

BIDDER'S FINANCIAL FORM ADDENDUM

Bidding Credit Purpose and Goals

BOEM is using a multiple-factor auction format for this lease sale. Under this system, BOEM will consider a combination of factors, which will include a monetary factor (cash bid) and up to three non-monetary factors in the form of bidding credits, to determine the outcome of the auction.

The bidding credits are designed to support workforce training programs for the floating offshore wind industry; develop a U.S. domestic supply chain for floating offshore wind manufacturing, assembly, or services; and/or mitigate potential impacts resulting from floating offshore wind development.

General Requirements

In order to qualify for one or more of these bidding credits, BOEM requires the bidder to submit a Conceptual Strategy for fulfilling the requirements for the bidding credits that the bidder has selected in its Bidder's Financial Form (BFF). BOEM appoints a panel to review the Conceptual Strategies after BOEM has received the BFFs and bid deposits, but before the lease auction. As described in the Final Sale Notice, this panel will assess each Conceptual Strategy on its own merits to determine the bidder's final bidding credit(s). The panel will assess each Conceptual Strategy on a pass/fail basis and will not award partial bidding credits. BOEM will not consider historical or related corporate efforts for credit unless the bidder is proposing to continue an existing program for fulfilling its bidding credit.

Based on its review, the panel will determine whether it finds a bidder eligible or not eligible for each bidding credit. BOEM will notify bidders of their final bidding credit amounts before the Mock Auction.

A lessee must meet the commitments described in its Conceptual Strategy before the lessee submits its first Facility Design Report (FDR) or before the tenth Lease Anniversary, whichever is sooner. To allow bidders to adapt more successfully to unexpected future conditions, bidders may include in their Conceptual Strategies multiple qualifying monetary contribution targets under consideration, so long as all the contribution targets are consistent with and total not less than the bidding credit requirements described in Addendum "C" of the executed Lease. Addendum "C" of the executed Lease will include the exact amount of the financial commitment for each bidding credit. The Conceptual Strategy for each bidding credit is expected to be forward-looking and need not name specific investments or beneficiaries (though specificity is encouraged where possible). However, each individual Conceptual Strategy must enable BOEM to objectively verify that the bidder has formulated a plan that will lead to the fulfillment of the bidding credit requirements, as specified in the Lease.

After BOEM has issued the Lease, lessees may request meetings with BOEM regarding satisfaction of their bidding credit.

Section One: Workforce Training and/or Domestic Supply Chain Development Bidding Credit

Bidding Credit Value: 15 Percent of Bid

Qualifications

To qualify for the **Workforce Training and/or Domestic Supply Chain Development Bidding Credit**, the bidder must commit to making a qualifying Contribution to programs or initiatives, as described in the Lease, that support workforce training programs for the U.S. floating offshore wind industry, development of a U.S. domestic supply chain for the floating offshore wind industry, or both. The Contribution must be verifiable by BOEM and must be executed before the submission of the first FDR for the Lease or the 10th Lease Anniversary, whichever is sooner. Specifically, BOEM must be able to verify both that the Contribution was made, that it was applied in the manner described in the Lease, and that it is consistent with the lessee's Conceptual Strategy submitted with the BFF.

Conceptual Strategy

Bidders who elect to pursue this bidding credit must submit the following with their BFF:

A Conceptual Strategy describing how the bidder intends to meet requirements for the Workforce Training and/or Domestic Supply Chain Development Bidding Credit consistent with provisions of the Lease. The Conceptual Strategy must:

- Describe the bidder's individual proposals for Contributions to fulfill the bidding credit, including the form of Contributions, subject to the requirements and restrictions described in the Lease.
- Describe how each proposal will support workforce training programs for the floating offshore wind industry, development of a U.S. domestic supply chain for the floating offshore wind energy industry, or both, as required in the Lease.
- Explain how the lessee will select Contribution recipients. The bidder can identify different workforce training or supply chain programs that the lessee will consider. The Conceptual Strategy can prioritize different programs under consideration while maintaining flexibility to select recipients that provide the greatest value and benefit for training workers or supporting development of the floating offshore wind supply chain closer to the time when the Contribution is made.
- Describe the lessee's process for documentation and verification once the Contribution has been made, consistent with the requirements in the Lease.

The individual proposals for Contributions within the Conceptual Strategy need not be evenly distributed between workforce training and domestic supply chain development and could include proposals that address only workforce training or supply chain development.

Section Two: Lease Area Use Community Benefit Agreement (CBA) Bidding Credit

Bidding Credit Value: 5 Percent of Bid

Qualifications

To qualify for the **Lease Area Use CBA Bidding Credit**, bidders must execute Lease Area Use CBA(s) with one or more communities, stakeholder groups, or Tribal entities 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 floating offshore wind development (hereinafter, in the context of Lease Area Use CBA Bidding Credit, referred to as "impacted community"). The Lessee must provide to BOEM a copy of the executed Lease Area Use CBA(s) before the Lessee submits the lease's first FDR or before the tenth Lease Anniversary, whichever is sooner.

Conceptual Strategy

BOEM encourages the lessee to engage with any and all communities that are expected to be impacted due to their use of the Lease Area, such as seafood processors and commercial, recreational, and/or Tribal fisheries, to inform the Lease Area Use CBA(s) and any special purpose fund used to qualify for the Lease Area Use CBA Bidding Credit.

Bidders who elect to pursue the Lease Area Use CBA Bidding Credit must submit the following with their BFF:

A qualifying executed Lease Area Use CBA or a Conceptual Strategy describing how the bidder intends to qualify for the Lease Area Use CBA Bidding Credit. The Conceptual Strategy must:

- Explain how the lessee will select or identify impacted communities with whom to enter into a Lease Area Use CBA(s).
- Describe the bidder's commitment, including the form of investments, that may be made, subject to the requirements and restrictions described in the Lease.
- Describe the provisions that may be included in the Lease Area Use CBA(s) and how the provisions mitigate potential impacts from the proposed development of the Lease Area.
- Describe the process for documentation and verification that the lessee will use once the Lease Area Use CBA(s) is executed, according to the requirements described in the Lease.

Section Three: General CBA Bidding Credit

Bidding Credit Value: 5 Percent of Bid

Qualifications

To qualify for the **General CBA Bidding Credit**, the Bidder must commit to execute a General CBA(s) with one or more communities, Tribes, or stakeholder groups that are expected to be affected by the impacts on the marine, coastal, and/or human environment (such as impacts on visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA (hereinafter, in the context of the General CBA Bidding Credit, referred to as “impacted community”). The General CBA with such an impacted community must include provisions and plans to address impacts to the impacted community arising from lease development that are not addressed by a Lease Area Use CBA. The Lessee must provide to BOEM a copy of the executed General CBA(s) before the Lessee submits the lease’s first FDR or before the tenth Lease Anniversary, whichever is sooner.

Conceptual Strategy

To inform the General CBA(s) and any special purpose fund used to qualify for the General CBA Bidding Credit, BOEM encourages the lessee to engage with any and all communities that are expected to be affected by the potential impacts on the marine, coastal, and/or human environment (such as impacts on visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA.

Bidders who elect to pursue this bidding credit must submit the following with their BFF:

A qualifying executed General CBA or a Conceptual Strategy describing how the bidder intends to qualify for the General CBA Bidding credit. The Conceptual Strategy must:

- Explain how the lessee will identify impacted communities with whom to enter into a General CBA(s).
- Describe the bidder’s commitment, including the form of investments that may be made, subject to the requirements and restrictions described in the Lease.
- Describe the provisions that will be included in the General CBA(s) and how the provisions will address the potential impacts arising from activities performed in connection with lease development.
- Describe the process for documentation and verification that the lessee will use once the General CBA(s) is executed according to the requirements described in the Lease.
