



BOEM Bureau of
Ocean Energy Management

Renewable Energy Leasing Process

Shrimp Advisory Panel (AP) Meeting
March 16, 2023

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Gulf of Mexico Outer Continental Shelf Renewable Energy

- Background
- Renewable Leasing Process
- Proposed Sale Notice
- Next Steps



Gulf of Mexico Renewable Energy

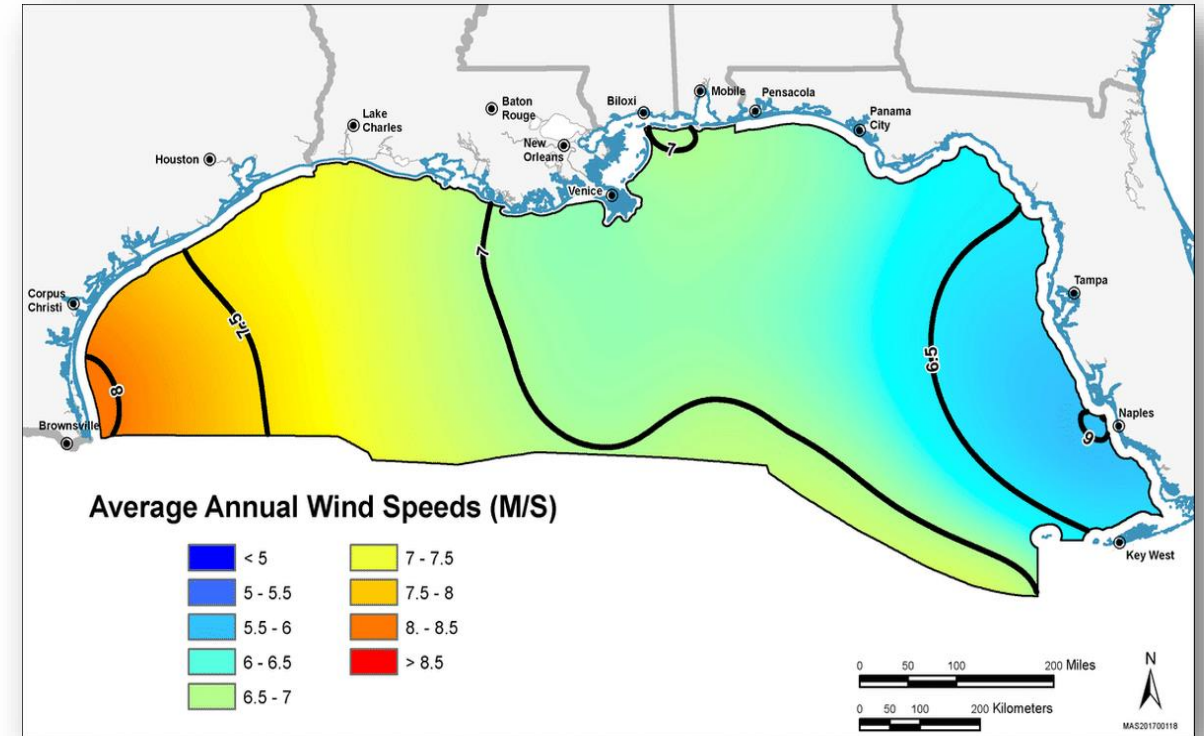
Louisiana Governor Edwards requested a Task Force on October 26, 2020.

December 2020, Gulf of Mexico Region responded to the LA Task Force Request Letter with a region-based Task Force approach. The inaugural GOM Regional Task Force Meeting was held on June 15, 2021.

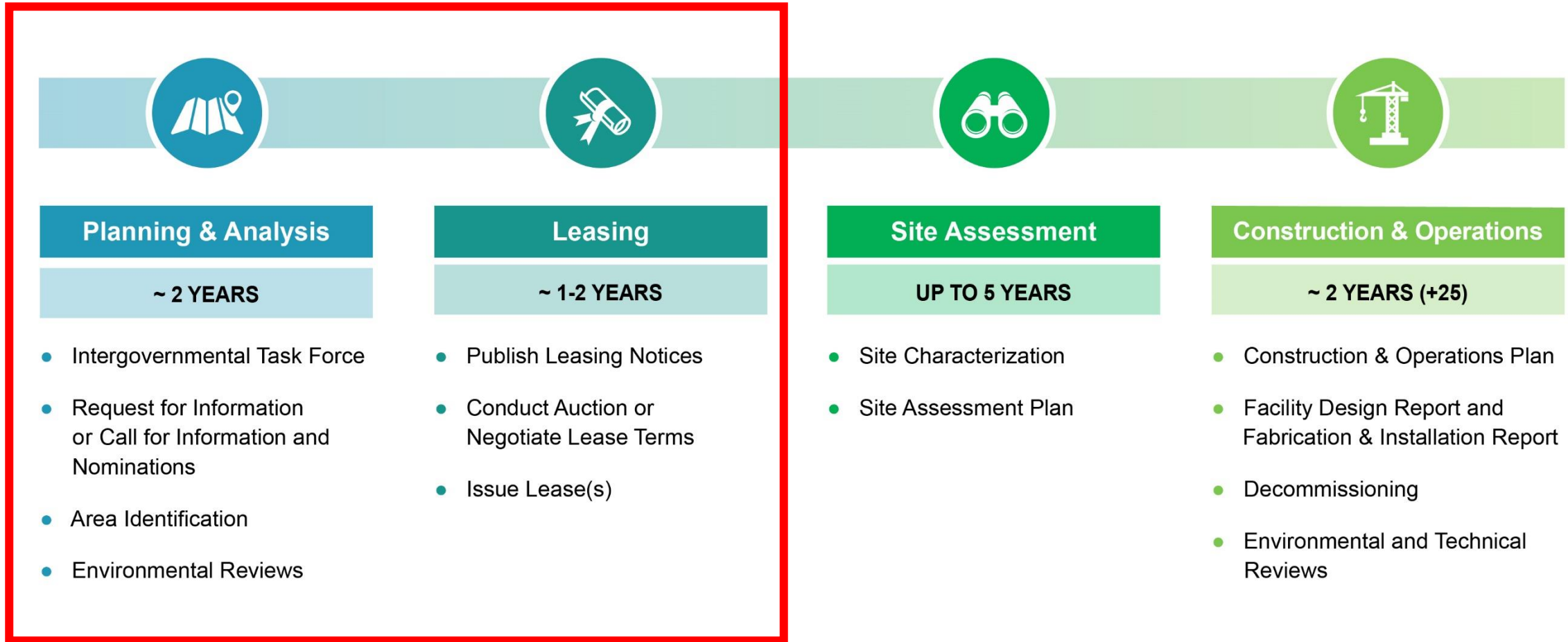
Conducting outreach and engagement to collect data and information.

Advantages: Proximity to oil and gas supply chain – leverage existing capabilities

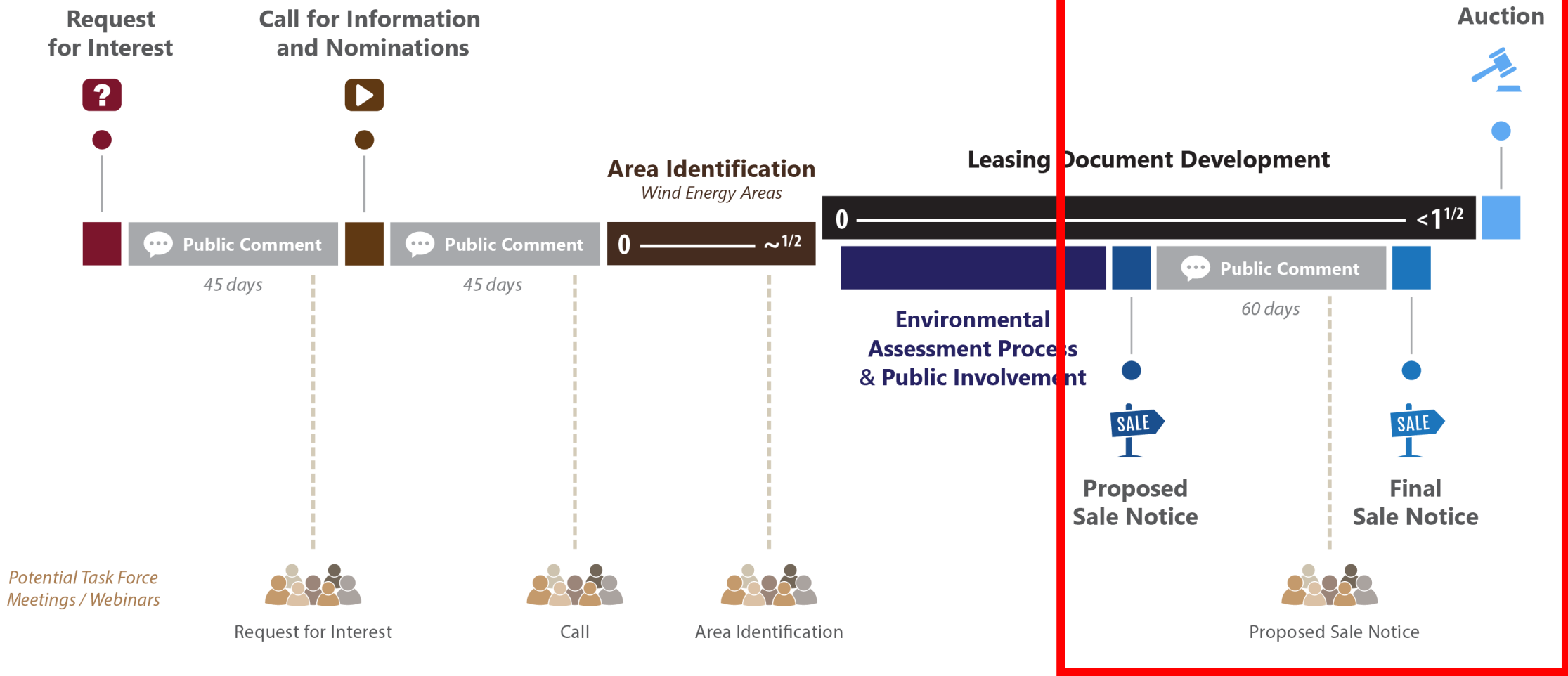
Challenges: Hurricanes – major hurricanes could increase turbine and substructure costs



BOEM Renewable Energy Process: Overview

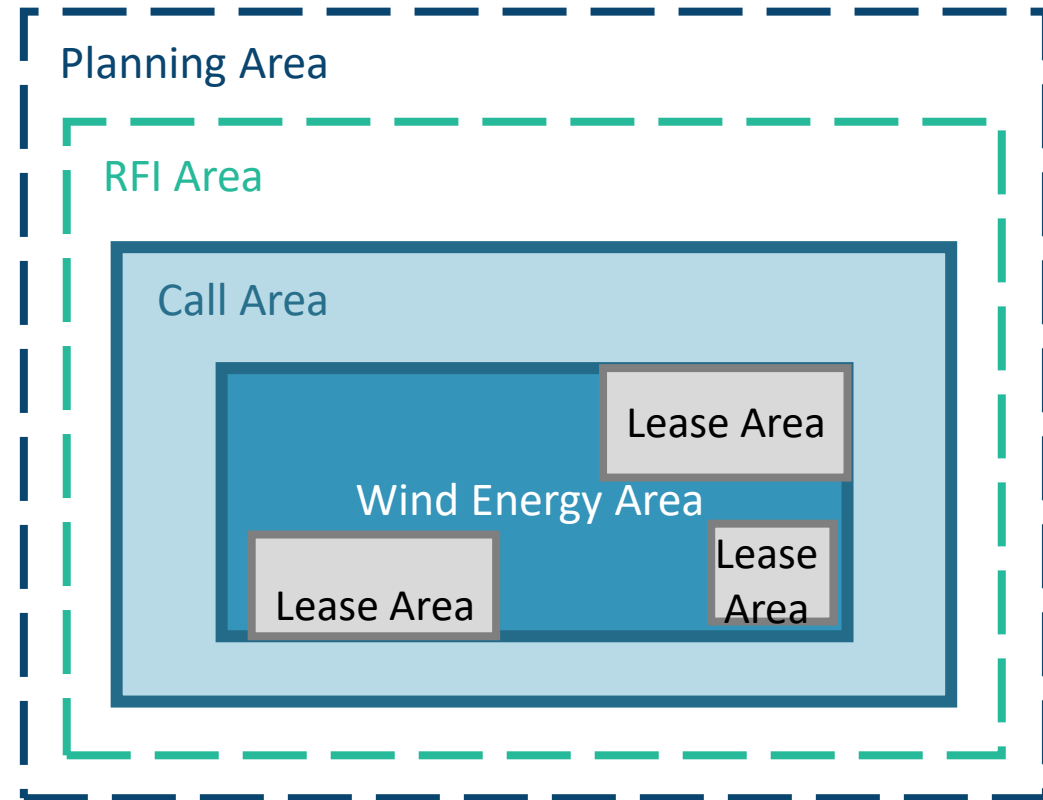


Renewable Energy Process: Focus on Pre-Lease Activities



Lease Areas

- Wind Energy Areas have the potential for further division into Lease Areas



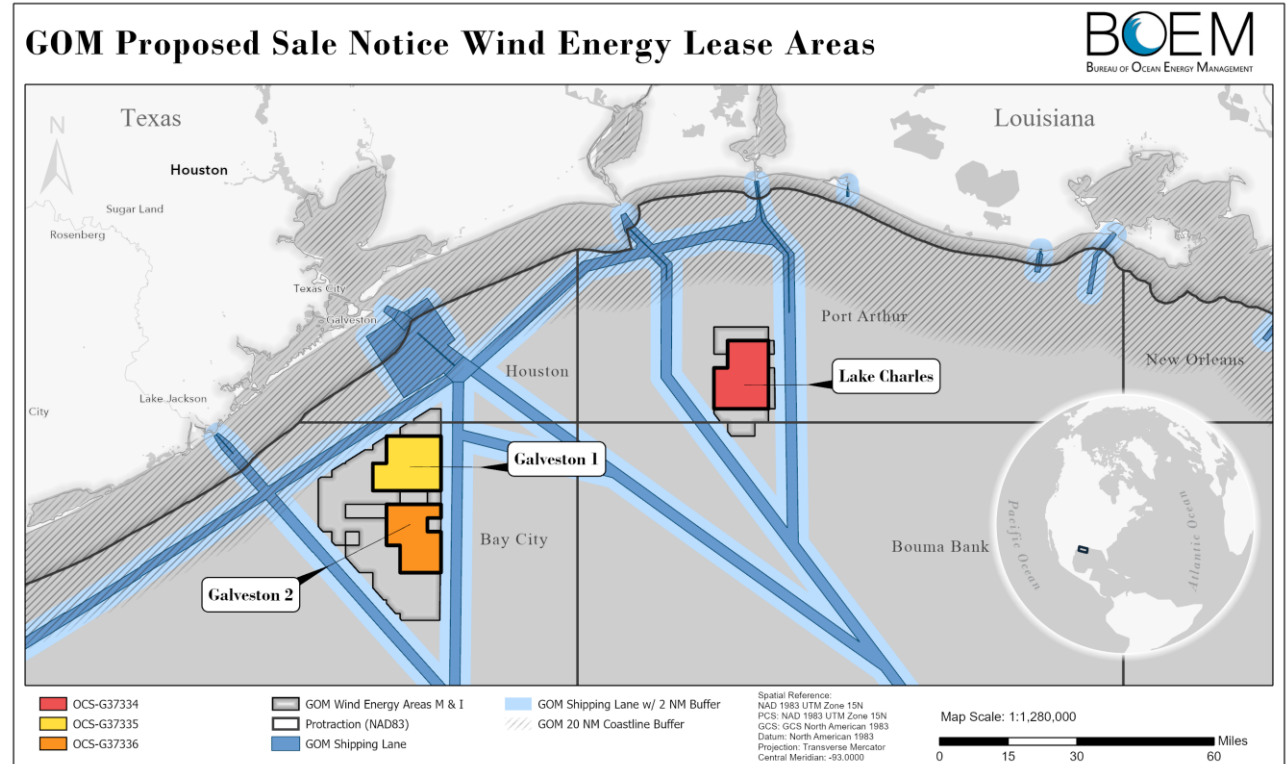
Proposed Lease Areas

	OCS-G 37335 (Galveston I)	OCS-G 37336 (Galveston II)	OCS-G 37334 (Lake Charles)	Total
Acres	102,480	96,786	102,480	301,746
Installation Capacity (MW) ^[1]	1,244	1,175	1,244	3,663
Homes powered ^[2]	435,400	411,250	435,400	1,282,050
Power Production (MWh/yr) ^[3]	4,358,976	4,117,200	4,358,976	12,835,152
Max Depth (meters[m])	36	36	25	--
Min Depth (m)	16	16	10	--
Closest distance to TX (nautical mile [nmi])	28	39	79	--
Closest distance to LA(nmi)	--	--	38	--

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

[2] Based upon 350 homes per MW

[3] Formula = Capacity (MW) * 8760 (hrs/yr) * 0.4 (capacity factor)



Pre-Lease Sale Process: Proposed Sale Notice

What is in a PSN?

- Area for leasing
- Fiscal terms
- Auction details and format
- Proposed lease terms
- Last opportunity to submit company qualification materials
 - Legal
 - Technical
 - Financial
- Nonmonetary factors



Auction Seminar for potential bidders



Bidding Credit

- Bidders may receive a bidding credit in exchange for committing to make a qualifying monetary contribution to programs or initiatives supporting offshore wind
- Two types of bidding credits proposed:
 - 20% bidding credit for a commitment to invest in programs that will advance U.S. offshore wind energy **workforce training and/or supply chain development**.
 - 10% bidding credit for a commitment to establish and contribute to a **fisheries compensatory mitigation fund** or to contribute to a similar existing fund to compensate for potential negative impacts to commercial and for-hire recreational fisheries. Lessees are encouraged to contribute to a regional fund whose first priority is to compensate for gear loss or damage, and income loss; funds that have been determined to be excess based on an actuarial accounting may be used to:
 - a. Promote participation of fishers and fishing communities in the project development process;
 - b. Promote research into the coexistence of multiple ocean industries; and
 - c. Offset the cost of gear upgrades and transitions for operating within a wind farm.



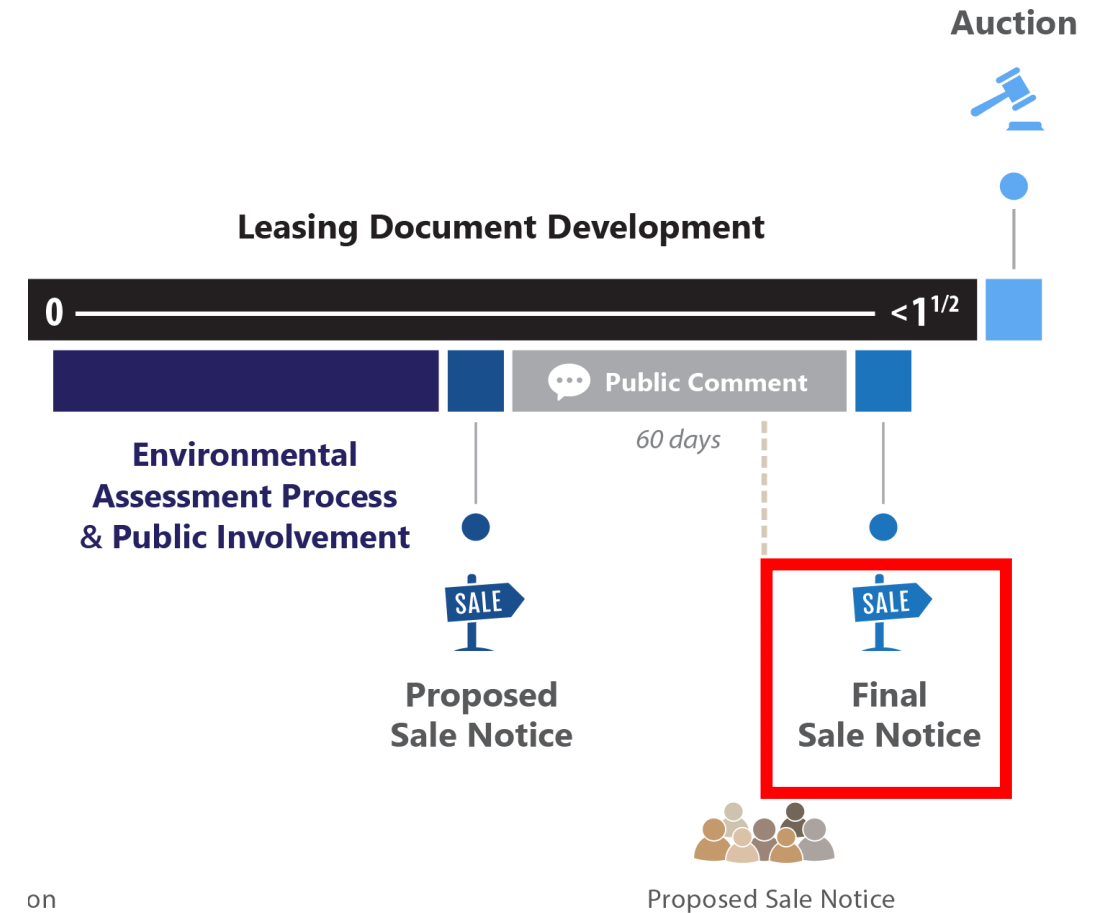
Pre-Lease Sale Process: Final Sale Notice

Final Sale Notice

- Bid deposit required to participate in auction
- List of qualified bidders

Mock Auction

Auction



GOM Offshore Wind Energy Leasing Milestones

- **June 11, 2021:** Request for Interest (RFI) published in the Federal Register.
- **June 15, 2021:** BOEM GOM Inaugural Intergovernmental Renewable Task Force Meeting to present and gather information.
- **July 26, 2021:** Comment Period for the RFI Closed.
 - BOEM received 39 RFI comments.
- **November 1, 2021:** BOEM published the Call for Information and Nominations (Call) in the Federal Register. Docket Number BOEM-2021-0077
- **December 16, 2021:** Comment Period for the Call Closed.
 - BOEM received 40 Call comments.
- **January 19 and 20, 2022:** Fisheries Summit
- **February 2, 2022:** Held 2nd GOM Intergovernmental Renewable Task Force Meeting
- **July 20, 2022:** Draft Wind Energy Areas Published. Comment period closed September 2, 2022
 - BOEM received 107 Draft WEA comments.
- **July 20, 2022:** Draft Environmental Assessment Published. Comment period closed September 2, 2022
- **July 27, 2022:** Held 3rd GOM Intergovernmental Renewable Task Force Meeting
- **October 31, 2022:** Final Wind Energy Areas Published.
- **February 24, 2023:** Proposed Sale Notice Published. Comment period closes on April 25, 2023.



Future Action: Next Few Months

Next Steps

- **Final Environmental Assessment (EA)**
- **Final Sale Notice (FSN)**
- **Proposed Lease Auction**





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