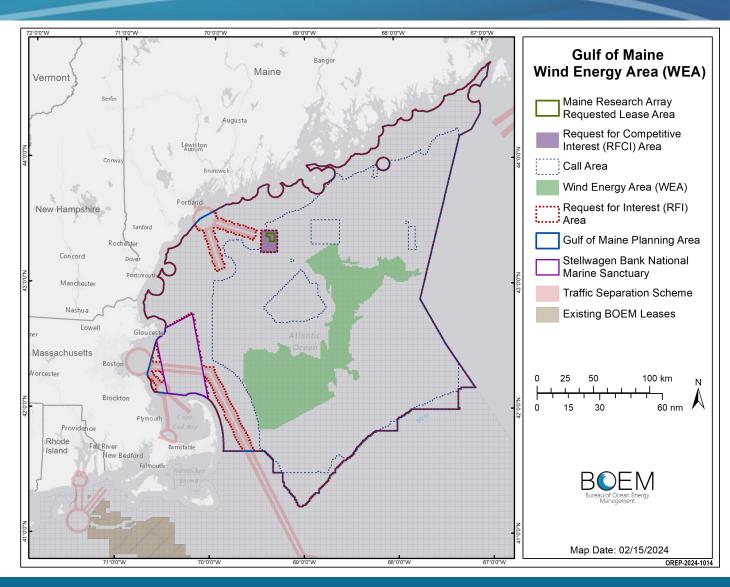
Final Call Wind Energy Areas

Final Wind Energy Areas

Final Wind Energy Areas

Final Wind Energy Areas

- Area ID Memo: published March 15, 2024
- ~2 million acres (~80% reduction from Call Area; 43% reduction from Draft WEA)
 - Combined capacity of 32 gigawatts (4 MW/km2)
 - Exceeds area/capacity needed for regional offshore wind goals (13-18 gigawatts)
 - Area allows for additional deconfliction
 - Could support multiple GoME Lease Sales
- BOEM worked with NCCOS to run a revised suitability model on the Draft WEA
 - Removed Secondary Areas A & B, included most of C
 - Constrained
 - Area representing top 10% of revenue for the multispecies groundfish (VTR)
 - 5-mile buffer around Cashes Ledge Groundfish Closure/HMA
- Geographic diversity
 - Includes areas that are potentially HVAC compatible (within ~75 mi of a POI) for both MA and ME
 - Avoids several key fishing grounds and important areas of North Atlantic Right Whale Critical Habitat, Tribal fishing grounds







Proposed Sale Notice (PSN)



Area summary:

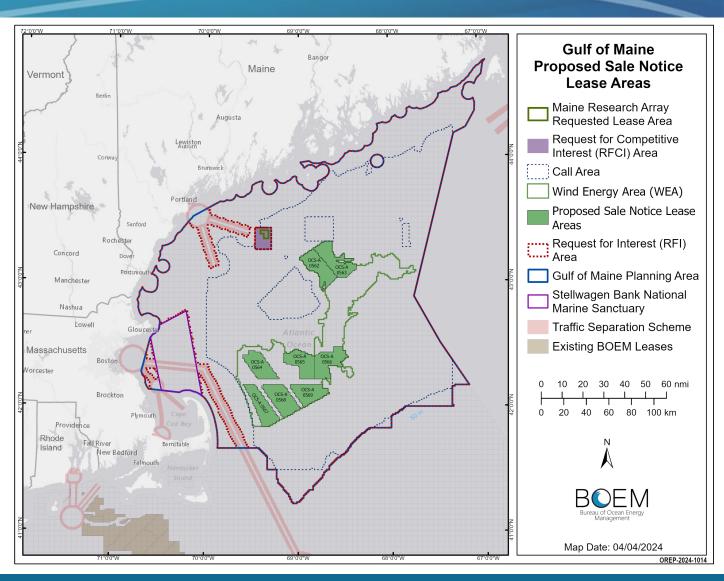
- 8 Leases
- 969,999 acres (944,422 "developable" acres)
- ~50% reduction from the Final WEA;
 ~90% reduction from the Call Area
- Average lease size: 121,250 acres
- Combined capacity of 15 gigawatts (4 MW/km2)
- Within range of the regional offshore wind goals (13-18 gigawatts)

Geographic diversity

 Includes areas that are potentially HVAC compatible (within ~75 mi of a POI) for both MA and ME

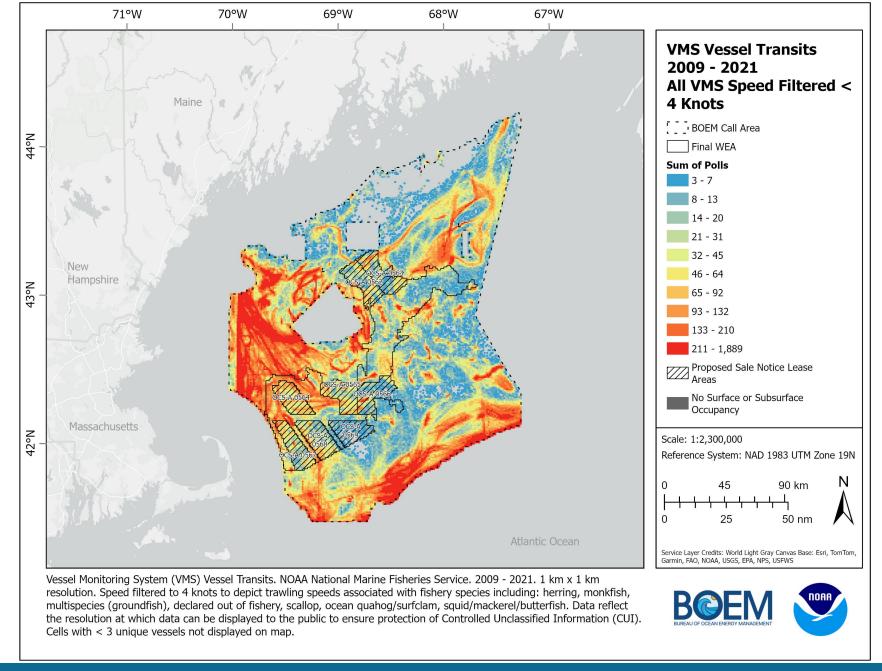
Areas avoided from Final WEA:

- Several heavily utilized areas for groundfish fishery
- 3 transit corridors in southern region of WEA
- Mayo Swell; Rogers Swell (important fishing/habitat areas)
- Areas furthest offshore and likely most expensive to develop







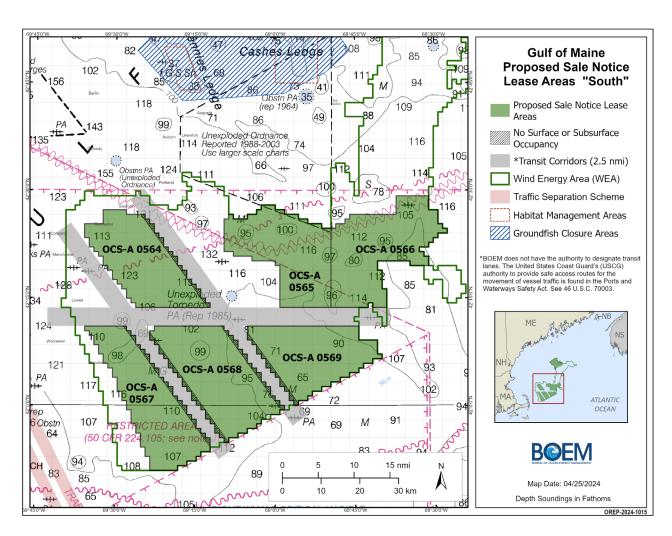






PSN: Lease Stipulations

- Minimal changes from Central Atlantic
- Areas of no surface/subsurface occupancy in the southern region of the Final WEA.
 - facilitate existing transit (three 2.5 nm corridors).
- "Good Neighbor" stipulation
 - neighboring leases must maintain 2 common lines of orientation (WTG layout) or have a setback from the lease boundary.
- o PSN Questions:
 - Transit
 - Baseline monitoring for marine mammals/habitat







Gulf of Maine Engagement Meetings – Spring 2024

Meeting Guidelines

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- Respect different views
 - It's OK to bring different perspectives. Show others the respect you'd want people to show you

Also, we're all together in a public meeting. Let's keep basic decorum, just like in a Fisheries Council meeting. No profanity, no threats, etc.





BOEM Virtual Meeting

Lease Stipulations and Bidding Credits

Zach Jylkka and Emma Chaiken May 23, 2024

PSN: What does a lease do?

- Offers the exclusive right to the lessee to submit plans to BOEM that propose work on the lease.
 - Survey Plans, SAP, COP
 - NO construction authorization
- The lease is broken into sections, highlights include:
 - Main body
 - Addendum A location and activities
 - Addendum B LEASE TERM AND FINANCIAL SCHEDULE
 - Lease length, rent and operating payments
 - Addendum C LEASE-SPECIFIC TERMS, CONDITIONS, AND STIPULATIONS

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF OCEAN ENERGY
MANAGEMENT

COMMERCIAL LEASE OF SUBMERGED LANDS FOR RENEWABLE ENERGY DEVELOPMENT ON THE OUTER CONTINENTAL SHELF

Paperwork Reduction Act of 1995 statement: This form does not constitute an information collection as defined by 44 U.S.C. § 3501 et seq. and therefore does not require approval by the Office of Management and Budget.

PSN: Addendum C Highlights

Reporting - Enhanced Engagement

- Communication Plans for fisheries, Tribes, and agencies
- Progress Report every 6 months providing:
 - Summary of engagement with all affected ocean users, Tribes, stakeholders (including underserved communities)
 - Efforts to invest or direct benefits to, OR avoid, minimize, or mitigate conflict with, ocean users, Tribes, and stakeholders
 - Planned next steps to engage with ocean users, Tribes, and stakeholders
 - Progress Reports posted on BOEM website



PSN: Addendum C Highlights continued

Survey Plans

Must submit plans for review prior to activities.

Protected Species

- Ensures that project activities comply with statutes related to protected species
 - Resulting from consultations with federal family resource agencies

Project Labor Agreements

 Must make every reasonable effort to enter a PLA for construction

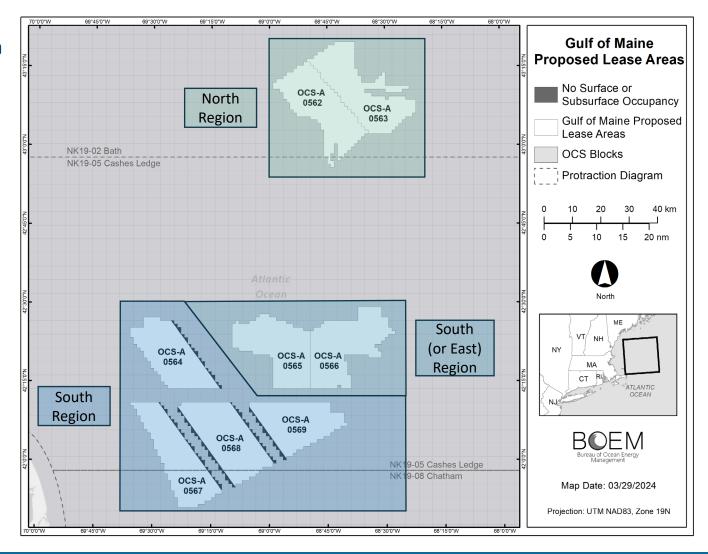
Bidding Credit

Details and commitments



PSN: Auction Format

- As proposed, a bidder can win a maximum of <u>two</u> South Region leases, or <u>one</u> North Region lease and <u>one</u> South Region lease.
 - Supports competitive bidding and States' desire for a competitive offtake procurement process.
 - BOEM is soliciting public comment on the proposal, as well as an alternative structure that includes three regions.
 - Under this alternative, bidders could win a maximum of <u>two</u> leases, with a limit of <u>one</u> per region.
- Multiple-factor auction format.
 - The bidding system will be a combination of monetary (75%) and non-monetary factors (25%).
 - The proposed minimum bid is \$50 per acre.

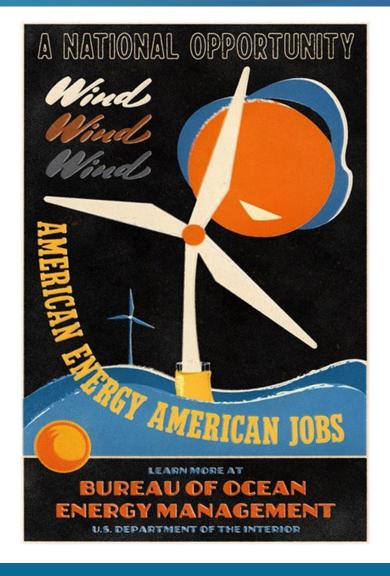






PSN: Bidding Credits

- Bidders may receive bidding credits up to 25% in exchange for committing to a qualifying monetary contribution to programs or initiatives supporting offshore wind.
 - The proposed bidding credits are the same as those offered in GOMW-1, although the individual credit percentages may vary.
 - Bidding credits are calculated as a percentage of the bid.







PSN: Bidding Credits

Two bidding credits are proposed:

- 1. 12.5% bidding credit for a commitment to invest in programs that will advance <u>U.S. floating offshore wind energy workforce training and/or supply chain development.</u>
 - The credit is intended to incentivize investments that would not occur otherwise.
 - Includes investments in port infrastructure related to component manufacturing and assembly areas for offshore wind construction and deployment (e.g., foundations, turbine components).
- 2. 12.5% bidding credit for establishing or contributing to a <u>Fisheries Compensatory Mitigation Fund.</u>
 - BOEM encourages lessees to work together to establish or contribute to a single regional fund









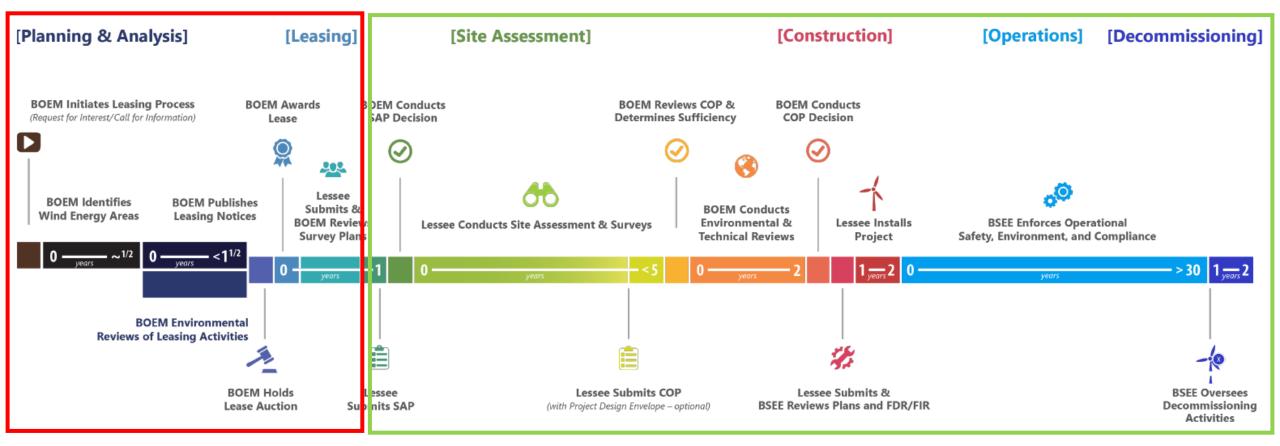
BOEM Virtual Meetings

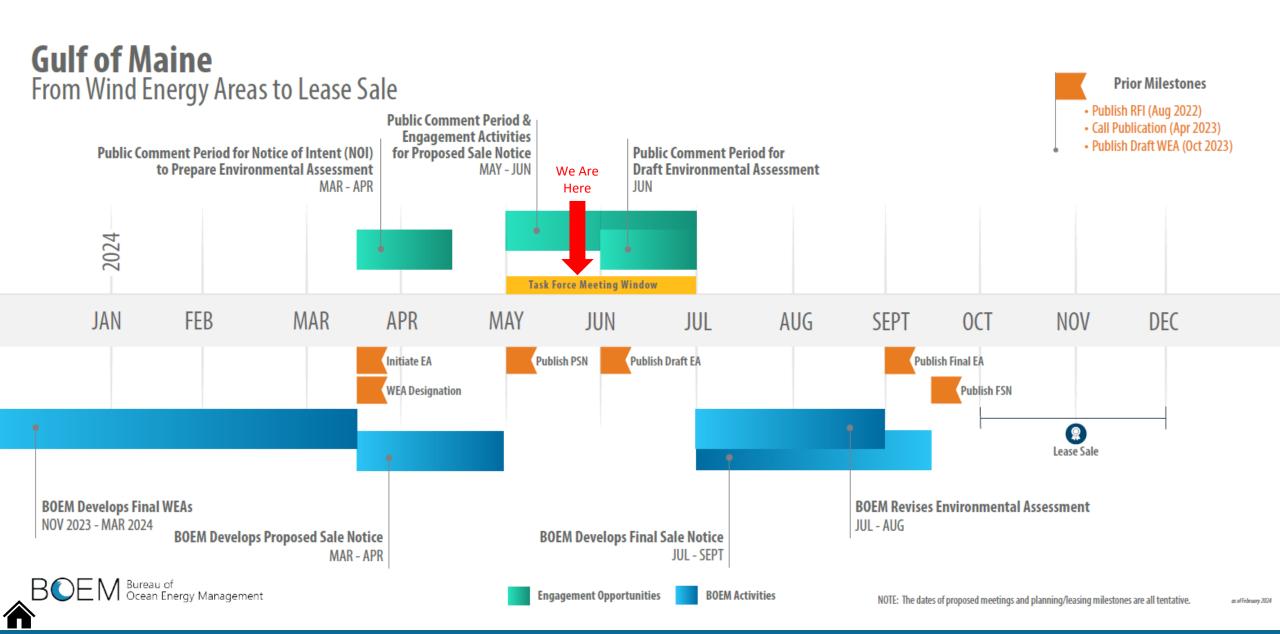
Next Steps

Renewable Energy Authorization Process

Pre-Lease Issuance

Post-Lease Issuance







PSN: Public Meetings (In-Person)

- For the most up-to-date public meeting information, see <u>BOEM's website</u>.
- Open House Portland, Maine
 - o Date: Tuesday, May 28, 2024
 - o Time: 5-8pm
 - Location: Holiday Inn Portland-by the Bay (88 Spring Street Portland, ME 04101
- Open House Portsmouth, New Hampshire
 - Date: Wednesday, May 29, 2024
 - o Time: 5-8pm
 - Location: Urban Forestry Center (45 Elwyn Rd, Portsmouth, NH 03801)
- Open House Danvers, Massachusetts
 - o Date: Thursday, May 30, 2024
 - o Time: 5-8pm
 - Location: DoubleTree by Hilton, North Shore (50 Ferncroft Rd, Danvers, MA 01923)
- Task Force Meeting Plymouth, MA
 - Date: Friday, May 31, 2024
 - Time: 8:30am-4:30pm
 - Location: Hotel 1620 (180 Water St, Plymouth, MA 02360)





PSN: Public Meetings (Virtual)

- For the most up-to-date public meeting information, see <u>BOEM's website</u>.
- General Public
 - o Date: Thursday, May 23, 2024
 - o Time: 6-8pm
- Commercial Fishing (Mobile & Fixed Gear)
 - o Date: Thursday, June 6, 2024
 - o Time: 5-7pm
- Recreational Fishing and Highly Migratory Species
 - Date: Tuesday, June 11, 2024
 - o Time: 5-7pm
- Environmental Non-Governmental Organizations (eNGOs)
 - o Date: Monday, June 10, 2024
 - o Time: 1:30-3:30pm
- Commercial Maritime (Shipping)
 - o Date: Monday, June 10, 2024
 - o Time: 4-6pm

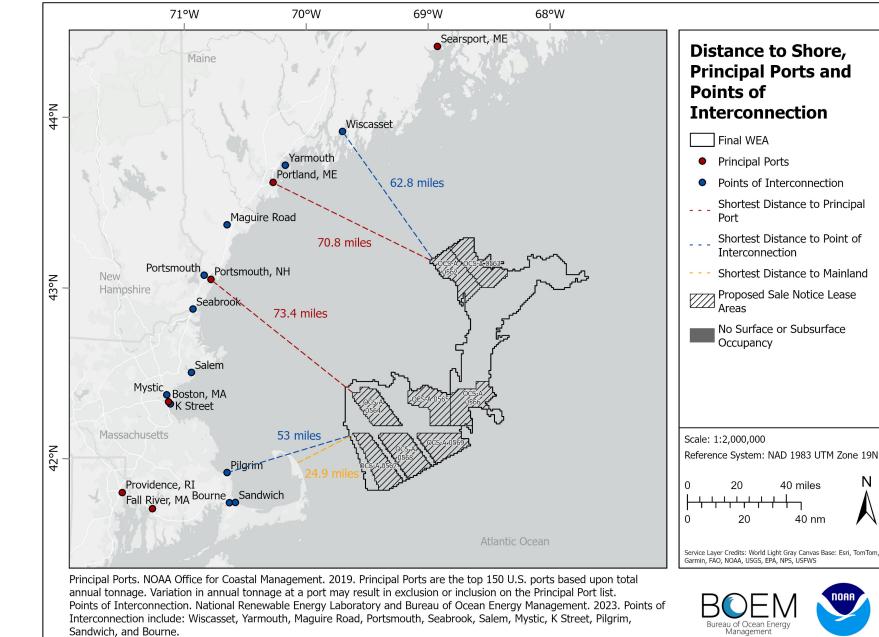








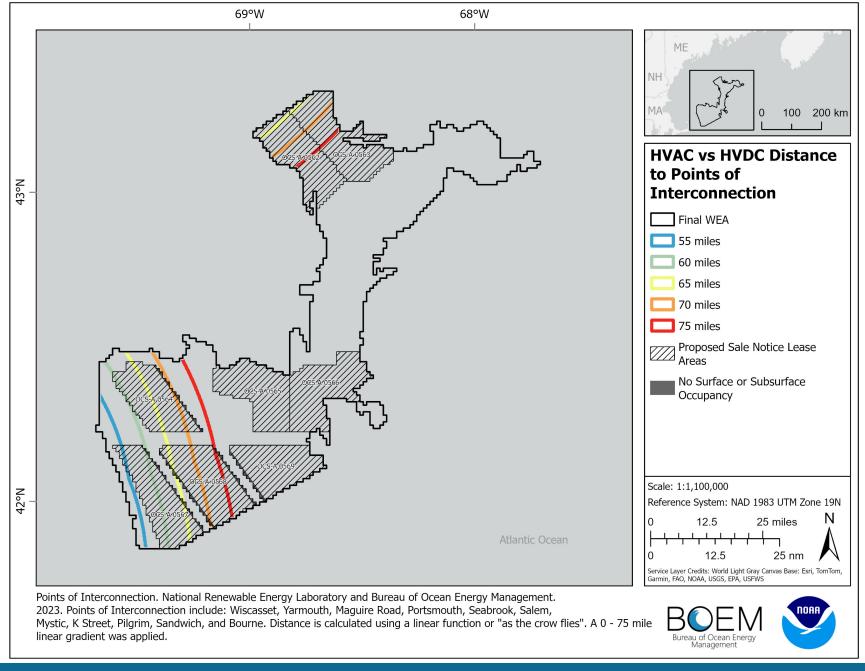
Zach Jylkka | Zachary.Jylkka@boem.gov | (978) 491-7732





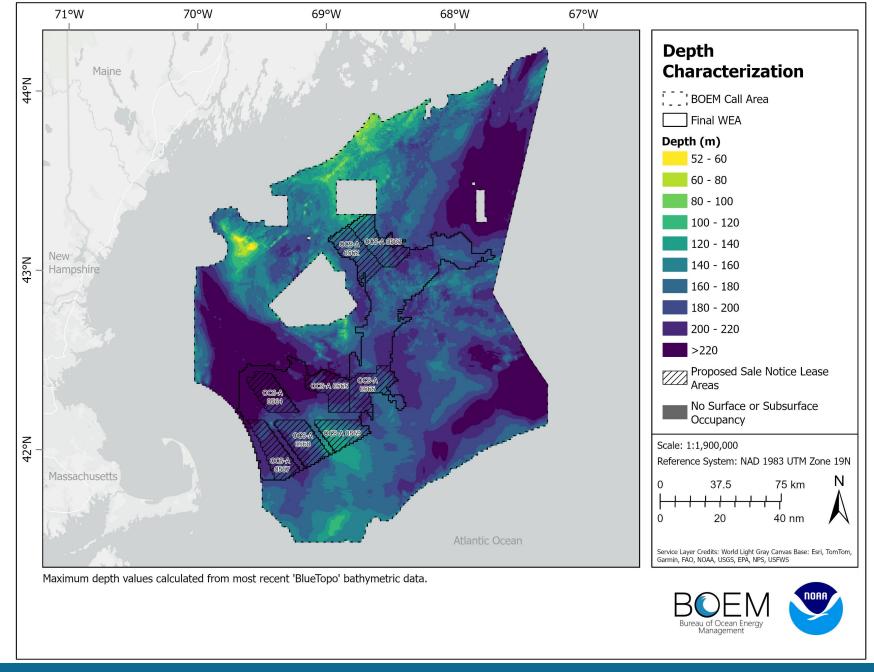






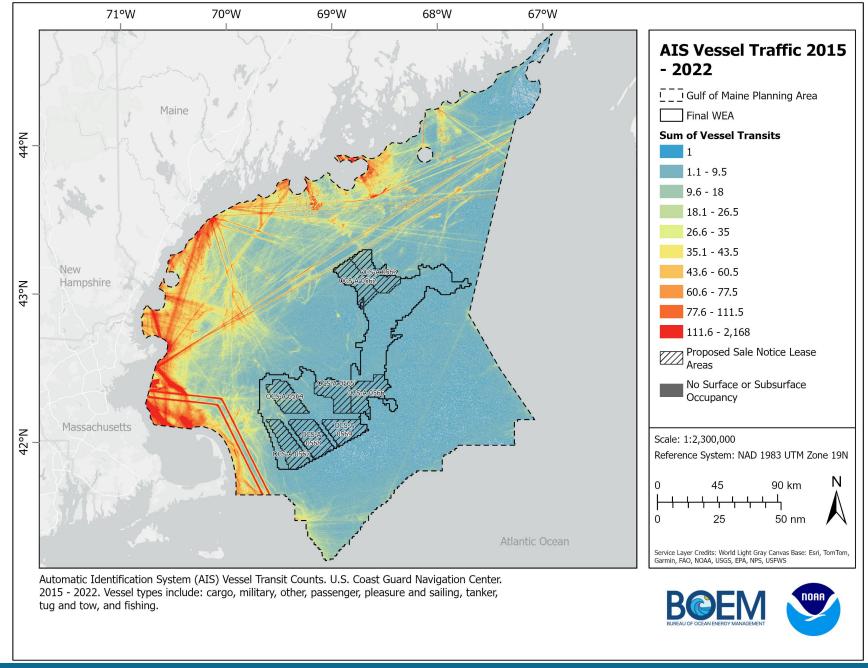






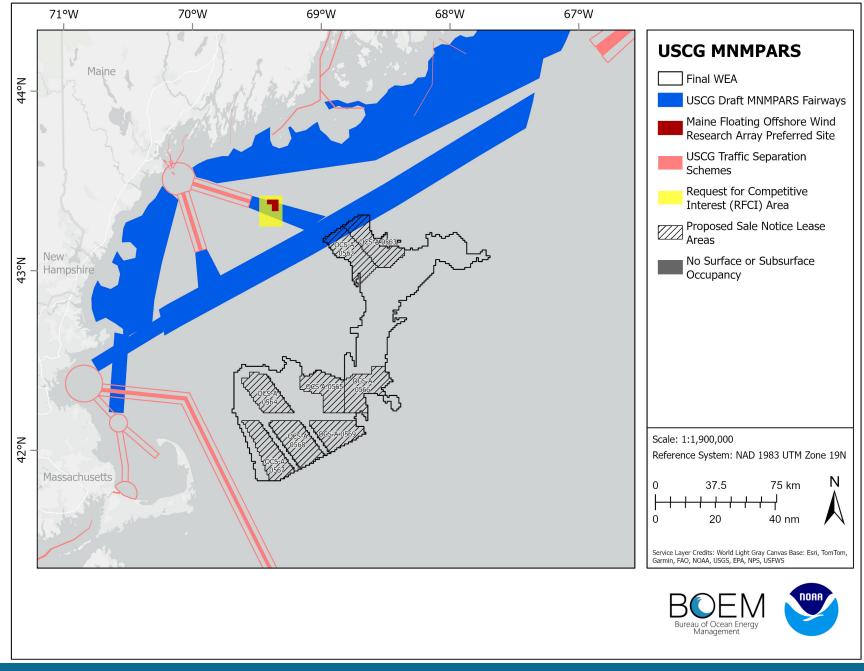






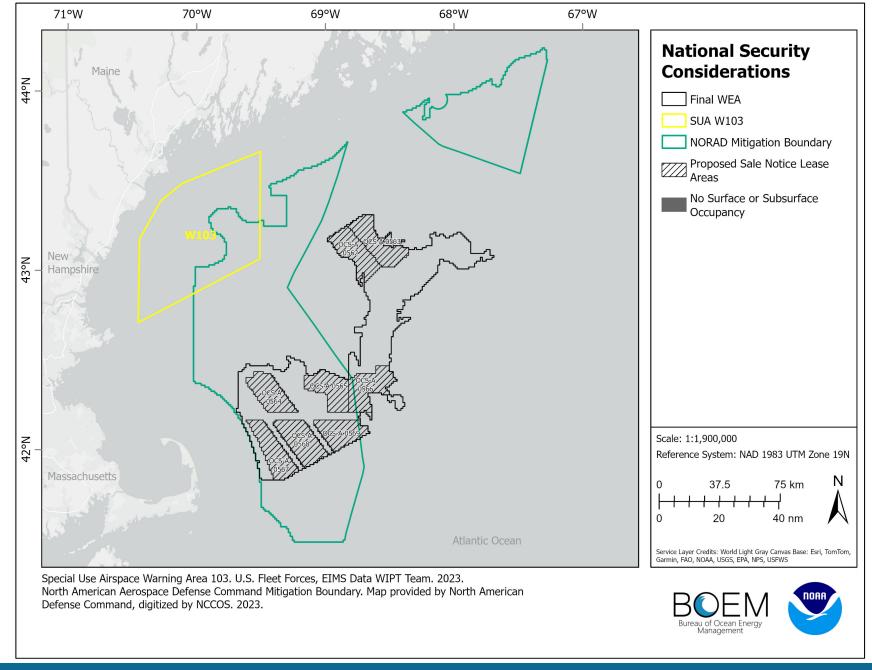






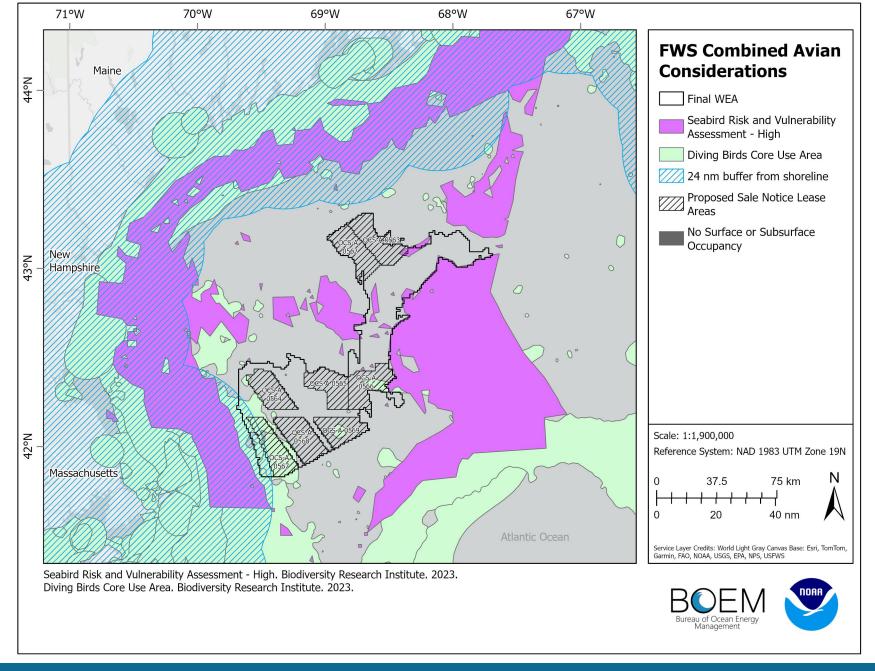






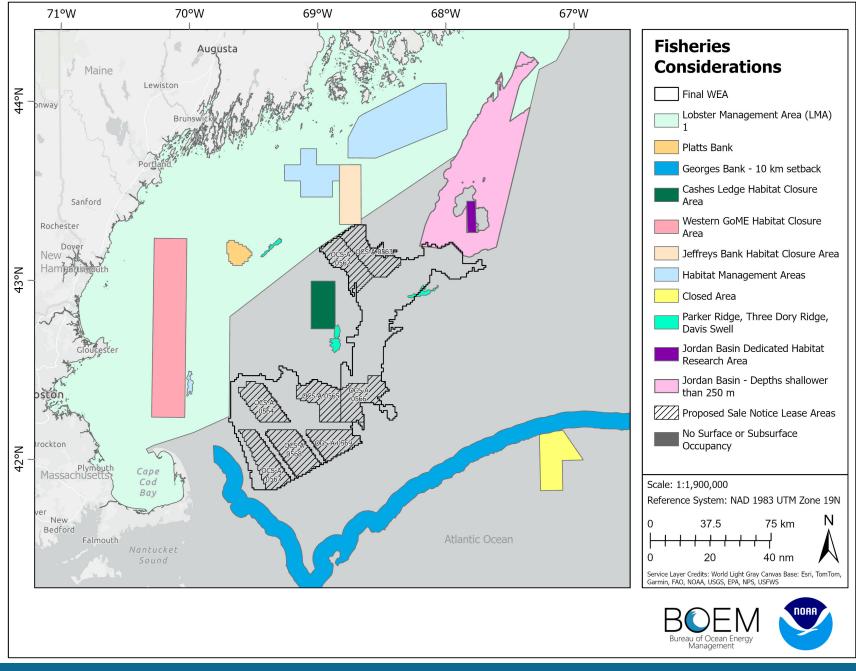






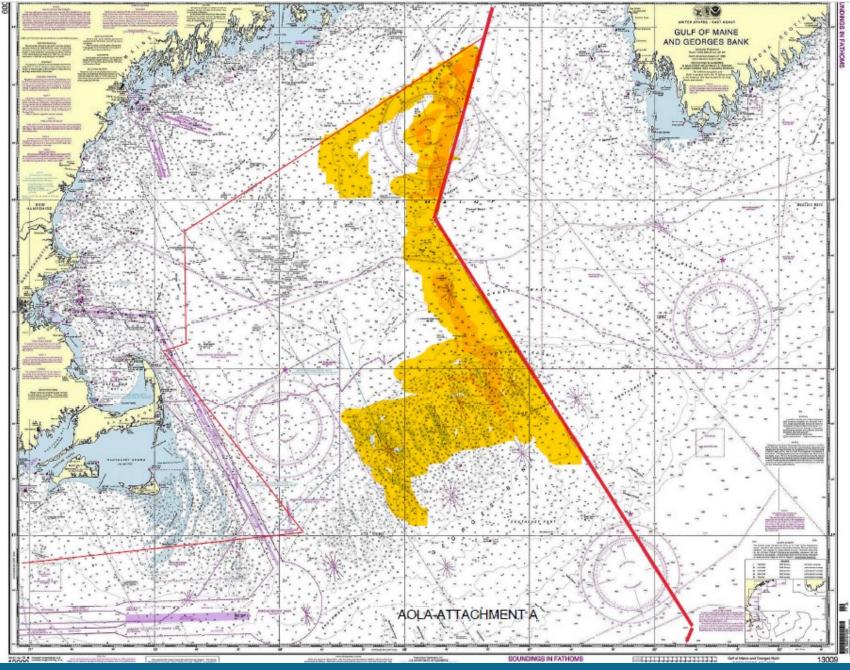






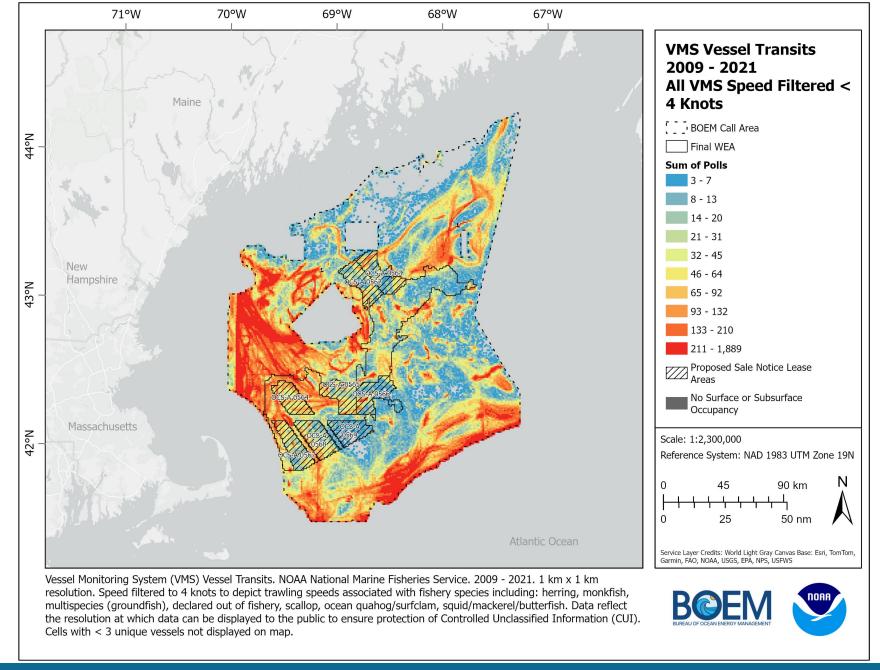






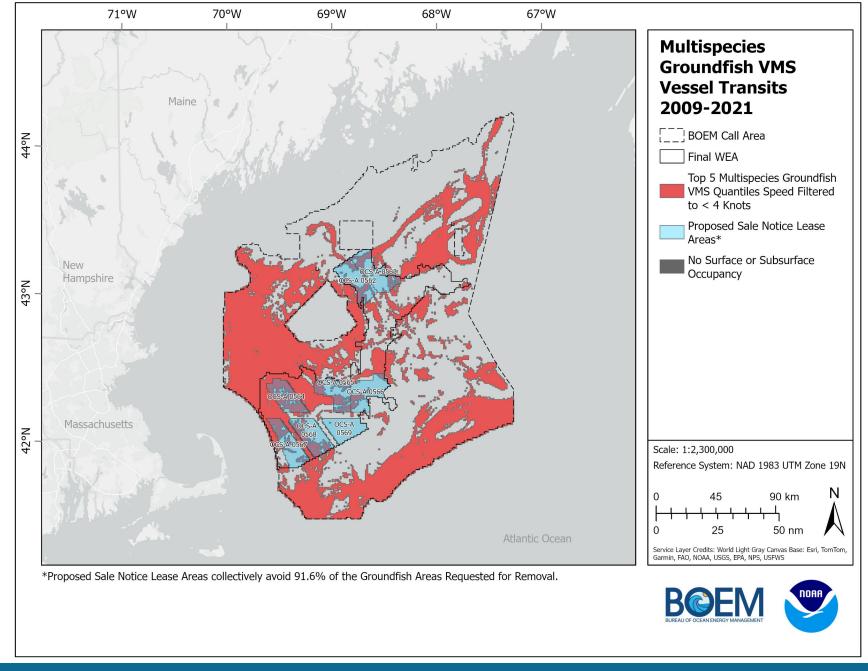






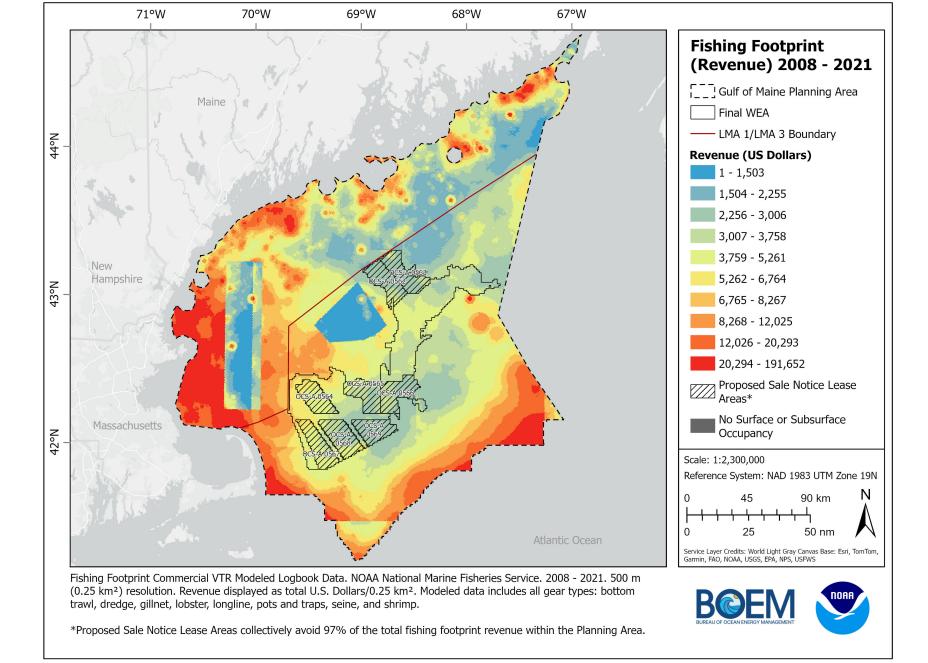






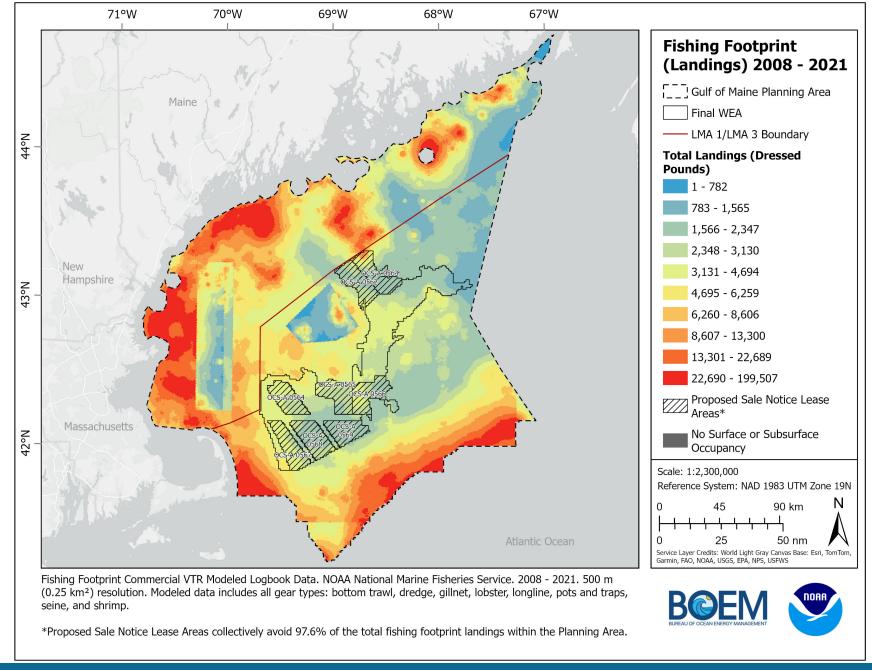






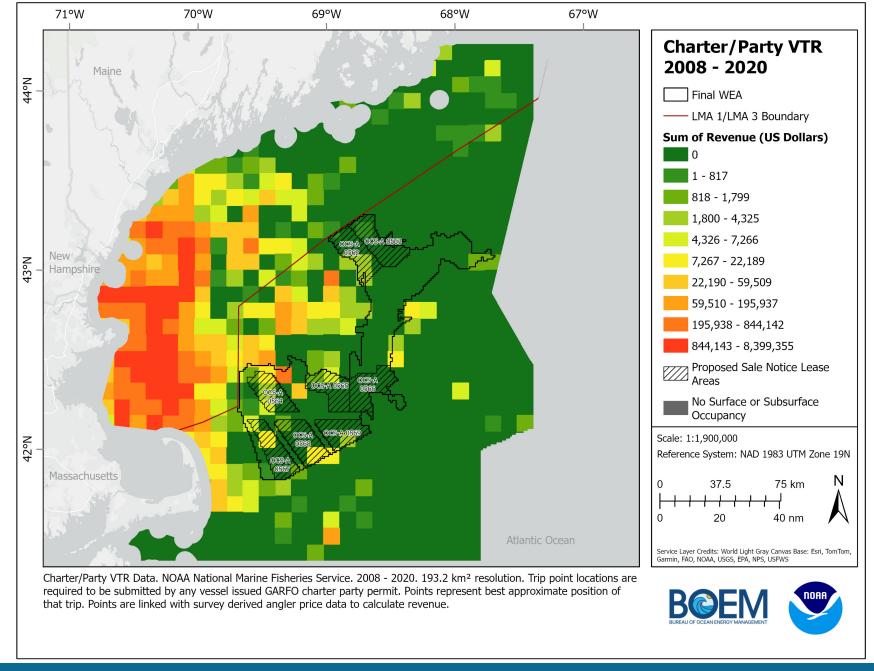






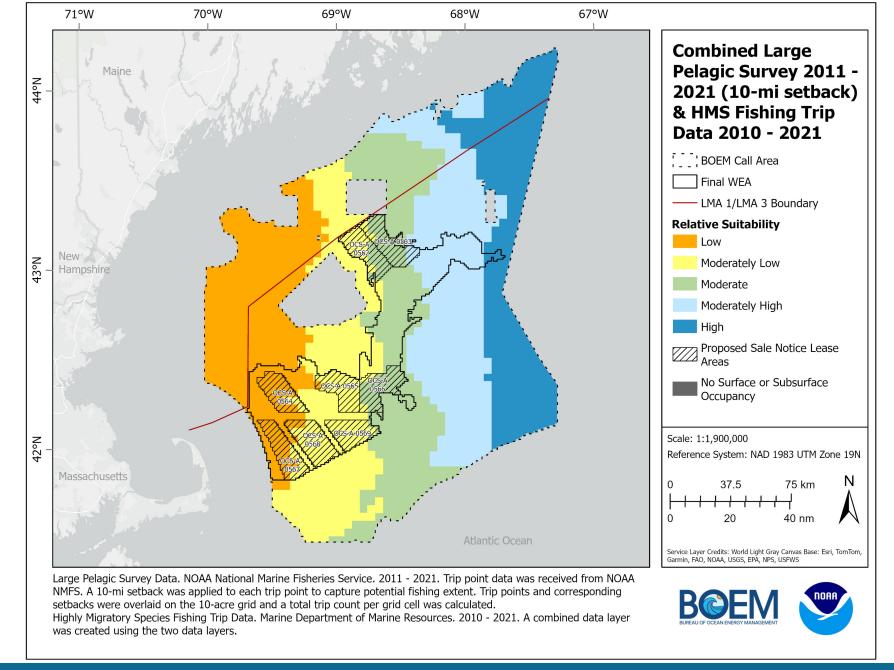






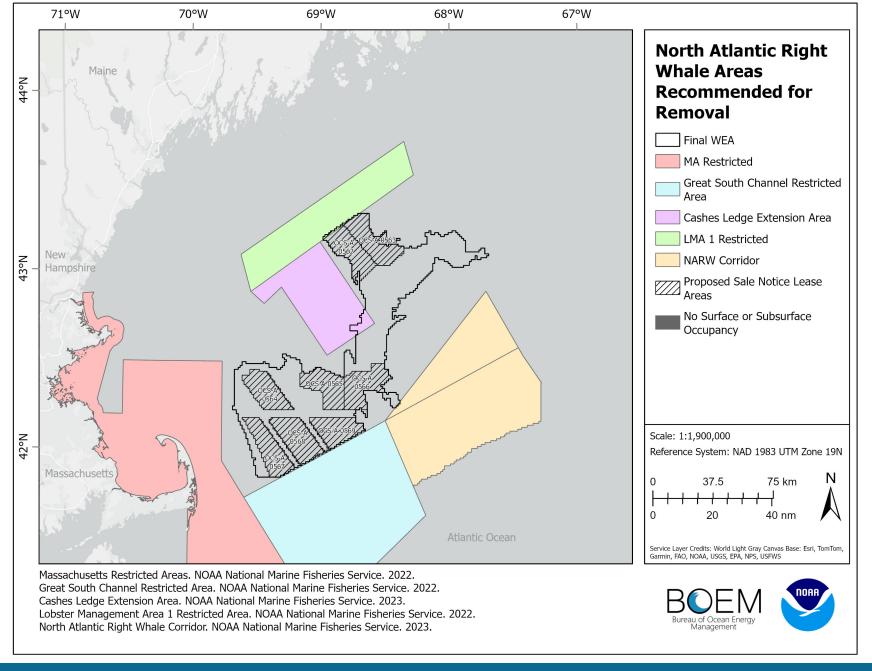






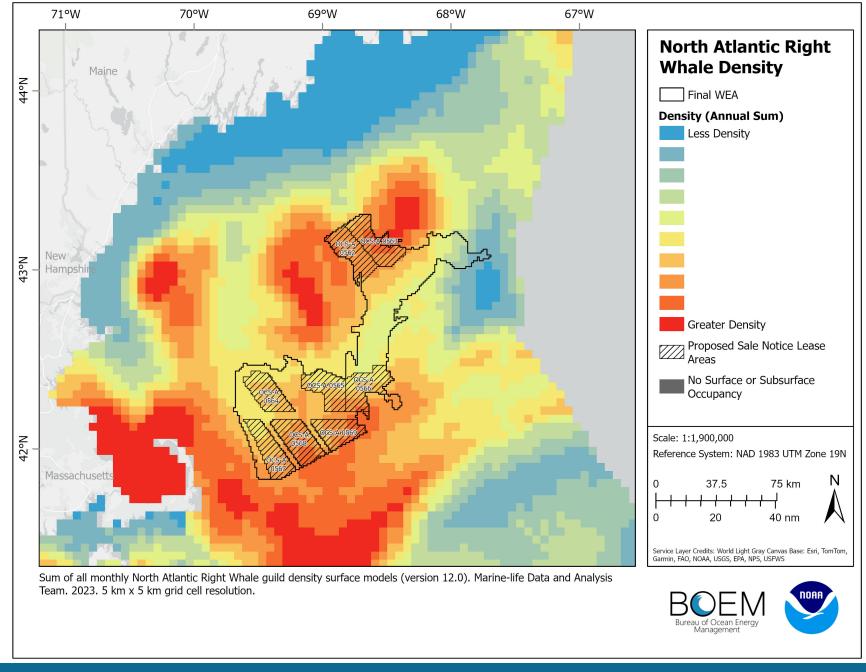






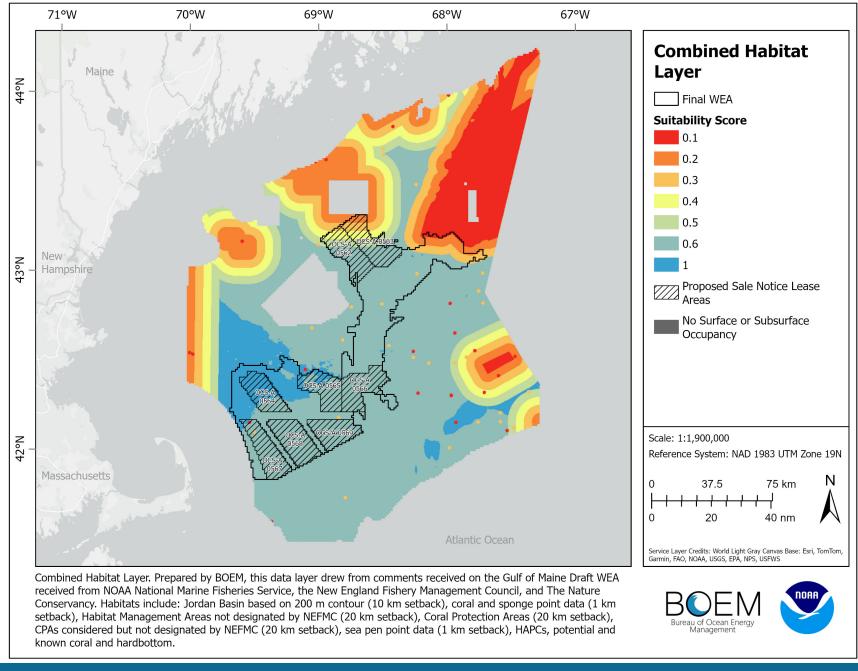






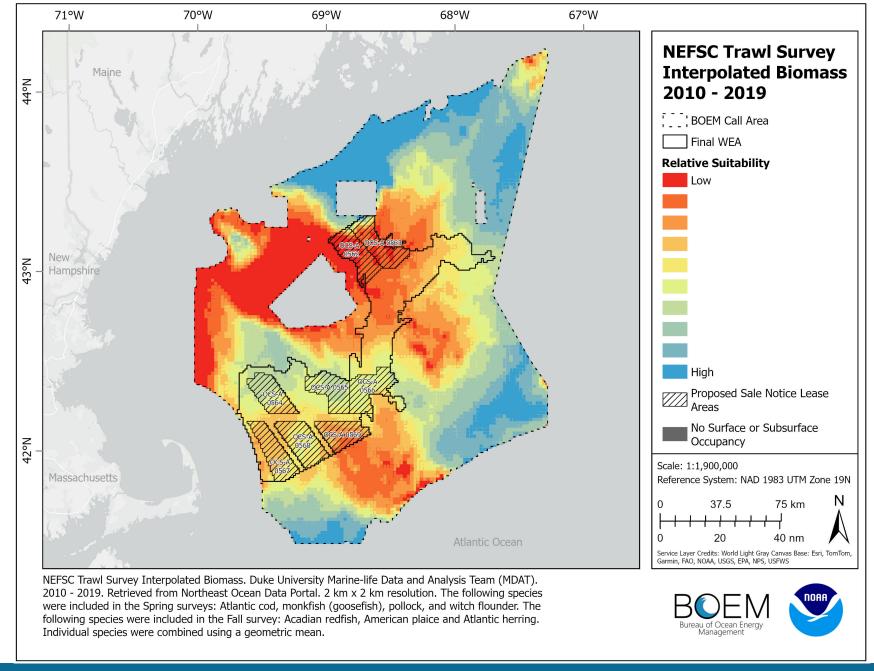






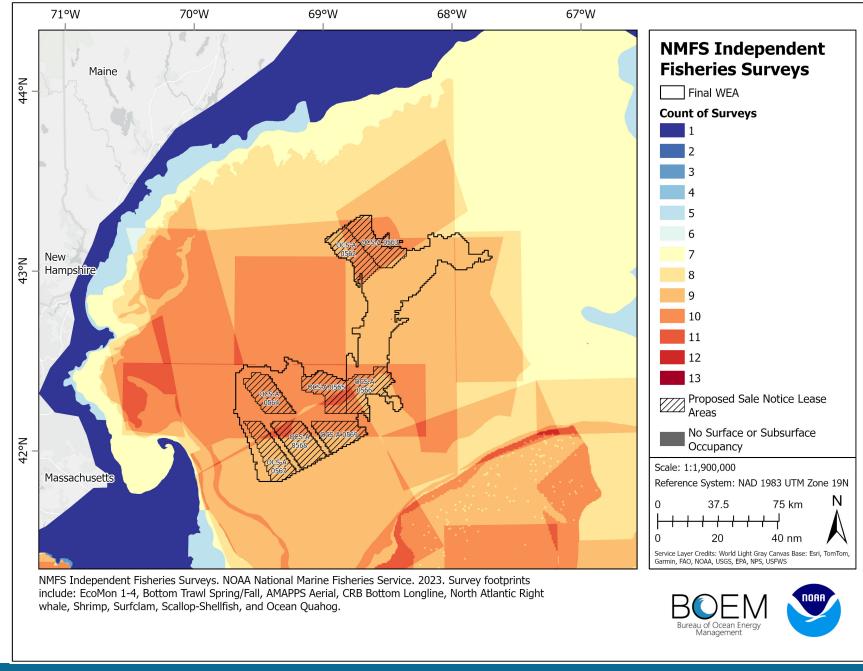
















Renewable Energy Goals: How many acres are needed?

- Planning and Analysis phase is based on winnowing – starting large, receiving feedback and deconflicting
- Spatial modeling acreage assumptions
 - Call and Draft WEA comments documented several capacity requests
 - MA − 10 GW of capacity by 2050
 - $_{\odot}$ ME 3 GW of capacity by 2040
 - ISO-NE 18GW
 - American Clean Power 20 GW
- PSN Lease Areas are ~ 944,000 acres (developable acres).

Capacity (GW) to acreage - Energy Density*

MW	PLANNING DENSITY (Old) ~0.012 MW/acre or 3 MW/km²	PLANNING DENSITY (New) ~0.016 MW/acre or 4 MW/km²	AVERAGE DENSITY OF BOEM PROPOSED PROJECTS ~ 0.019 MW/acre or 4.7 MW/km²
13,000	1,083,333	812,500	684,211
18,000	1,500,000	1,125,000	947,368
20,000	1,666,667	1,250,000	1,052,632

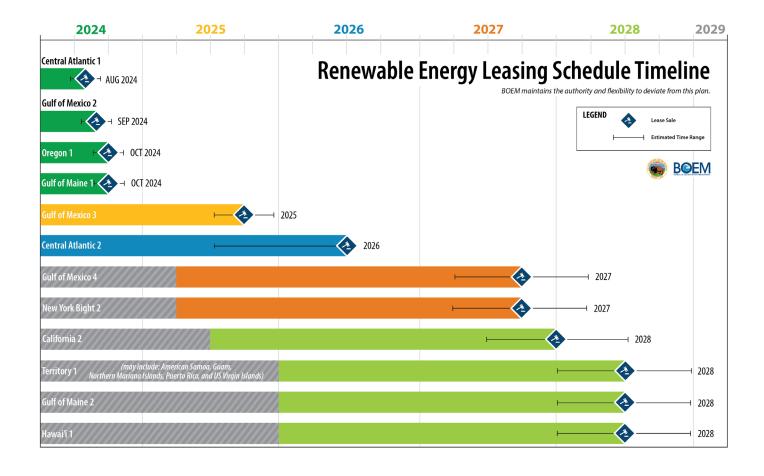
^{*}Energy density estimates are highly variable, and mostly based on fixed offshore wind experience.





5-Year Renewable Energy Leasing Schedule

- April 2024, Secretary Haaland <u>announced</u> new 5-year renewable energy leasing schedule
- Required under new "Modernization Rule"
- Gulf of Maine-2 sale is envisioned for 2028.
 - BOEM asked about "Phased leasing" approach when we <u>published the Draft</u> WEA in October 2023.
 - Area Identification memo referenced broad support received for a phased leasing; however, recommendations for scale and timing of phases varied widely across individuals and stakeholder groups.
 - The Secretary's announcement is a continuation of this conversation on "phased leasing"
 - The timing and scope of a second Gulf of Maine sale would be directly informed by the results of the 2024 sale, as well as the future position of potentially affected Tribes, Gulf of Maine states, stakeholder engagement, relevant market conditions, and regional energy goals.







PSN: Lease Area Details

PSN Areas	Region	Total Acres	Developable Acres
OCS-A 0562	North	121,339	121,339
OCS-A 0563	North	132,369	132,369
OCS-A 0564	South	110,308	105,499
OCS-A 0565	South	115,290	115,290
OCS-A 0566	South	127,388	127,388
OCS-A 0567	South	123,118	117,391
OCS-A 0568	South	134,149	123,389
OCS-A 0569	South	106,038	101,757
Total		969,999	944,422
Average		121,250	118,053

