Updates

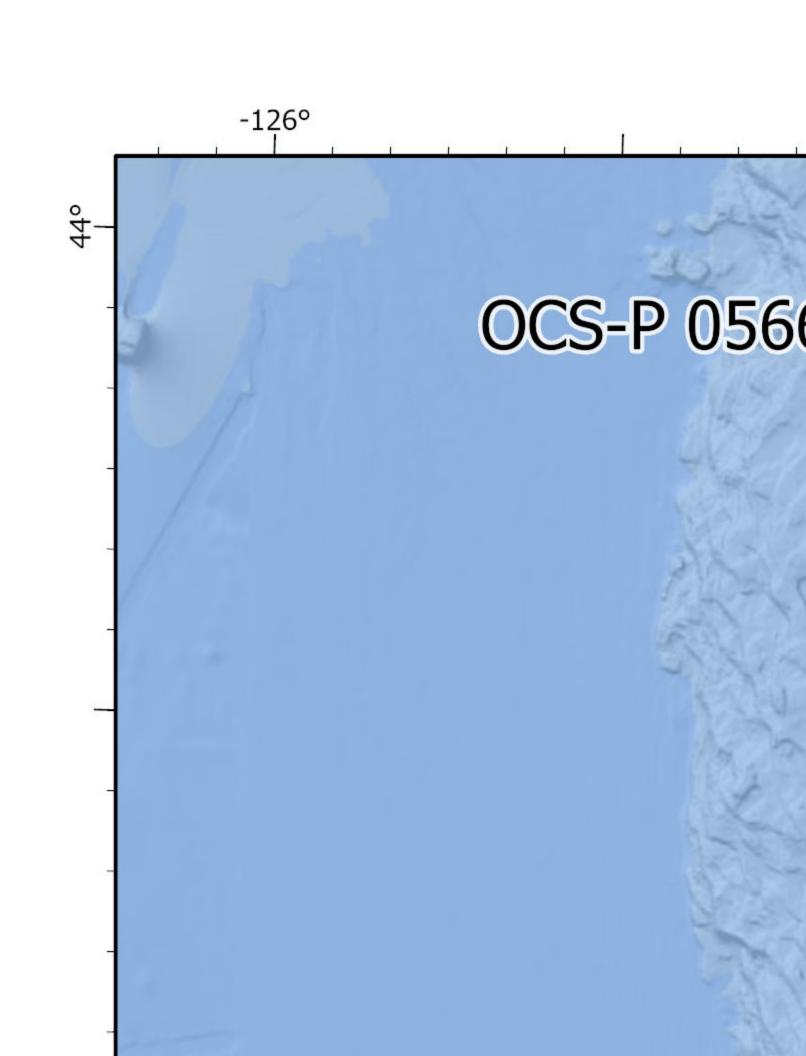


The Bureau of Ocean Energy Management (BOEM) published a proposed sale notice for an offshore wind energy lease auction in <u>Oregon</u> on May 1, 2024.

[1] The Oregon lease sale is anticipated to occur in October 2024. Comments on the proposed sale notice are due on July 1, 2024. A draft Environmental Assessment (EA) for the Oregon lease sale accompanied the Oregon proposed sale notice. A comment period on that draft EA is open now until May 31, 2024.

Oregon Proposed Sale Notice

The Oregon proposed lease sale includes areas within the Coos Bay Wind Energy Area (WEA) and the Brookings WEA, which BOEM estimates to have a combined generation potential of about 2.4 gigawatts (GW). The lease areas have not changed since designation of the Final WEAs.[2] The Coos Bay lease area is 133,792 acres, and bidding will start at \$6,689,600. The Brookings lease area is 61,203 acres, and bidding will start at \$3,060,150. For both WEAs, further restrictions on the developable area are anticipated to ensure navigational safety and avoid sensitive seafloor habitats.



Bidding credits are anticipated to be available for bidders that commit to supporting workforce training programs for the floating offshore wind energy industry, developing a domestic supply chain for floating offshore wind industry, or both. [3] As was done in the California lease process in 2022, bidding credits will also be available to bidders who commit to entering Lease Area Use or General Community Benefit Agreements (CBAs) with tribes, local communities, ocean users, or stakeholder groups, including seafood processors and commercial, recreational, and/or tribal fisheries expected to be affected by the potential impacts of offshore wind energy development in the WEAs. Bidding credits will be calculated as a percentage of the whole bid instead of as a percentage of the cash portion.

The 60-day comment period on the proposed sale notice closes July 1, 2024. BOEM is seeking input on several elements of the lease sale, including potential lease terms requiring a commitment to utilize union jobs and to provide stakeholder engagement, including with tribes, fishing communities, affected communities, and other ocean users. It is also seeking comment on whether a bidder should be limited to acquiring one lease area. After the comment period closes, BOEM will review the comments and review bidder qualifications, after which it will prepare and publish the final sale notice.

The Oregon Draft Environmental Assessment Is Published

BOEM concurrently published its notice of availability of the draft Environmental Assessment for Commercial Wind Lease Issuance on the Pacific Outer Continental Shelf (EA), which starts the 30-day comment period on the EA. BOEM will hold a virtual public meeting on May 21, and comments must be received by May 31. Comments may be provided orally at the May 21 public meeting or in writing.

The draft EA, which is required under the National Environmental Policy Act, analyzes whether and how BOEM's proposed leases of the Oregon WEAs may result in significant environmental impacts that would require preparation of an environmental impact statement before lease issuance. The draft EA defines and studies BOEM's proposed action—the issuance of commercial wind energy area leases within the Oregon WEAS and the granting of rights-of-way and easements in support of offshore wind energy development, which would include site assessment activities. Because the lease issuance only grants the right to perform limited site assessment activities (not the actual development of wind energy facilities), the draft EA does not need to consider the impacts associated with the siting, construction, and operation of wind energy facilities.

What Comes Next

Potential bidders in Oregon should review the proposed sale notice and anticipate issuance of the final sale notice this summer, with the anticipated lease auction in October 2024. Potential developers in Oregon should review both the proposed sale notice's suggested lease terms and bidding credits and the draft EA and consider how the potential financial obligations and the impacts identified in the EA—and public comments—may inform lease bids and development plans.

Endnotes

- [1] A proposed sale notice was also published on May 1, 2024, for the Gulf of Maine. We will cover that notice in a separate publication. These two proposed sales follow BOEM's announcements of sales to be held in the Central Atlantic and the Gulf of Mexico in the coming months and its announcement on April 24 of a five-year leasing schedule.
- [2] See our prior alert analyzing BOEM's designation of final WEAs.

[3] More details regarding the bidding credits and process for qualifying can be found in the <u>Bidders' Financial</u> Form Addendum.

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