Updates
June 06, 2023
BOEM Takes Next Step Toward 2023 Gulf of Mexico Offshore Wind Lease Sale

On May 30, 2023, the Bureau of Ocean Energy Management (BOEM) announced its final environmental assessment (EA) of the effects of site characterization and site assessment activities associated with leasing federal waters in the Gulf of Mexico (GOM) for offshore wind development. The EA was accompanied by a Finding of No Significant Impact (FONSI) that allows leasing to move forward without further environmental review under the National Environmental Policy Act (NEPA).[1] Unlike previous EAs for offshore wind site characterization and assessment activities, BOEM conducted its environmental assessment for the entire GOM Call Area (approximately 30 million acres)[2] instead of focusing narrowly on the wind energy areas (WEAs) currently considered for leasing (approximately 682,000 acres). BOEM justified this novel approach as providing for greater flexibility by assessing in advance the environmental effects of issuing up to 18 future commercial and research wind leases, potential easements associated with leases, and grants for subsea cable corridors and associated collector/converter platforms throughout the Call Area. BOEM is expected to hold an auction for the first-ever offshore wind leases in the GOM later this year.

Background

Following its designation of the GOM Call Area, BOEM published a draft EA in July 2022. In October 2022, BOEM identified two WEAs offshore Galveston, Texas, and Lake Charles, Louisiana. It subsequently published a Proposed Sale Notice (PSN) in February 2023 for the simultaneous auction of three potential offshore wind energy leases. The proposed lease areas, representing only 301,746 acres combined, are a two-thirds reduction from the acreage of the original WEAs.[3]

Similar to the California and Carolina Long Bay lease sales in 2022, BOEM's PSN for the GOM includes a multiple-factor auction format with a bidding system that combines both monetary and nonmonetary factors, including credits for commitments to workforce training and/or domestic supply chain development. This lease sale will be unique because BOEM plans to make bidding credits available for (1) commitments to establish and provide funds for a fisheries compensatory mitigation fund and (2) supply chain development efforts that advance the manufacturing of offshore wind components that could be used to generate hydrogen.[4]

BOEM's Novel EA Approach in the GOM

Historically, BOEM has prepared an EA for offshore wind site characterization and assessment activities only after using the Area Identification (Area ID) process to identify WEAs.[5] This results in an EA focused on specific areas that are being imminently considered for potential leasing. This approach is not, however, required by NEPA. BOEM's decision to evaluate an entire Call Area rather than focus on WEAs represents an effort to streamline environmental reviews and pave the way for quicker transitions from WEA identification to lease sales in a region.[6]

Although this regional EA approach is new with respect to offshore wind leasing, BOEM has conducted similar regional NEPA analyses in the GOM under its offshore Oil and Gas Program. In the EA, BOEM acknowledges that the Oil and Gas Program informed its decision to conduct a regional EA because of existing research in the region, the familiarity of stakeholders with regional NEPA analyses, and consistency and comparability with oil and gas. An intended benefit of the regional approach is to allow greater flexibility for the identification of future WEAs and lease areas and provide coverage for unsolicited noncompetitive commercial or research lease requests.[7]

The EA and FONSI

BOEM prepared the EA to determine whether the issuance of leases, easements, and grants in the GOM would lead to reasonably foreseeable significant impacts on the environment, as required by NEPA. The EA considered potential environmental consequences of site characterization activities (i.e., biological, archeological, geological, and geophysical surveys and core samples) and site assessment activities (i.e., installation of meteorological buoys) associated with potential wind energy leases in the GOM.

The EA identifies Alternative C as BOEM's preferred alternative. This option allows for all blocks within the GOM Call Area to be offered for lease except for blocks located within a National Park, National Wildlife Refuge, National Marine Sanctuary, or any National Monument. BOEM's preferred alternative also removes blocks with "Topographic Feature Stipulations" from leasing consideration because those features provide important habitat for sensitive benthic and fish species in the region.[8]

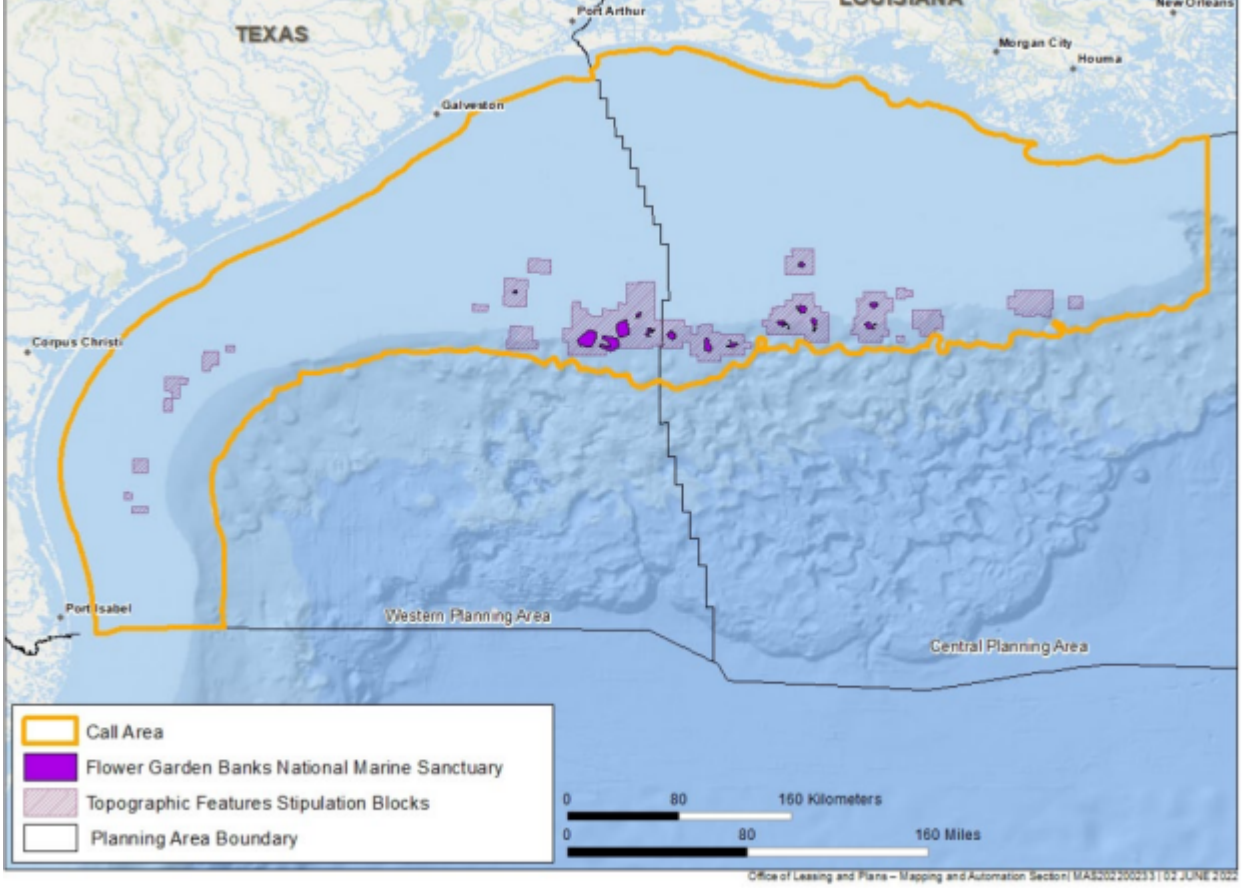

Figure 2.2-2. Gulf of Mexico Call Area Excluding the Topographic Features Stipulation Blocks. Source: BOEM,

OCS EIS/EA BOEM 2023-035, *Commercial and Research Wind Lease and Grant Issuance and Site Assessment Activities on the Outer Continental Shelf of the Gulf of Mexico, Final Environmental Assessment* (May 2023), at 2-7, Figure 2.2-2.

Although the preferred alternative allows for wind energy leasing in a large portion of the GOM Call Area, the EA and FONSI identify several mitigation measures, or Standard Operating Conditions (SOCs), that BOEM should incorporate in leases in the region. For the upcoming lease sale, BOEM identified the following SOCs that should be included in the leases to be offered: General Requirements, Protected Species, Benthic Habitat, Commercial Fisheries, Archaeological Survey Requirements, Avian and Bat Survey and Reporting Requirements, Manatee Conservation, Avoidance and Minimization Measures and Reporting, Additional Protected Species Mitigations, and Proposed Information to Lessees.[9]

Overall, the preferred alternative allows BOEM to consider issuing up to 18 commercial and research wind energy leases in the GOM Call Area, with each lease area averaging 80,000 acres. BOEM anticipates that each lease sale will include more than one lease but no more than six to eight leases for each WEA greater than 80,000 acres.[10] For each lease, BOEM foresees that a lessee will install one to two buoys, have two export cable corridors (each with a width of one kilometer), and could have an easement for a backbone transmission system with offshore converter collector platforms located within the export cable corridors.[11]

What's Next for GOM Leasing and Offshore Wind?

BOEM is expected to issue a Final Sale Notice (FSN) for the three proposed lease areas in the coming months. The FSN will announce the time and date of the lease sale, which is expected to be held this fall, and the companies qualified to participate. For future lease sales in the GOM, BOEM may be able to move more quickly from Area ID and WEA identification to lease sale because it has already conducted the EA for site assessment and characterization activities throughout the region.

Whether BOEM will take a similar approach with EAs in other areas identified for offshore wind development remains to be seen. The Gulf of Maine is likely the next area to watch, as BOEM released its Call for Information and Nominations in April 2023 for areas in a large region offshore Massachusetts, New Hampshire, and Maine. If BOEM follows its GOM approach, it could initiate an EA for the entire Gulf of Maine Call Area before using the Area ID process to identify WEAs.[12]

Endnotes

[1] The GOM Final EA and FONSI are available on BOEM's State Activities page for the GOM.

[2] BOEM released a Call for Information and Nominations (Call) for offshore wind leasing in the GOM in November 2021; the Call identified the area for which BOEM requested interest in obtaining commercial wind leases (the Call Area).

[3] The three proposed lease areas identified in the PSN represent a 54% reduction of the Louisiana Coast WEA, and a 36% reduction in the Texas Coast Region WEA, totaling a significant two-thirds reduction from the 682,000 acres originally proposed in October 2022.

[4] You can read more about the Proposed Sale Notice in our earlier Updates.

[5] *See*, e.g., Final Environmental Assessment for Commercial Research Wind Lease and Grant Issuances and Site Assessment and Characterization Activities on the Atlantic Outer Continental Shelf of the New York Bight.

[6] BOEM has demonstrated interest in streamlining environmental reviews in other phases of offshore wind development, for example through its Notice of Intent to prepare a Programmatic Environmental Impact Statement (PEIS) for the New York Bight. The PEIS will analyze potential environmental impacts associated with offshore wind development activities across all lease areas in the New York Bight. BOEM may also consider adopting the PEIS approach for lease areas in other regions, including the Gulf of Mexico, California, and the Gulf of Maine.

[7] Final EA at 1-4.

[8] *See* FONSI at 3.

[9] Descriptions of these SOCs are available in Appendix H of the Final EA.

[10] Eighteen leases, which is the high end of the scenario to be considered in this EA, were based on the total of wind energy leases in the Atlantic that were issued since the beginning of the Renewable Energy Program at the time the scenario was established for this EA (late 2021).

[11] Final EA at 3-4, Table 3.1-1. Assumptions for Foreseeable Activities in the Gulf of Mexico Call Area.

[12] In the Central Atlantic region offshore North Carolina, Virginia, Maryland, and Delaware, BOEM has already moved from a Call to identification of draft WEAs.

Authors

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