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DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[Docket No. BOEM-2024-0042]

Pacific Wind Lease Sale 2 for Commercial Leasing for Wind Power Development on the Outer Continental Shelf Offshore Oregon – Final Sale Notice

AGENCY: Bureau of Ocean Energy Management, Interior.

ACTION: Final sale notice.

SUMMARY: This final sale notice (FSN) contains information pertaining to the areas available for commercial wind power leasing during Pacific Wind Lease Sale 2 (PACW-2) on the Outer Continental Shelf (OCS) offshore Oregon. Specifically, this FSN details certain provisions and conditions of the leases, auction details, the lease form, criteria for evaluating competing bids, and procedures for award, appeal, and lease execution. The Bureau of Ocean Energy Management (BOEM) will offer two lease areas using an ascending clock auction with multiple-factor bidding: Lease OCS-P 0566 and Lease OCS-P 0567 (Lease Areas). Bidders will be subject to a ‘one-per-customer’ rule, as explained below. The Lease Areas are in the previously identified wind energy areas (WEAs) Brookings and Coos Bay. The issuance of any lease resulting from this sale will not constitute approval of project-specific plans to develop offshore wind energy. If submitted by the lessee, such plans, will be subject to environmental, technical, and public reviews prior to a BOEM decision on whether the proposed activity should be authorized.

DATES: BOEM will hold an online mock auction for potential bidders starting at 7:00 a.m. Pacific Time (PT) / 10:00 a.m. Eastern Time (ET) on October 10, 2024. The monetary auction will be held online and will begin at 7:00 a.m. PT / 10:00 a.m. ET on October 15, 2024. Additional details are provided in the section entitled “Deadlines and Milestones for Bidders.”

FOR FURTHER INFORMATION CONTACT: Jean Thurston-Keller, Bureau of Ocean Energy Management, Office of Strategic Resources, 760 Paseo Camarillo, Suite 102 (CM102), Camarillo, California 93010-6002 or jean.thurston@boem.gov.

SUPPLEMENTARY INFORMATION:

I. Background

- a. *Call for Information and Nominations:* On April 29, 2022, BOEM published the “Call for Information and Nominations-Commercial Leasing for Wind Power Development on the Outer Continental Shelf offshore Oregon” (Call). The Call consisted of two areas identified as the Brookings and Coos Bay Call Areas. BOEM received 281 comments from Tribal nations, the general public, Federal, State, and local agencies, the fishing industry, industry groups, developers, non-governmental organizations, universities, and other stakeholders. Comments can be viewed at <https://www.regulations.gov/document/BOEM-2022-0009-0001/comment>. Four developers nominated areas for a commercial wind energy lease within the Call Areas.
- b. *Area Identification:* After the close of the Call comment period on June 28, 2022, BOEM initiated the process for identifying possible leasing areas (Area ID) by reviewing the input received on the Call. BOEM used the modified Area ID process described in a note to stakeholders, available at: <https://www.boem.gov/newsroom/notes-stakeholders/boem-enhances-its-processes-identify-future-offshore-wind-energy-areas>. BOEM and the

National Oceanic and Atmospheric Administration’s (NOAA) National Centers for Coastal Ocean Science (NCCOS) team then used an ocean planning modeling tool to assist in the identification of the two draft WEAs on the OCS offshore Oregon. The modeling tool, data inputs, and methodology used to identify the WEAs are outlined in the “NCCOS Draft Report: A Wind Energy Siting Analysis for the Oregon Call Areas,” which can be found at https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/Oregon_WEA_Draft_Report_NCCOS.pdf.

On August 15, 2023, BOEM announced a 60-day public comment period on the two draft WEAs offshore Oregon, covering approximately 219,547 acres. BOEM later extended the comment period for an additional 15 days for a total 75-day public comment period.

BOEM considered the following information sources, among others, when identifying the draft WEAs: comments and nominations received on the Call; input from the BOEM Oregon Intergovernmental Renewable Energy Task Force; results of the “Data Gathering and Engagement Summary Report: Oregon Offshore Wind Planning” input from Tribes, Oregon State agencies, and Federal agencies; comments from stakeholders and ocean users, including the maritime community, offshore wind developers, and the commercial and recreational fishing industry; State renewable energy goals; information on domestic and global offshore wind markets and technological trends; and the data and information found in OROWindMap at: <https://offshorewind.westcoastcoceans.org>.

After the close of the draft WEA comment period on October 31, 2023, BOEM reviewed the input from all parties mentioned above and finalized the Area ID

memorandum. BOEM announced the designation of the two final WEAs on February 13, 2024. The first WEA (Brookings) is 133,792 acres and located approximately 18 miles from shore. The second WEA (Coos Bay) is 61,203 acres and located approximately 32 miles from shore. If fully developed, both final WEAs combined could support approximately 3.16 gigawatts of wind energy capacity. The Oregon Area ID documentation can be found at <https://www.boem.gov/renewable-energy/state-activities/oregon>.

- c. *Environmental Reviews*: On February 14, 2024, BOEM published a notice of intent to prepare an environmental assessment (EA) to consider potential environmental consequences of site characterization activities (e.g., biological, archaeological, geological, and geophysical surveys and core samples) and site assessment activities (e.g., installation of meteorological buoys) that are expected to take place after issuance of wind energy leases in the WEAs. When scoping the EA, BOEM sought comments on the issues and alternatives that should inform the EA. BOEM received 242 comment submissions, which can be found at www.regulations.gov under Docket No. BOEM-2023-0065. In addition to the preparation of the EA, BOEM completed consultations under the Endangered Species Act, the Magnuson-Stevens Fishery Conservation and Management Act, and the Coastal Zone Management Act. The EA and associated consultations informed BOEM's decision on whether to proceed with this FSN. BOEM will conduct additional environmental reviews upon receipt of a lessee's Construction and Operations Plan (COP), which will include a request for a project easement(s), if the proposed leases reach that stage of development. Lessees also need to coordinate with state agencies during BOEM's COP review regarding potential impacts from the

development of any cables or other infrastructure that would be located within the state's jurisdiction.

II. List of Eligible Bidders

BOEM has determined that the following 5 entities are legally, technically, and financially qualified to bid in the PACW-2 auction, pursuant to 30 CFR 585.107 and 585.108:

Company Name	Company No.
Avangrid Renewables, LLC	15019
BlueFloat Energy Oregon, LLC	15160
OW North America Ventures, LLC	15133
US Mainstream Renewable Power Inc	15089
South Coast Energy Waters I, LLC	15198

- a. *Affiliated Entities*: On the Bidder's Financial Form (BFF), discussed in Section III(a)(i) and Section IX below, eligible bidders must list any other eligible bidders with whom they are affiliated. For the purpose of identifying affiliated entities, a bidding entity is any individual, firm, corporation, association, partnership, consortium, or joint venture (when established as a separate entity) that is participating in the same auction. BOEM considers bidding entities to be affiliated when:
- i. They own or have common ownership of more than 50 percent of the voting securities, or instruments of ownership or other forms of ownership, of another bidding entity. Ownership of less than 10 percent of another bidding entity constitutes a presumption of non-control that BOEM may rebut.
 - ii. They own or have common ownership of between 10 and 50 percent of the voting securities or instruments of ownership, or other forms of ownership, of another

bidding entity, and BOEM determines that there is control upon consideration of factors including the following:

- a. The extent to which there are common officers or directors.
 - b. With respect to the voting securities, or instruments of ownership or other forms of ownership: The percentage of ownership or common ownership, the relative percentage of ownership or common ownership compared to the percentage(s) of ownership by other bidding entities, if a bidding entity is the greatest single owner, or if there is an opposing voting bloc of greater ownership.
 - c. Shared ownership, operation, or day-to-day management of a lease, grant, or facility, as those terms are defined in BOEM's regulations at 30 CFR 585.113.
- iii. They are both direct or indirect subsidiaries of the same parent company.
 - iv. With respect to any lease(s) offered in this auction, they have entered into an agreement prior to the auction regarding the shared ownership, operation, or day-to-day management of such lease. Such an agreement need not be formalized to establish affiliated entities.
 - v. Other evidence that indicates the existence of power to exercise control, such as evidence that one bidding entity has power to exercise control over the other, or that multiple bidders collectively have the power to exercise control over another bidding entity or entities.

Affiliated entities are not permitted to compete against each other in the auction. Where two or more affiliated entities have qualified to bid in the auction, the affiliated entities

must decide prior to the auction which one (if any) will participate in the auction. If two or more affiliated entities attempt to participate in the auction, BOEM will disqualify those bidders from the auction.

III. Deadlines and Milestones for Bidders

This section describes the major deadlines and milestones in the auction process from publication of this FSN to execution of a lease issued pursuant to this sale.

- a. *FSN Waiting Period:* During the period between FSN publication and the lease auction, qualified bidders must take several steps to be able to participate in the auction.
 - i. *Bidder's Financial Form:* Each bidder must submit a BFF to BOEM to participate in the auction. The BFF must include each bidder's Conceptual Strategy for each bidding credit for which that bidder wishes to be considered. BOEM must receive each bidder's BFF on or before September 13, 2024, and it is each bidder's responsibility to ensure BOEM's timely receipt of the BFF. If a bidder does not submit a BFF by this deadline, BOEM, in its sole discretion, may grant an extension to that bidder only if BOEM determines the bidder's failure to timely submit a BFF was caused by events beyond the bidder's control. The BFF can be downloaded at: <https://www.boem.gov/renewable-energy/state-activities/oregon>. Once BOEM has processed a bidder's BFF, the bidder is allowed to log into *www.pay.gov* and submit a bid deposit. For purposes of this auction, BOEM will not consider BFFs submitted for previous lease sales. An original signed BFF may be mailed to BOEM's Pacific Regional Office. A signed copy of the form may be submitted in PDF format to renewableenergypocs@boem.gov. A faxed copy will not be accepted. BFF

submissions should be accompanied by a transmittal letter on company letterhead. The BFF must be executed on paper with a wet signature or with a digital signature affixed by an authorized representative listed on the bidder's current legal qualification card on file with BOEM, subject to 18 U.S.C. 1001 (False Statements, Concealment). Further information about the BFF can be found in the "Bidder's Financial Form" Section VII of this notice.

- ii. *Bid Deposit:* Once BOEM has processed a BFF and provided the appropriate information to the Office of Natural Resources Revenue (ONRR), ONRR will populate the Bid Deposit Forms and notify the bidders of access to www.pay.gov for the bid deposits. The bidder must log into www.pay.gov to submit a bid deposit. To participate in the mock auction and the monetary auction, each qualified bidder must provide a bid deposit of \$2,000,000 no later than September 27, 2024. BOEM will grant extensions to this deadline only if BOEM, in its sole discretion, determines that the failure to timely submit the bid deposit was caused by events beyond the bidder's control. Further information about bid deposits can be found in the "Bid Deposit" Section X of this notice.
- b. *Conducting the Auction:*
- i. *Affirmative Action:* Prior to bidding in the monetary auction, each bidder must file the Equal Opportunity Affirmative Action Representation Form BOEM-2032 (February 2020, available on BOEM's website at www.boem.gov/BOEM-2032/) and the Equal Opportunity Compliance Report Certification Form BOEM-2033 (February 2020, available on BOEM's website at www.boem.gov/BOEM-2033/) with the BOEM Pacific Regional Office. The forms can be submitted digitally to

renewableenergypocs@boem.gov or mailed to the BOEM Pacific Regional Office. This certification is required by 41 CFR part 60 and Executive Order (E.O.) 11246, issued September 24, 1965, as amended by E.O. 11375, issued October 13, 1967, and by E.O. 13672, issued July 21, 2014. Both forms must be on file with BOEM for the bidder(s) prior to the execution of any lease contract.

- ii. *Notification of Eligibility for Bidding Credits:* BOEM will notify each bidder of its eligibility for bidding credits and the value of those bidding credits prior to the Mock Auction.
- iii. *Mock Auction:* BOEM will hold a Mock Auction on October 10, 2024, beginning at 7:00 a.m. PT/ 10:00 a.m. ET, which is open only to qualified bidders who have met the requirements and deadlines for auction participation, including submission of the bid deposit. The Mock Auction is intended to give bidders an opportunity to clarify auction rules, test the functionality of the auction software, and identify any potential issues that may arise during the auction.
- iv. *The Auction:* On October 15, 2024, BOEM, through its contractor, will commence the multiple-factor auction. The first round of the auction will start at 7:00 a.m. PT / 10:00 a.m. ET. The auction will proceed electronically according to a schedule to be distributed by the BOEM Auction Manager at the beginning of the auction, subject to any revisions (which will be communicated to bidders during the auction). BOEM anticipates that the auction will last one or two business days, but the auction may continue for additional business days, as necessary, until the auction ends in accordance with the procedures described in the “Auction Procedures” section of this notice.

- v. *Announce Provisional Winners:* BOEM will announce the provisional winners of the lease sale after the auction ends.

c. *From the Auction to Lease Execution:*

- i. *Refund Non-Winners:* Once the provisional winners have been announced, BOEM will provide the non-winners with a written explanation of why they did not win and will coordinate with ONRR to return their bid deposits.
- ii. *Department of Justice (DOJ) Review:* DOJ will have 30 days in which to conduct an antitrust review of the auction, pursuant to 43 U.S.C. 1337(c).
- iii. *Delivery of the Lease:* BOEM will provide an unsigned copy of the lease to each provisional winner, with instructions on how to execute the lease.
- iv. *Return the Lease:* Within ten business days of receiving the lease, the auction winners must post financial assurance, pay any outstanding balance of their winning bids (i.e., winning cash bid less applicable bid deposits), and sign and return the executed lease. The winners may request extensions and BOEM, in its discretion, may grant such a request.
- v. *Execution of Lease:* BOEM will execute the lease by signing the lease on behalf of the United States only after the provisional winner completes the requirements in paragraph (b) of 30 CFR 585.225 and any appeals timely filed under § 585.118(c)(1) have been resolved. After BOEM executes the lease, the provisional winner becomes the winning bidder, and BOEM will send the winning bidder an electronic version of the fully executed copy of the lease. The lease takes effect as set forth in § 585.237. The first 12 months' rent under §

585.503(a) is due 45 calendar days after receiving a copy of the executed lease from BOEM.

IV. Areas Offered for Leasing

The two Lease Areas included in this FSN are the same size and orientation as were described in the Proposed Sale Notice (PSN). BOEM’s designation of the two Lease Areas offered in the FSN is informed by coordination with BOEM’s intergovernmental task force members, consultation and engagement with Tribes, stakeholder engagement, a partnership with NOAA’s NCCOS to use spatial modeling to inform the identification of WEAs, and consideration of the 281 comments that BOEM received in response to the PSN. The two areas BOEM is offering for lease are: the Brookings Lease Area, OCS-P 0567, which consists of 133,792 acres and is approximately 18 miles from shore; and the Coos Bay Lease Area, OCS-P 0566, which consists of 61,203 acres and is approximately 32 miles from shore.

Descriptions of the proposed Lease Areas can be found in Addendum A of the proposed leases, which can be found on BOEM’s website at: <https://www.boem.gov/renewable-energy/state-activities/oregon>. The areas available for lease, as listed in Table 1, will be auctioned in a single auction.

Table 1: PACW-2 Final Lease Areas

Lease Area Name	Lease Area ID	Acres
Brookings	OCS-P 0567	133,792
Coos Bay	OCS-P 0566	61,203
<i>Total</i>		194,995

- a. *Map of the Area for Leasing*: A map of the Lease Areas, and GIS spatial files X, Y (eastings, northings) UTM Zone 18, NAD83 Datum, and geographic X, Y (longitude, latitude), NAD83 Datum can be found on BOEM’s website at: www.boem.gov/renewable-energy/state-activities/oregon.

V. Lease Stipulations

BOEM is including several lease stipulations in Addendum C of each lease related to reporting requirements, avoiding and minimizing potential future user conflicts and environmental impacts, project labor agreements, national security, and project design. BOEM is also including conditions of the Oregon Department of Land, Conservation and Development's conditional concurrence with the federal consistency determination pursuant to the Coastal Zone Management Act for the Oregon proposed Lease Areas. Requirements pertaining to a single activity may arise from more than one consultation process and may also, in some instances, be slightly different; where this has occurred, BOEM incorporated the most protective measure in the lease. BOEM has also refined some stipulations identified in the PSN and proposed leases in response to comments on the PSN.

- a. *Reporting requirements:* BOEM is including stipulations similar to those found in previous leases in other areas of the OCS requiring a semi-annual progress report from lessees and regular engagement with Tribes and parties that may be affected by lessees' activities on the OCS. The lease stipulations require working with BOEM to identify: Tribes that have cultural and/or historical ties to the Lease Areas, and potentially affected parties; coastal communities; commercial and recreational fishing industries and stakeholders; educational and research institutions; environmental and public interest NGOs; Federal, State, and local agencies; mariners and the maritime industry; ocean users; submarine cable operators; and underserved communities, as defined in Section 2 of E.O. 13985. The report must identify Tribes and parties that may be affected by lessees' activities on the OCS and with whom the lessees have engaged; provide updates on engagement activities; document potential adverse

effects to the interests of Tribes and parties; document how, if at all, project design or implementation has been informed or altered to address those potential effects; include feedback from engagement regarding transmission planning prior to proposing any export cable route; provide information that can be made available to the public; and include strategies to reach potentially affected individuals with limited English proficiency.

The stipulations include requirements for lessees to engage in ways that minimize linguistic, technological, cultural, capacity, or other obstacles. The stipulations encourage lessees to work collaboratively with governments, community leadership and organizations, and Tribes and to develop specific frameworks for capacity building.

In acknowledgment of the existing and growing consultation burden placed on many of the Tribes and parties, the stipulation also requires, to the maximum extent practicable, that lessees coordinate with one another on engagement activities. It is BOEM's intention that this requirement for lessees to coordinate their engagement apply not only to meetings proposed by lessees, but also to reasonable requests to coordinate engagement made by Tribes and parties. Coordinated engagement among Tribes and lessees is strongly encouraged and is in addition to BOEM's responsibilities to federally recognized Tribes under E.O. 13175.

Lastly, the progress report must include an update on activities executed under any survey plan and any meteorological and/or oceanographic buoy deployment planned or undertaken within the leased area that includes confirmation of the

measures the lessee took, or will take, to satisfy the conditions of any applicable lease stipulations.

- b. *Communication Plans*: BOEM is including lease requirements for development of a Native American Tribes Communication Plan, an Agency Communication Plan and a Fisheries Communication Plan, as included in previous leases. Experience in other regions has shown that 120 days after lease execution is not a sufficient time period in which to draft comprehensive communications plans for fisheries, Tribes, and government agencies. For this Lease Sale, BOEM is extending the 120-day requirement to a 180-day requirement to allow sufficient time for lessees to engage with entities to develop communication plans.
- c. *Best Management Practices*: The EA for this lease sale lists a number of best management practices which would reduce potential impacts to resources, including those with respect to Water Quality, Marine Debris Awareness and Prevention, Birds, Commercial Fishing, Historic Properties, Sensitive Seafloor Habitats, and Protected Species (in addition to requirements arising under Endangered Species Act (ESA) Consultation and described below). The full text of the EA, including Appendix E, must be reviewed, and the appropriate measures should be incorporated into project activities by lessees.
- d. *Protected Species*: In August 2024, BOEM published the Final EA, which includes the most current measures to minimize potential adverse impacts, including Endangered Species Act (ESA)-listed species of marine mammals and sea turtles. BOEM has included in the leases these measures from the EA and the ESA

Concurrence Letter and Essential Fish Habitat (EFH) Response issued on July 12, 2024.

- e. *Marine Mammal Protection Act Authorization(s)*: If the lessee is required to obtain an authorization pursuant to section 101(a)(5) of the Marine Mammal Protection Act prior to conducting survey activities in support of plan submittal, the lessee must provide BOEM with a copy of the authorization prior to commencing these activities.
- f. *Project Labor Agreements (PLAs) and Supply Chain*: BOEM is committed to workforce safety and the establishment of a durable domestic supply chain that can sustain the U.S. offshore wind energy industry, including for the leases offered in this sale. To advance these goals, BOEM is including three lease stipulations, one for safety requirements, a second that encourages construction efficiency for projects, and a third that contributes towards establishing a domestic supply chain:
 - i. As part of its safety requirements, lessees must maintain all places of employment for activities in compliance with occupational safety and health standards, free from recognized hazards to employees of the lessee or of any contractor or subcontractor operating under this lease, and free from retaliation or discrimination against any employee or contractor who raises a health and safety concern on the job.
 - ii. A second stipulation requires lessees to make every reasonable effort to enter into a PLA covering the construction stage of any project for the Lease Areas.
 - iii. The third stipulation requires lessees to establish a Statement of Goals in which the lessee describes its plans for contributing to the creation of a robust and

resilient U.S.-based floating offshore wind industry supply chain that would facilitate this or other renewable energy projects permitted by BOEM.

The lessee is also required to provide regular progress updates on the achievement of those goals to BOEM, and BOEM will make those updates publicly available.

- g. *Research Site Access*: This stipulation makes explicit that BOEM, or its designated representative, retains the right to access, for research purposes, the site of any operation or activity conducted under this lease.
- h. *Archaeological Survey Requirements*: This stipulation requires that the lessee provide to BOEM, in the associated plan submissions, a description of the methods it will use to conduct archaeological surveys in support of meteorological and oceanographic buoy siting and SAP and COP development, in addition to the survey results. The lessee is required to coordinate a Tribal pre-survey meeting with Tribes that have cultural and/or historical ties to the Lease Area, and the lessee must work with BOEM to identify such Tribes. In the post-review discovery clauses, the stipulation requires that, in the event of an unanticipated discovery of a potential archaeological resource, the lessee will immediately halt bottom-disturbing activities occurring within 50 meters (164 feet) or less of the discovery and that the avoidance distance must be calculated from the maximum discernible extent of the archaeological resource. The lessee must follow the procedures in 30 CFR § 585.702 to notify BOEM of the discovery and provide written notification using the State of Oregon's Inadvertent Discovery Plan template, available at:
<https://www.oregonlegislature.gov/cis/Pages/archaeology.aspx>.

- i. *Foreign Interest*: To protect national defense capabilities and military operations, BOEM is requiring the lessee to provide to the Department of Defense (DoD) specific information about the personnel allowed to access the wind turbine structures and associated data systems. That information includes the names of entities or persons having a direct ownership interest in an offshore wind energy facility, as well as any changes in ownership interests; and the names of the material vendors, entities, and persons with whom the lessee will potentially execute contracts to perform construction, supply turbines or other components, or conduct construction and operational activities at the facility. In addition, the lessee must resolve DoD's security concerns before it allows access to the site by foreign persons or representatives of foreign entities for which DoD has raised concerns and before the lessee uses wind turbines or other permanent on-site equipment manufactured by such an entity.
- j. *Notice of Assignment to the Committee on Foreign Investment in the United States (CFIUS)*: Under BOEM's regulations at 30 CFR 585.107, a lessee must be one of the following: (1) a citizen or national of the United States; (2) an alien lawfully admitted for permanent residence in the United States, as defined in 8 U.S.C. 1101(a)(20); (3) a private, public, or municipal corporation organized under the laws of any State of the United States, the District of Columbia, or any territory or insular possession subject to U.S. jurisdiction; (4) an association of such citizens, nationals, resident aliens, or corporations; (5) an Executive Agency of the United States, as defined in 5 U.S.C. 105; (6) a State of the United States; or (7) a political subdivision of a State of the United States. BOEM is including a stipulation that requires any proposed assignee

of the lease that is a foreign-controlled business entity under the regulations at 31 CFR part 800 to provide joint notice, with the lessee/assignor, to CFIUS of the proposed leasing transaction, in accordance with applicable regulations at 31 CFR part 800, subpart D, and to provide a copy of the notice to the DoD. BOEM's approval of any assignment of lease interest to a foreign-controlled business entity, as defined in 31 CFR part 800, is subject to this CFIUS notice stipulation. Such assignments would take place only after CFIUS provides notice that it has concluded all necessary reviews under section 721 of the Defense Production Act of 1950, as amended, with respect to the leasing decision or assignment.

- j. *Oregon Department of Land, Conservation and Development (DLCD) Consistency Determination Conditions:* On April 30, 2024, BOEM provided a Consistency Determination to the Oregon Coastal Management Program of the Department of Land Conservation and Development (OCMP). On July 17, 2024, OCMP concurred conditionally with BOEM's Consistency Determination and BOEM has included conditions in the leases to address OCMP's conditions.

VI. Potential Future Restrictions

- a. *Measures for Vessel Transit:* The information currently available does not indicate that vessel routing mitigation measures are warranted in the Lease Areas at lease execution, and the U.S. Coast Guard PAC-PARS study recommends fairways that avoid the Lease Areas entirely. However, at the COP stage, BOEM may consider designating portions of the Lease Areas as areas of no surface occupancy to facilitate vessel transit and continuance of existing uses.

- b. *Archaeological Resources:* Potential bidders are advised that portions of the Lease Areas may not be available for future development (i.e., installation of wind energy facilities) because of archaeological and cultural resources. Potential development may be restricted consistent with requirements of the National Historic Preservation Act. BOEM will require further data collection and evaluation of submerged cultural resources, culturally significant viewsheds, and restrictions on impacts to these resources will be reviewed by BOEM during the COP stage.
- c. *NOAA U.S. Integrated Ocean Observing System (IOOS) High – Frequency (HF) Radar:* Potential bidders are advised that offshore wind energy projects in the Lease Areas may cause wind turbine interference to NOAA’s IOOS HF oceanographic radars, which provide measurement coverage of the lease area region. Due to potential implications to maritime safety, navigation, U.S. Coast Guard search-and-rescue, weather forecasting, and other applications of HF-radar systems’ data, BOEM may require future mitigation as a condition of project approval.
- d. *Benthic and Seafloor Habitat Surveys:* Potential bidders are advised that portions of the Lease Areas may not be available for future development due to sensitive seafloor habitats, especially portions of the Brookings Lease Area. BOEM will require further data gathering and comprehensive high-resolutions mapping and sampling of seafloor habitats from lessees and may place further restrictions on disturbances of sensitive seafloor habitats as a condition of a COP approval, including potential mitigations in facility design.
- e. *Scientific surveys:* Potential bidders are advised that NMFS conducts long-term scientific surveys along the U.S. West Coast, including in the Lease Areas, necessary

for the management of NOAA trust resources. Measures may be needed to avoid and minimize impacts to these federal surveys from site assessment and characterization activities and any future offshore wind infrastructure. Where impacts cannot be avoided, mitigation measures, developed in concert with NMFS, may need to be employed for the operational life span of the lease.

VII. Lease Terms and Conditions

BOEM has made available the terms, conditions, and stipulations for the commercial wind leases that will be offered through this sale. BOEM reserves the right to require compliance with additional terms and conditions associated with the approval of a COP. The lease forms are on BOEM's website at: <https://www.boem.gov/renewable-energy/state-activities/oregon>. Each lease will include the following attachments:

1. Addendum A (“Description of Leased Area and Lease Activities”);
2. Addendum B (“Lease Term and Financial Schedule”);
3. Addendum C (“Lease-Specific Terms, Conditions, and Stipulations”);
4. Addendum D (“Project Easement”).

Addenda A, B, and C provide detailed lease terms and conditions. Addendum D will be completed at the time of COP approval or approval with modifications if a COP is approved.

- a. Revised Lease Terms and Conditions as a Result of the Renewable Energy Modernization Rule:* On May 15, 2024, BOEM published in the Federal Register the Renewable Energy Modernization Rule (Rule), which went into effect on July 15, 2024. To ensure consistency with the Rule, BOEM made revisions to the lease published with the PSN that are reflected in the lease

published with this FSN. Substantial changes were made to the following sections:

- Section 6: Associated Project Easements
- Section 10: Financial Assurance
- Addendum A: V. Description of Lease Activities
- Addendum B: I. Lease Periods; III. Lease Payments; IV. Financial Assurance (deleted in its entirety)
- Addendum C: 3.1.5 Survey and Meteorological and/or Oceanographic Buoy Deployment Reporting; 5.5.5 Geotechnical Exploration and Deployment of Meteorological and/or Oceanographic Buoys

b. Required Plans for Potential Development of Executed Leases: Each commercial lease has a preliminary period of up to five years. During the preliminary period, the lessee must submit a COP. The preliminary period begins on the effective date of the lease and ends either when a COP is received by BOEM for review or at the expiration of five years, whichever occurs first. Lessees may request an extension of the lease preliminary period for good cause, such as the need for more time to obtain an offtake agreement. In its discretion, BOEM may approve the request.

VIII. Lease Payments

This section provides an overview of the required annual payments under the lease. Potential bidders should review the lease for more detailed information, including any changes from leases issued in previous sales.¹

- a. *Rent:* Pursuant to 30 CFR 585.225(f) and 585.503, the first year's rent payment of \$3 per acre is due within 45-calendar days after the lessee receives the executed lease copies from BOEM. Thereafter, annual rent payments are due on the anniversary of the Effective Date of the lease (the "Lease Anniversary"). Once commercial operations under the lease begin, BOEM will charge rent only for the portions of the Lease Area remaining undeveloped (i.e., non-generating acreage). For example, for the 61,203 acres of Lease Area OCS-P 0566 (Coos Bay), the rent payment would be \$183,609 per year until commercial operations begin.

If the lessee submits an application for relinquishment of a portion of its leased area within the first 45-calendar days after receiving the lease copies from BOEM and BOEM approves that application, no rent payment will be due on the relinquished portion of the Lease Area. Later relinquishments of any portion of the Lease Area will reduce the lessee's rent payments starting in the year following BOEM's approval of the relinquishment.

A lease issued under 30 CFR part 585 confers on the lessee the right to one or more project easements, without further competition, for the purpose of installing, maintaining, repairing and replacing: gathering, transmission, and distribution, and inter-array cables; power and pumping stations; facility anchors; pipelines; and associated facilities and other appurtenances on the OCS as necessary for the full

¹ Note that BOEM's Renewable Energy Modernization Rule (89 FR 42602), published May 15, 2024, became effective on July 15, 2024. The leases offered in this sale conform to the regulations in Part 585 as modified.

enjoyment of the lease. A lessee must apply for the project easement as part of the COP, as provided under subpart G of 30 CFR part 585.

The lessee also must pay rent for any project easement associated with the lease. Rent commences on the date that BOEM approves the COP that describes the project easement (or any modification of such COP that affects the easement acreage), as outlined in 30 CFR 585.507. Annual rent for a project easement is the greater of \$5 per acre per year, or \$450 per year. If a COP revision results in increased easement acreage, BOEM will require the appropriate amount of additional rent when it approves the revised COP.

- b. *Operating Fee:* For purposes of calculating the initial annual operating fee payment under 30 CFR 585.506, BOEM applies an operating fee rate to a proxy for the wholesale market value of the electricity expected to be generated from the project during its first 12 months of operations. This initial payment will be prorated to reflect the period between the commencement of commercial operations and the Lease Anniversary. The initial annual operating fee payment will be due within 90-calendar days of the commencement of commercial operations. Thereafter, subsequent annual operating fee payments will be due on or before the Lease Anniversary.

The subsequent annual operating fee payments will be calculated by multiplying the operating fee rate by the imputed wholesale market value of the projected annual electric power production. For the purposes of this calculation, the imputed market value will be the product of the project's annual nameplate capacity, the total number of hours in a year (8,760), the capacity factor, and the annual average price of electricity derived

from a regional wholesale power price index. For example, the annual operating fee for a 976 megawatt (MW) wind facility operating at a 40 percent capacity (i.e., capacity factor of 0.4) with a regional wholesale power price of \$40 per megawatt hour (MWh) and an operating fee rate of 0.02 will be calculated as follows:

$$\text{Annual Operating Fee} = 976 \text{ MW} \times 8,760 \frac{\text{hrs}}{\text{year}} \times 0.4 \times \frac{\$40}{\text{MWh}} \text{Power Price} \times 0.02 = \$2,735,923.20$$

- i. *Operating Fee Rate:* The operating fee rate is the share of the imputed wholesale market value of the projected annual electric power production due to ONRR as an annual operating fee. For the Lease Areas, BOEM will set the fee rate at 0.02 (2 percent) for the entire life of commercial operations.
- ii. *Nameplate Capacity:* Nameplate capacity is the maximum rated electric output, expressed in MW, which the turbines of the wind facility under commercial operations can produce at their rated wind speed as designated by the turbine's manufacturer.
- iii. *Capacity Factor:* The capacity factor relates to the amount of energy delivered to the grid during a period of time compared to the amount of energy the wind facility would have produced at full capacity during that same period of time. BOEM will set the capacity factor at 0.4 (i.e., 40 percent) for the year in which the commercial operations begin and for the first 6 full years of commercial operations on the lease. At the end of the sixth year, BOEM may adjust the capacity factor to reflect the performance over the previous 5 years based upon the actual metered electricity generation at the delivery point to the electrical

grid. BOEM may make similar adjustments to the capacity factor once every 5 years thereafter.

iv. *Wholesale Power Price Index*: Under 30 CFR 585.506(c)(2)(i), the wholesale power price, expressed in dollars per MWh, is determined at the time each annual operating fee payment is due. For the leases offered in this sale, the following table provides the price data. A similar price dataset may also be used and may be posted by BOEM at <https://www.boem.gov> for reference.

Lease Area Name	Wholesale Power Price
Brookings, OCS-P 0567	Mid-Columbia
Coos Bay, OCS-P 0566	Mid-Columbia

c. *Financial Assurance*: Within 10 business days after receiving the unsigned lease copy for execution and pursuant to 30 CFR 585.516(a)(1) the provisional winners must provide an initial lease-specific bond or other BOEM-approved financial assurance instrument in the amount of annual rent due over the next 12 months. The provisional winners may meet financial assurance requirements by posting a surety bond or other financial assurance instrument as detailed in 30 CFR §§ 585.526–585.529. BOEM encourages the provisional winners to discuss the financial assurance instrument requirements with BOEM as soon as possible after the auction has concluded.

BOEM will base the amount of all SAP, COP, and decommissioning financial assurance on cost estimates for meeting all accrued lease obligations at the respective stages of development. The required amount of supplemental and decommissioning financial assurance will be determined on a case-by-case basis.

The payment terms described above can be found in Addendum “B” of the lease, which is available at: <https://www.boem.gov/renewable-energy/state-activities/oregon>.

IX. Bidder’s Financial Form

Each bidder must submit to BOEM the information required in the BFF referenced in this FSN. A copy of the form is available at: <https://www.boem.gov/renewable-energy/state-activities/oregon>. BOEM recommends that each bidder designate an email address in its BFF that the bidder must use to create an account in *www.pay.gov* (if it has not already done so). BOEM must receive BFFs, including Conceptual Strategies, no later than September 13, 2024. If a bidder does not submit a BFF for this sale by the deadline, BOEM, in its sole discretion, may grant an extension to that bidder only if BOEM determines the bidder’s failure to timely submit a BFF was caused by events beyond the bidder’s control. The BFF is required to be executed by an authorized representative listed in the bidder’s qualification package on file with BOEM. BFFs submitted by bidders for previous lease sales will not satisfy the requirements of this auction.

For the PACW-2, BOEM will accept bidders’ BFFs and Conceptual Strategies electronically or by mail. Instructions for submission can be found in the BFF. The BFF must be executed on paper with a wet signature or with the application of a digital signature by an authorized representative listed on the legal qualification card currently on file with BOEM as authorized to bind the company. Winning bidders who have committed to bidding credit(s) must meet the bidding credit requirements no later than

submission of their first Facility Design Report (FDR) or the tenth Lease Anniversary, whichever is sooner.

X. Bid Deposit

A bid deposit is an advance cash payment submitted to BOEM to participate in the auction. ONRR will notify the bidders that they have access to the Bid Deposit Form in *www.pay.gov*, and bidders must use the Bid Deposit Form on the Weblink for Federal register is: *https://onrr.gov/paying/payment-options?tabs=renewable-energy,bid-deposit-options* website to submit a deposit. Bidders may need to create an account in *www.pay.gov* to access the Bid Deposit Form and submit a deposit. Each bidder must submit a bid deposit of \$2,000,000 no later than September 27, 2024, to be eligible to bid for one lease area. Any bidder who fails to submit the bid deposit by this deadline may be disqualified from participating in the auction. BOEM will consider extensions to this deadline only if BOEM, in its sole discretion, determines that the failure to timely submit the bid deposit was caused by events beyond the bidder's control.

Following the auction, provisional winners' bid deposits will be applied against their winning cash bids. Once BOEM has announced the provisional winners, BOEM will coordinate with ONRR to refund bid deposits to the other bidders.

If BOEM offers a lease to a provisionally winning bidder and that bidder fails to timely return the signed lease form, establish financial assurance, or pay the balance of its bid, BOEM may retain the bidder's \$2,000,000 bid deposit. In such a circumstance, BOEM may determine which bid would have won in the absence of the bid previously determined to be the winning bid and may offer a lease to this next highest bidder if this

next highest bidder is not a provisionally winning bidder of the other Lease Area in the auction. This process may be repeated if needed.

XI. Minimum Bid

The minimum bid is the lowest dollar amount per acre that BOEM will accept as a winning bid and is the amount at which BOEM will start the bidding in the auction.

BOEM has established a minimum bid of \$50.00 per acre for this lease sale.

XII. Auction Procedures

- a. *Multiple-Factor Bidding Auction:* BOEM will use a multiple factor auction format for this lease sale. Under 30 CFR § 585.113, a multiple factor auction means an auction that involves the use of factors other than cash, such as bidding credits, to incentivize goals or actions that support public policy objectives or maximize public benefits through the competitive leasing auction process. For any multiple factor auction, the monetary value of the bidding credits, if any, is added to the value of the cash bids to determine the highest bidder. The bid made by a particular bidder in each round of this lease sale will represent the sum of the monetary factor (cash bid) and the value of any non-monetary factors in the form of bidding credits. Bidders will be subject to a ‘one-per-customer’ rule, meaning that each bidder can acquire at most one lease area. BOEM will start the auction using the minimum bid price for each lease area and will increase prices incrementally until no more than one bidder remains bidding on each Lease Area in the auction.

BOEM is not revising the bidding credit percentages from those proposed in the PSN: a 15 percent workforce training and/or supply chain bid credit, a 5 percent Lease Area Use Community Benefit Agreement (CBA) bid credit and a 5 percent general CBA

bid credit. The total of all offered bidding credits remains at 25 percent. For this sale, BOEM is calculating bidding credits as a percentage of the whole bid, which is a change from the method used in prior sales, where bidding credits were calculated as a percentage of the cash portion of the bid. The intended purpose of this change is to simplify the bidding credit calculation.

BOEM will grant bidding credits to bidders that commit to one or more of the following, subject to review of the bidder's BFF and Conceptual Strategy.

- i. Supporting workforce training programs for the floating offshore wind industry or supporting the development of a domestic supply chain for the floating offshore wind industry, or a combination of both; or
- ii. Establishing a Lease Area Use Community Benefit Agreement (Lease Area Use CBA) 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 offshore wind development; or
- iii. Establishing a General Community Benefit Agreement (General CBA) with one or more communities, Tribes, or stakeholder groups that are expected to be affected by the potential impacts on the marine, coastal and/or human environment (such as impacts to visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA.

These bidding credits are intended to:

- i. Enhance, through training, the floating offshore wind workforce and/or enhance the establishment of a domestic supply chain for floating offshore wind manufacturing, assembly, or services, both of which will contribute to the expeditious and orderly development of offshore wind resources on the OCS; and
 - ii. Minimize potential impacts to a community or stakeholder group from renewable energy activity or structures on the Lease Area, and particularly to assist fishing and related industries to manage transitions, gear changes, or other similar impacts which may arise from the development of the Lease Area; and
 - iii. Minimize any potential impacts to a Tribe, community or stakeholder group from floating offshore wind energy development, particularly to assist them in managing transitions, changes or other similar impacts which may arise from the development of the Lease Area.
- b. *Changes to Auction Rules:* BOEM will be employing new auction software for lease sales held in 2024. The auction format remains an ascending clock auction with multiple-factor bidding. There are four main changes to the ascending clock auction rules in the new software applicable to this lease sale, as follows:
 - i. If a bidder decides to bid on a different Lease Area in a given round of the auction, it may submit a bid to reduce demand for the Lease Area it bid on in the previous round and, simultaneously, submit a bid to increase demand for another Lease Area. This allows a bidder the option to switch to another Lease Area if the price of the first Lease Area exceeds the bidder's specified bid price.
 - ii. Provisional winners will no longer be determined using a two-step process. The auction rules are implemented in a way such that, when the auction concludes, the

bidder who remains on a Lease Area after the final round becomes its provisional winner. There will be no additional processing step.

- iii. The auction will use a “second price” rule. A given Lease Area will be won by the bidder that submitted the highest bid amount for the Lease Area, but the winning bidder will pay the highest bid amount at which there was competition (i.e., the “second price”).
- iv. Each bidder’s bidding credit will be expressed directly as a percentage of the final price of the lease.

All potential bidders should review the Auction Procedures for Offshore Wind Lease Sales (Version 1) located at: <https://www.boem.gov/renewable-energy/lease-and-grant-information>.

- c. *The Auction:* Using an online bidding system to host the auction, BOEM will start the bidding for Leases OCS-P 0567 and OCS-P 0566 as described below.

Lease Area Name	Lease Area ID	Acres	Minimum Bid
Brookings	OCS-P 0567	133,792	\$6,689,600
Coos Bay	OCS-P 0566	61,203	\$3,060,150

The auction will be conducted in a series of rounds. Before each round, the auction system will announce the prices for each lease area offered in the auction. In Round 1, there is a single price for each lease area equal to the minimum bid price (also known as the ‘opening price’ or ‘clock price of Round 1’). Each bidder can bid, at the opening price, for one lease area. After Round 1, the bidder’s “processed demand” is one for the

lease area (if any) for which the bidder bid in Round 1.² The bidder's eligibility for Round 2 equals the number of Lease Areas for which the bidder bid in Round 1.

Starting in Round 2, each Lease Area is assigned a range of prices for the round. The start-of-round price is the lowest price in the range, and the clock price is the highest price in the range. A bidder still eligible to bid after the previous round can either continue bidding at the new round's clock price for the same Lease Area for which the bidder's processed demand is one or submit a bid at any price in the range for that round to reduce demand for that Lease Area. A bid to reduce demand at some price indicates that the bidder is not willing to acquire that Lease Area at a price exceeding the specified bid price. A bidder that bids to reduce demand for a Lease Area can optionally bid to increase demand for the other Lease Area in the same round.

If an eligible bidder does not place a bid during the round for the Lease Area for which the bidder's processed demand is one, the auction system will consider this a request to reduce demand for that Lease Area at the round's start-of-round price. That bidder can nonetheless win that Lease Area if it is the last remaining bidder for that Lease Area.

After each round, the auction system processes the bids and determines each bidder's processed demand for each Lease Area and the posted prices for the Lease Areas. The bidder's eligibility for the next round equals the number of Lease Areas for which the bidder had a processed demand of one. If, after any round, a bidder's

² Bidders specify their demand for a lease area with either a 0 or 1 in the auction system. A demand of 1 indicates the lease area that they are bidding on. Processed demand is the demand, either 0 or 1 of a bidder for a lease area following the processing of the bids for the round.

processed demand is zero for both Lease Areas, the bidder's eligibility drops to zero and the bidder can no longer bid in the auction. The posted price is the price determined for each Lease Area after processing of all bids for a round. If only one bidder remains on a Lease Area, the posted price reflects the "second price" (i.e., the highest price at which there was competition for the Lease Area).³

If, after the bids for the round have been processed, there is no Lease Area with excess demand, the auction will end. When this occurs, each bidder with a processed demand of one for a Lease Area will become the provisional winner for that Lease Area. Otherwise, the auction will continue with a new round in which the start-of-round price for each Lease Area equals the posted price of the previous round.

The increment by which the clock price exceeds the start-of-round price will be determined based on several factors including, but not limited to, the expected time needed to conduct the auction and the number of rounds that have already occurred. BOEM reserves the right to increase or decrease the increment as it deems appropriate.

The provisional winner of each Lease Area will pay the final posted price (less any applicable bidding credit) or risk forfeiting its bid deposit. A provisional winner will be disqualified if it is subsequently found to have violated auction rules or BOEM regulations, or otherwise engaged in conduct detrimental to the integrity of the competitive auction. If a bidder submits a bid that BOEM determines to be a provisionally winning bid, the bidder must sign the applicable lease documents, post financial assurance, and submit the outstanding balance (if any) of its winning bid

³ The *Auction Procedures for Offshore Wind Lease Sales* provides details on how bids are prioritized and processed.

(i.e., winning bid minus the applicable bid deposit and any applicable bidding credits) within ten business days of receiving the lease for execution, pursuant to 30 CFR 585.225(b). BOEM reserves the right to not issue the lease to the provisionally winning bidder if that bidder fails to: timely execute the lease and return it to BOEM, timely post adequate financial assurance, timely pay the balance of its winning bid, or otherwise comply with applicable regulations or the terms of this FSN. In any of these cases, the bidder may forfeit its bid deposit and BOEM reserves the right to offer a lease to the next highest eligible bidder as determined by BOEM.

BOEM will publish the names of the provisional winners of the Lease Areas and the associated prices shortly after the conclusion of the sale. Full bid results, including round-by-round results of the entire sale, will be published on BOEM's website after a review of the results and announcement of the provisional winners.

Additional Information Regarding the Auction Format:

- i. Authorized Individuals and Bidder Authentication:* An entity that is eligible to participate in the auction will identify on its BFF up to three individuals who will be authorized to bid on behalf of the company, including their names, business telephone numbers, and email addresses. All individuals will log into the auction system using Login.gov. Prior to the auction, each individual listed on the BFF form must obtain a Fast Identify Online (FIDO) compliant security key⁴ and must register this security key on Login.gov using the same

⁴ FIDO keys are produced by many manufacturers, such as Yubico and Google. They are widely available and can easily be purchased from Amazon, Best Buy, Walmart, or any other seller of electronics. The latest generation of the FIDO standard is FIDO2, and each authorized individual should obtain a key compliant with the FIDO2 authentication standard. FIDO keys are typically inserted into a computer's USB port, so the authorized individual should obtain a FIDO key compatible with their computer (USB-A or USB-C) or a USB adapter, as necessary.

email address that was listed in the BFF. The Login.gov registration, together with the FIDO-compliant security key, will enable the individual to log into the auction system. Information on the “Auction Login and Authentication Procedures” is available online at: <https://www.boem.gov/renewable-energy/lease-and-grant-information>. After BOEM has processed the bid deposits, the auction contractor will send an email to the authorized individuals, inviting them to practice logging into the auction system on a specific day in advance of the mock auction. The Login.gov login process, along with the authentication process for the auction helpdesk, will also be tested during the mock auction.

- ii.* If an eligible bidder fails to submit a bid deposit or does not participate in the first round of the auction, BOEM will deactivate that bidder’s login information.
- iii. Timing of Auction:* The auction will begin at 7:00 a.m. PT / 10:00 a.m. ET on October 15, 2024. Bidders will be able to log into the auction system beginning 30 minutes before the start of the auction. BOEM recommends that bidders log in earlier than 7:00 a.m. PT / 10:00 a.m. ET on that day to ensure that any login issues are resolved prior to the start of the auction.
- iv. Messaging Service:* BOEM and its auction contractors will use the auction system’s messaging service to keep bidders informed on issues of interest during the auction. For example, BOEM could change the schedule at any time, including during the auction. If BOEM changes the schedule during the auction, it will use the messaging service to notify bidders that a revision has

been made and will direct bidders to the relevant page. BOEM will also use the messaging service for other updates during the auction.

- v. *Bidding Rounds:* Bidders are allowed to place bids or to change their bids at any time during the bidding round. At the top of the bidding page, a countdown clock shows how much time remains in each round. Bidders will have until the end of the round to place bids. Bidders should do so according to the procedures described in this FSN and the Auction Procedures for Offshore Wind Lease Sales. Information about the round results will be made available only after the round has closed, so there is no strategic advantage to placing bids early or late in the round. The Auction Procedures for Offshore Wind Lease Sales elaborates on the auction procedures described in this FSN. In the event of any inconsistency between the Auction Procedures for Offshore Wind Lease Sales, the Bidder Manual, and the FSN, the FSN is controlling.⁵
- i. *Alternate Bidding Procedures:* Redundancy is the most effective way to mitigate technical and human issues during an auction. BOEM strongly recommends that bidders consider authorizing more than one individual to bid in the auction—and confirming during the mock auction that each individual is able to access the auction system. A mobile hotspot or other form of wireless access is helpful if a company’s main internet connection should fail. As a last resort, an authorized individual facing technical issues may request to submit its bid by telephone. To be authorized to place a telephone bid, an authorized individual must contact the

⁵ The Bidder Manual describes use of the auction platform and is provided to the auction participants in advance of the auction.

auction help desk, at the phone number provided to bidders, before the end of the round. The caller must explain the reasons why a telephone bid needs to be submitted. BOEM may, in its sole discretion, permit or refuse to accept a request for the placement of a bid using this alternate telephonic bidding procedure. The auction help desk requires codes from the Google Authenticator application (app) as part of its procedure for identifying individuals who call for assistance. ***Prior to the auction***, all individuals listed on the BFF should download the Google Authenticator™ mobile app⁶ onto their smartphone or tablet.⁷ The first time the individual logs into the auction system, the system will provide a QR token to be read into the Google Authenticator app. This token is unique to the individual and BOEM auctions. It enables the Google Authenticator app to generate time-sensitive codes that must be provided to the help desk representative as part of the user authentication process.

- b. *15 Percent Bidding Credit for Workforce Training or Supply Chain Development or a Combination of Both*: This bidding credit allows a bidder to receive a credit of 15 percent of its bid in exchange for a commitment to make a qualifying monetary contribution (“Contribution”), in the same amount as the bidding credit received, to programs or initiatives that support workforce training programs for the U.S. floating offshore wind industry or development of a U.S. domestic supply chain for the floating offshore wind industry, or both, as described in the BFF Addendum and the lease. To qualify for this credit, the bidder must commit to the bidding credit

⁶ Google Authenticator must be installed from either the Apple App Store or the Google Play Store.

⁷ Installing the Google Authenticator app is only required if the app has not already been installed on the smartphone or tablet.

requirements on the BFF and submit a Conceptual Strategy as described in the BFF Addendum.

- i. The Contribution to workforce training must result in a better trained and/or larger domestic floating offshore wind workforce that provides for more efficient operations via increasing the supply of fully trained personnel. Training of existing lessee employees, lessee contractors, or employees of affiliated entities will not qualify.
- ii. The Contribution to domestic supply chain development must result in overall benefits to the U.S. floating offshore wind supply chain available to all potential purchasers of floating offshore wind services, components, or subassemblies, not solely the lessee's project; and either: (i) the demonstrable development of new domestic capacity (including vessels) or the demonstrable buildout of existing capacity; or (ii) an improved floating offshore wind domestic supply chain by reducing the upfront capital or certification cost for manufacturing floating offshore wind components, including the building of facilities, the purchasing of capital equipment, and the certifying of existing manufacturing facilities.
- iii. Contributions cannot be used to satisfy private cost shares for any federal tax or other incentive programs where cost sharing is a requirement. No portion of the Contribution may be used to meet the requirements of any other bidding credits for which the lessee qualifies.
- iv. Bidders interested in obtaining a bidding credit could choose to contribute to workforce training programs, domestic supply chain initiatives, or a combination of both. The Conceptual Strategy must describe verifiable actions that the lessee

will take that would allow BOEM to confirm compliance when the documentation for satisfying the bidding credit is submitted. The Contribution must be tendered in full, and the lessee must provide documentation evidencing it has made the Contribution and complied with applicable requirements, no later than the date the lessee submits its first FDR or before the tenth Lease Anniversary, whichever is sooner.

- v. Contributions to workforce training must promote and support one or more of the following purposes: (i) union apprenticeships, labor management training partnerships, stipends for workforce training, or other technical training programs or institutions focused on providing skills necessary for the planning, design, construction, operation, maintenance, or decommissioning of floating offshore wind energy projects in the United States; (ii) maritime training necessary for the crewing of vessels to be used for the construction, servicing, and/or decommissioning of floating offshore wind energy projects in the United States; (iii) training workers in skills or techniques necessary to manufacture or assemble floating offshore wind components, subcomponents, or subassemblies. Examples of areas involving these skills and techniques include welding; wind energy technology; hydraulic maintenance; braking systems; mechanical systems, including blade inspection and maintenance; or computers and programmable logic control systems; (iv) Tribal floating offshore wind workforce development programs or training for employees of an Indian Economic Enterprise⁸ in skills necessary in the floating offshore wind industry; or (v) training in any other job

⁸ [https://www.bia.gov/sites/default/files/dup/assets/as-ia/ieed/Primer%20on%20Buy%20Indian%20Act%20508%20Compliant%202.6.18\(Reload\).pdf](https://www.bia.gov/sites/default/files/dup/assets/as-ia/ieed/Primer%20on%20Buy%20Indian%20Act%20508%20Compliant%202.6.18(Reload).pdf)

skills that the lessee can demonstrate are necessary for the planning, design, construction, operation, maintenance, or decommissioning of floating offshore wind energy projects in the United States.

- vi. Contributions to domestic supply chain development must promote and support one or more of the following: (i) development of a domestic supply chain for the floating offshore wind industry, including manufacturing of components and subassemblies and the expansion of related services; (ii) domestic Tier 2 and Tier 3 floating offshore wind component suppliers and domestic Tier-1 supply chain efforts, including quay-side fabrication;⁹ (iii) technical assistance grants to help U.S. manufacturers re-tool or certify (e.g., ISO-9001) for floating offshore wind manufacturing; (iv) development of Jones Act-compliant vessels for the construction, servicing, and/or decommissioning of floating offshore wind energy projects in the United States; (v) purchase and installation of lift cranes or other equipment capable of lifting or moving floating offshore wind foundations, towers, and nacelles quayside, or lift cranes on vessels with these capabilities; (vi) port infrastructure directly related to floating offshore wind component manufacturing or assembly of major floating offshore wind facility components; (vii) establishing a new or existing bonding support reserve or revolving fund available to all businesses providing goods and services to floating offshore wind energy companies, including disadvantaged businesses and/or Indian Economic Enterprises; or (viii) other supply chain development efforts that the lessee can

⁹ Tier-1 denotes the primary offshore wind components such as the blades, nacelles, towers, foundations, and cables. Tier 2 subassemblies are the systems that have a specific function for a Tier 1 component. Tier 3 subcomponents are commonly available items that are combined into Tier 2 subassemblies, such as motors, bolts, and gears.

demonstrate advance the manufacturing of floating offshore wind components or subassemblies or the provision of floating offshore wind services in the United States.

- vii. *Documentation:* If a lease is issued pursuant to a winning bid that includes a bidding credit for workforce training or supply chain development, the lessee is required to provide documentation showing that the lessee has met the financial commitment before the lessee submits the first FDR for the lease or before the tenth Lease Anniversary, whichever is sooner. The documentation must allow BOEM to objectively verify the amount of the Contribution and the beneficiary(ies) of the Contribution.

At a minimum, the documentation must include: all written agreements between the lessee and beneficiary(ies) of the Contribution, which must detail the amount of the Contribution(s) and how it will be used by the beneficiaries of the Contribution(s) to satisfy the goals of the bidding credit for which the Contribution was made; all receipts documenting the amount, date, financial institution, and the account and owner of the account to which the Contribution was made; and sworn statements by the entity that made the Contribution and the beneficiary(ies) of the Contribution attesting that all information provided in the above documentation is true and accurate. The documentation will need to describe how the funded initiative or program has advanced, or is expected to advance, U.S. floating offshore wind workforce training or supply chain development. The documentation must also provide qualitative and/or quantitative information that includes the estimated number of trainees or jobs

supported, or the estimated leveraged supply chain investment resulting or expected to result from the Contribution. The documentation will need to contain any information called for in the Conceptual Strategy that the lessee submitted with its BFF and to allow BOEM to objectively verify (i) the amount of the Contribution and the beneficiary(ies) of the Contribution, and (ii) compliance with the bidding credit criteria provided in Addendum “C” of the lease. If the lessee’s implementation of its Conceptual Strategy changes due to market needs or other factors, the lessee must explain the changed approach. BOEM reserves all rights to determine that the bidding credit has not been satisfied if changes from the lessee’s Conceptual Strategy result in the lessee not meeting the criteria for the bidding credit described in Addendum “C” of the lease.

- viii. *Enforcement:* The commitment for the bidding credit will be made in the BFF and will be included in a lease addendum that will bind the lessee and all future assignees of the lease to the fulfillment of the bidding credits. If BOEM were to determine that a lessee or assignee had failed to satisfy the requirements of the bidding credit, or if a lessee were to relinquish or otherwise fail to develop the lease by the tenth anniversary date of lease issuance, the amount corresponding to the bidding credit awarded would be immediately due and payable to ONRR with interest from the lease Effective Date. The interest rate would be the underpayment interest rate identified by ONRR on its website. The lessee will not be required to pay said amount if the lessee satisfied its bidding credit requirements but failed to develop the lease by the tenth Lease Anniversary. BOEM could, at its sole discretion, extend the documentation deadline beyond the

first FDR submission or extend the lease development deadline beyond the 10-year timeframe.

5 Percent Bidding Credit for Lease Area Use CBA: This bidding credit will allow a bidder to receive a credit of 5 percent of its bid in exchange for a commitment to contribute to an existing Lease Area Use CBA or a commitment to enter into a new Lease Area Use CBA with a community or stakeholder group 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. To qualify for the credit, the bidder must commit to the bidding credit requirements in the BFF and submit a conceptual strategy, as described in the BFF addendum. Lessees must use best efforts to provide benefits at least commensurate to the value of the bidding credit received. This may include both monetary and non-monetary benefits. To clarify, any benefits provided to impacted communities should not duplicate benefits or mitigation measures imposed on the lessee through, or pursuant to, federal statutes other than OCSLA. To count toward this bidding credit, any compensatory mitigation required by a CBA provision must occur before BOEM requires the same compensatory mitigation in the terms and conditions of COP approval.

Bidders committing to use the Lease Area Use CBA bidding credit must submit their conceptual strategy, along with their BFF, as further described below and in the BFF addendum. The conceptual strategy must describe the actions that the lessee intends to take that will allow BOEM to verify compliance when the

lessee seeks to demonstrate satisfaction of the requirements for the bidding credit. The lessee must provide documentation showing that the lessee has met the commitment and complied with the applicable bidding credit requirements before the lessee submits the lease's first FDR or before the tenth Lease Anniversary, whichever is sooner.

- ix. *Documentation:* As proposed, if a lease is awarded pursuant to a winning bid that includes a Lease Area Use CBA bidding credit, the lessee must provide written documentation to BOEM demonstrating execution of the Lease Area Use CBA commitment no later than submission of the lessee's first FDR or before the tenth Lease Anniversary, whichever is sooner. The documentation must enable BOEM to objectively verify the Contribution has met all applicable requirements outlined in addendum "C" of the lease. At a minimum, this documentation must include:
- All written agreements between the lessee and beneficiary(ies), including the executed Lease Area Use CBA;
 - A description of work done with impacted communities, including the monetary and non-monetary commitments that reflect the value of the bidding credit received; and
 - Sworn statements by the Lease Area Use CBA signatories or their assignees, attesting to the truth and accuracy of all the information provided in the above documentation.

The documentation must contain any information specified in the conceptual strategy that was submitted with the BFF. If the lessee's implementation of its conceptual strategy changes due to market needs or other factors, the lessee must

explain this change. BOEM reserves the right to determine that the bidding credit has not been satisfied if changes from the lessee's conceptual strategy result in the lessee not meeting the criteria for the bidding credit described in addendum "C" of the lease.

- x. *Enforcement:* The commitment for the bidding credit will be made in the BFF and will be included in a lease addendum that will bind the lessee and all future assignees of the lease to the fulfillment of the bidding credit. If BOEM were to determine that a lessee or assignee had failed to satisfy the requirements of the bidding credit, or if a lessee were to relinquish or otherwise fail to develop the lease by the submission of the lessee's first FDR or by the tenth anniversary date of lease issuance, the amount corresponding to the bidding credit awarded would be immediately due and payable to ONRR with interest from the lease Effective Date. The interest rate would be the underpayment interest rate identified by ONRR. The lessee will not be required to pay said amount if the lessee satisfied its bidding credit requirements but failed to develop the lease by the tenth Lease Anniversary. BOEM could, at its sole discretion, extend the documentation deadline beyond the first FDR submission or extend the lease development deadline beyond the 10-year timeframe.

- c. *5 percent Bidding Credit for General CBA:* The third bidding credit offered would allow a bidder to receive a credit of 5 percent of its bid in exchange for a commitment to contribute to an existing General CBA or a commitment to enter into a new General CBA with a community or stakeholder group that is expected to be impacted by the lessee's potential floating offshore wind development. To qualify for the credit, the bidder must

commit to the bidding credit requirements in the BFF and submit a conceptual strategy as described in the BFF addendum. Bidders committing to use the General CBA bidding credit must submit their conceptual strategy along with their BFF, further described below and in the BFF addendum. The conceptual strategy must describe the actions that the lessee intends to take that will allow BOEM to verify compliance when the lessee seeks to demonstrate satisfaction of the requirements for the bidding credit. Lessees must use best efforts to provide benefits at least commensurate to the value of the bidding credit received. This may include both monetary and non-monetary benefits. To clarify, any benefits provided to impacted communities should not duplicate benefits or mitigation measures imposed on the lessee through, or pursuant to, federal statutes other than OCSLA. To count toward this bidding credit, any compensatory mitigation required by a CBA provision must occur before BOEM requires the same compensatory mitigation in the terms and conditions of COP approval.

1) Documentation: As proposed, if a lease is awarded pursuant to a winning bid that includes a General CBA bidding credit, the lessee must provide written documentation to BOEM demonstrating execution of the General CBA commitment no later than submission of the lessee's first FDR or before the tenth Lease Anniversary, whichever is sooner. The documentation must enable BOEM to objectively verify that the Contribution has met all applicable requirements outlined in addendum "C" of the lease. At a minimum, this documentation must include:

- a.* All written agreements between the lessee and beneficiary(ies), including the executed General CBA;

- b. A description of work with impacted communities to reach monetary and non-monetary commitments that reflect the value of the bidding credit received;
- c. Sworn statements by the General CBA signatories or their assignees, attesting to the truth and accuracy of all the information provided in the above documentation.

The documentation must contain any information specified in the conceptual strategy that was submitted with the BFF. If the lessee's implementation of its conceptual strategy changes due to market needs or other factors, the lessee will need to explain this change. BOEM reserves the right to determine that the bidding credit has not been satisfied if changes from the lessee's conceptual strategy result in the lessee not meeting the criteria for the bidding credit described in addendum "C" of the lease.

- d. *Enforcement:* The commitment for the bidding credit must be made in the BFF and will be included in a lease addendum that will bind the lessee and all future assignees of the lease to the fulfillment of the bidding credit. If BOEM were to determine that a lessee or assignee had failed to satisfy the requirements of the bidding credit, or if a lessee were to relinquish or otherwise fail to develop the lease by the tenth anniversary date of lease issuance, the amount corresponding to the bidding credit awarded would be immediately due and payable to ONRR with interest from the lease Effective Date. The interest rate would be the underpayment interest rate identified by ONRR. The lessee will not be required to pay said amount if the lessee satisfied its bidding credit requirements but failed

to develop the lease by the tenth Lease Anniversary. BOEM could, at its sole discretion, extend the documentation deadline beyond the first FDR submission or extend the lease development deadline beyond the 10-year time.

XIII. Rejection or Non-Acceptance of Bids

BOEM reserves the right to reject any and all bids that do not satisfy the requirements and rules of the auction, this FSN, or applicable regulations and statutes.

XIV. Anti-Competitive Review

Bidding behavior in this lease sale is subject to federal antitrust laws. Following the auction, but before the acceptance of bids and the issuance of the lease, BOEM will “allow the Attorney General, in consultation with the Federal Trade Commission, thirty days to review the results of [the] lease sale.” 43 U.S.C. 1337(c)(1). If a provisionally winning bidder is found to have engaged in anti-competitive behavior in connection with this lease sale, BOEM will reject its provisionally winning bid. Compliance with BOEM’s auction procedures and regulations is not an absolute defense to violations of antitrust laws.

Anti-competitive behavior determinations are fact specific. Such behavior may manifest itself in several different ways, including, but not limited to:

1. An express or tacit agreement among bidders not to bid in an auction, or to bid a particular price;
2. An agreement among bidders not to bid;
3. An agreement among bidders not to bid against each other; or
4. Other agreements among bidders that have the potential to affect the final auction price.

Pursuant to 43 U.S.C. 1337(c)(3), BOEM will decline to award a lease if the Attorney General, in consultation with the Federal Trade Commission, determines that awarding the lease would be inconsistent with antitrust laws.

For more information on whether specific communications or agreements could constitute a violation of federal antitrust law, please see <https://www.justice.gov/atr> or consult legal counsel.

a. Process for Issuing the Lease

Once all post-auction reviews have been completed to BOEM's satisfaction, BOEM will provide an unsigned copy of the lease to each provisionally winning bidder. Within 10 business days after receiving the lease, the provisionally winning bidders must:

1. Sign and return the lease on the bidder's behalf;
2. File financial assurance, as required under 30 CFR 585.516–537; and
3. Pay by electronic funds transfer (EFT) the balance owed (the winning cash bid less the applicable bid deposit), if any. BOEM requires bidders to use EFT procedures (not *www.pay.gov*, the website bidders used to submit bid deposits) for payment of the balance, following the detailed instructions available on ONRR's website at: <https://onrr.gov/paying/payment-options?tabs=renewable-energy,bid-deposit-options>.

BOEM will not execute the lease until the three requirements above have been satisfied, BOEM has accepted the provisionally winning bidder's financial assurance, and BOEM has processed the provisionally winning bidder's payment. Pursuant to 30 CFR 585.225(d), a provisional winner may request in writing an extension of the 10-day time limit. BOEM, in its discretion, may grant such a request. If the provisionally winning

bidder does not meet these requirements or otherwise fails to comply with applicable regulations or the terms of the FSN, BOEM reserves the right not to issue the lease to that bidder. In such a case, the provisional winner will forfeit its bid deposit. Also, in such a case, BOEM reserves the right to offer the lease to the next highest eligible bidder as determined by BOEM.

Within 45 calendar days of the date that a provisional winner receives an executed copy of the lease, each provisional winner is required to pay the first year's rent using the "ONRR Renewable Energy Initial Rental Payments" form available at: <https://www.pay.gov/public/form/start/27797604/>.

Subsequent annual rent payments must be made following the detailed instructions available on ONRR's website at: <https://onrr.gov/paying/payment-options?tabs=rent-payments>.

b. Non-Procurement Debarment and Suspension Regulations

Pursuant to 43 CFR part 42, subpart C, an OCS renewable energy lessee will be required to comply with the Department of the Interior's non-procurement debarment and suspension regulations at 2 CFR parts 180 and 1400. The lessee must also communicate this requirement to persons with whom the lessee does business relating to this lease by including this requirement as a condition in their contracts and in other transactions.

c. Changes to Auction Details

BOEM has the discretion to change any auction detail specified in the FSN, including the date and time, if events outside BOEM's control may interfere with a fair and proper lease sale. Such events may include, but are not limited to, natural disasters (e.g., earthquakes, hurricanes, floods, and blizzards), wars, riots, acts of terrorism, fire,

strikes, civil disorder, Federal Government shutdowns, cyberattacks against relevant information systems, or other events of a similar nature. In case of such events, BOEM will notify all qualified bidders via email, phone, and BOEM's website at:

<https://www.boem.gov/renewable-energy/state-activities/oregon>. Bidders should call BOEM's Auction Manager at (703) 787-1121 if they have concerns.

d. Withdrawal of Blocks

BOEM reserves the right to withdraw all or portions of the Lease Areas prior to executing the leases with the winning bidders. If BOEM exercises this right, it will refund appropriate amounts of the bid deposits to winning bidders, without interest, as provided in 30 CFR 585.224(f).

e. Appeals

Procedures to request reconsideration of rejected bids are provided in BOEM's regulations at 30 CFR 585.226(c) and 585.118(c). BOEM's decision on a bid is the final action of the Department of the Interior and is not subject to appeal to the Office of Hearings and Appeals. Under 30 CFR 585.224, if BOEM rejects your bid, BOEM will provide a written statement of the reasons and will refund any money deposited with your bid, without interest. You may ask the BOEM Director for reconsideration, in writing, within 15 business days of bid rejection, under 30 CFR 585.118(c)(1). The Director will send you a written response either affirming or reversing the rejection.

f. Protection of Privileged or Confidential Information

BOEM will protect privileged or confidential information that the lessee submits, as authorized by the Freedom of Information Act (FOIA), 30 CFR 585.114, or other

applicable statutes. If the lessee wishes to protect the confidentiality of information, the lessee should clearly mark it “Contains Privileged or Confidential Information” and consider submitting such information as a separate attachment. BOEM will not disclose such information, except as required by FOIA. If your submission is requested under the FOIA, your information will only be withheld if a determination is made that one of the FOIA’s exemptions to disclosure applies. Such a determination will be made in accordance with the Department's FOIA regulations and applicable law. Labeling information as privileged or confidential will alert BOEM to more closely scrutinize whether it warrants withholding. Further, BOEM will not treat as confidential aggregate summaries of otherwise nonconfidential information.

XV. Compliance with the Inflation Reduction Act (Public Law No. 117-169 (Aug. 16, 2022))

(hereinafter, the “IRA”):

Section 50265(b)(2) of the IRA provides that “[d]uring the 10-year period beginning on the date of enactment of this Act... the Secretary may not issue a lease for offshore wind development under section 8(p)(1)(C) of the OCS Lands Act (43 U.S.C. 1337(p)(1)(C)) unless—(A) an offshore [oil and gas] lease sale has been held during the 1-year period ending on the date of the issuance of the lease for offshore wind development; and (B) the sum total of acres offered for lease in offshore [oil and gas] lease sales during the 1-year period ending on the date of the issuance of the lease for offshore wind development is not less than 60,000,000 acres.” Oil and Gas Lease Sale 261 was held on December 20, 2023, offering approximately 72 million acres, satisfying the requirements in section 50265(b)(2) of the IRA for any offshore wind lease issued by

December 20, 2024. BOEM expects to issue any leases resulting from PACW-2 no later than the one-year anniversary of Lease Sale 261.

AUTHORITY: 43 U.S.C. 1337(p); 30 CFR 585.214 and 585.220 et seq.

Elizabeth Klein
Director, Bureau of Ocean Energy Management