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May 07, 2024

Floating Offshore Wind in the Gulf of Maine—BOEM and the State of Maine Take Next Steps Toward Development and Procurement of Power



Marching toward its goal of deploying 30 gigawatts (GW) of offshore wind by 2030, the Bureau of Ocean Energy Management (BOEM) published on May 1, 2024, a [proposed sale notice](#) (PSN) to auction eight lease areas for commercial floating wind in the Gulf of Maine.

[1] Comments on the PSN are due on July 1, 2024. The lease sale is expected to be held in October 2024.

The Gulf of Maine PSN accompanied a [PSN](#) for a lease auction offshore Oregon[2] and BOEM's [announcement](#) of a five-year leasing schedule for offshore wind across the country.[3] Simultaneously, Maine Governor Janet Mills announced a Request for Information (RFI) to guide the development of the state's first commercial offshore wind solicitation for the Gulf of Maine, which the Governor's Energy Office (GEO) will submit to the Maine Public Utilities Commission in July 2025. The deadline for responses to the RFI is June 21, 2024.

Gulf of Maine Proposed Sale Notice

BOEM's PSN for leasing in the Gulf of Maine follows its identification of a [final Wind Energy Area](#) (WEA) of 2,000,902 acres for commercial leasing and a [Notice of Intent](#) (NOI) to develop an Environmental Assessment (EA) regarding potential environmental impacts associated with leasing and site assessment studies in the final Gulf of Maine WEA.[4]

In the PSN, BOEM has proposed auctioning eight lease areas of approximately one million acres, a reduction to about half of the total Gulf of Maine WEA. The proposed lease areas have the potential to generate about 15 GW of power. Several leases are subject to a proposed lease stipulation that would bar development in portions of the leases adjacent to vessel transit corridors.

Additional restrictions within the lease areas may arise to mitigate potential conflicts with (1) navigational safety, (2) U.S. Department of Defense activities, (3) sand resources, and (4) deep-sea corals and biologically sensitive benthic habitat. Of particular note, the Gulf of Maine WEA is adjacent to the Stellwagen Bank National Marine Sanctuary. Given the location of the proposed lease areas, it is possible that developers may need to install electric transmission cables within the sanctuary boundaries in identified cable corridors. If that is necessary, the National Oceanic and Atmospheric Administration (NOAA) has informed BOEM that it may consider authorizing installation of these cables under the authority of the National Marine Sanctuaries Act, through one or more of the following mechanisms: general permits, authorizations, certifications, and special use permits.[\[5\]](#)

72°0'0"W

71°0'0"W

Vermont

Berlin

44°0'0"N

Conway

New Hampshire

Sanford



As anticipated based on the breadth of the WEA, scope of the March EA, and regional goals,[\[6\]](#) BOEM anticipates taking a phased approach to leasing with the region and holding an additional sale at a later date.[\[7\]](#) According to the PSN, the timing and scope of any future sale would be informed by the results of initial sale, input of affected Gulf of Maine states, tribes, and stakeholders, relevant market conditions, and regional energy goals.

As in the past, the multifactor auction will include a combination of monetary and nonmonetary factors, including a 12.5% bidding credit for committing to supporting workforce training programs, supply chain development, or combination of both, as well as a 12.5% credit for providing a fisheries compensatory mitigation fund,[\[8\]](#) an increase to the 8% fisheries compensatory mitigation fund credit offered both in the [Central Atlantic PSN](#) and second [Gulf of Mexico PSN](#).[\[9\]](#) Mirroring past lease sales, BOEM also is expected to include lease provisions requiring stakeholder engagement, including tribes, fishing communities, and historically underserved communities. Bidders should take note of changes to how credits are handled. BOEM will calculate bidding credits as a percentage of the whole bid rather than calculating as a percentage of the cash portion of the bid, as was done prior to 2024.

Unlike the second Gulf of Mexico PSN, which permitted bidders to acquire as many leases as would be offered,[\[10\]](#) and the Central Atlantic PSN, which would allow bidders to acquire only one lease area, bidders in the Gulf of Maine will be limited to winning two leases each, with a maximum of two South Region leases, or one North Region lease and one South Region lease. A bidder cannot bid for or win both North Region leases.

The 60-day comment period on PSN closes July 1, 2024. BOEM is seeking comment on several topics, including on the lease areas themselves (size, orientation, location, and which areas, if any, should be prioritized for inclusion or exclusion from the lease sale), how existing uses may be affected, baseline monitoring requirements, corridors between lease areas, and limits on the number of lease areas per bidder.

State of Maine Request for Information

Simultaneously with BOEM's announcement of the PSN, the Governor's Energy Office (GEO) issued a [Request for Information](#) for commercial offshore wind development in the Gulf of Maine. The RFI follows the enactment of an [Act Regarding the Procurement of Energy from Offshore Wind Resources](#) and the state of Maine's comprehensive, stakeholder-focused Offshore Wind Initiative and development of a [Maine Offshore Wind Roadmap](#) released in 2023. The act, which authorizes the procurement of up to 3,000 megawatts of offshore wind installed in the Gulf of Maine by 2040, incorporates provisions to enable regional coordination in offshore wind solicitation and complementary efforts.

The RFI seeks comments on multiple topics that will inform a Request for Proposal that the GEO will prepare in collaboration with state agencies and will submit to the Public Utilities Commission to meet the objectives of the Maine Offshore Wind Renewable Energy and Economic Development Program (Program) currently under development. In particular, GEO is seeking comment on:

1. **Solicitation approach**, including opportunities to facilitate regional coordination on energy procurement, cost sharing, and transmission development and how to balance the objectives of the Program with other considerations (*e.g.*, cost to ratepayers, environmental and fisheries impact, and greenhouse gas emissions); commercial operation date for projects that participate in the first solicitation; and on the status of development, commercial availability, and supply chain.[\[11\]](#)
2. **Solicitation implementation**, including key eligibility and threshold requirements for offshore wind project proposals (*e.g.*, stakeholder engagement, economic and community benefits, fisheries and environmental research, monitoring and mitigation, fishing community investment plans—including

comments on potential financial assistance approaches, workforce requirements, price-related costs and benefits and nonprice factors, price indexations, and contractual mechanisms, among others).

3. **Ports and workforce**, including incentivizing investments in ports and maximizing economic development and workforce opportunities.[\[12\]](#)
4. **Transmission**, including considerations for technology, technology standards, or requirements reflective of differences between floating and fixed bottom technology and timing and sequencing of transmission buildout.[\[13\]](#)

Comments on the RFI must be submitted by June 21, 2024, and may be made public.

What Comes Next

BOEM is continuing to push toward holding four lease sales in 2024, with the Central Atlantic sale projected in August 2024, the second Gulf of Mexico sale in September 2024, and the Gulf of Maine and Oregon sales in October 2024. Bidders considering the Gulf of Maine should be aware of and provide comment by July 1, 2024, on the distinctions between the Gulf of Maine and prior lease sales, including the number of leases bidders may hold, the evolution of bidding credits, and specific stipulations that will directly affect any lease areas. Bidders also should take note of the GEO's RFI and the intersection with BOEM's PSN.

Endnotes

[1] The Gulf of Maine includes waters offshore Maine, New Hampshire, and Massachusetts.

[2] Our [Update](#) on May 2, 2024, breaks down the PSN for floating wind offshore Oregon and the accompanying draft EA. An earlier [Update](#) examines the final WEAs and NOI to publish the EA.

[3] The five-year offshore wind lease schedule includes up to 12 potential offshore wind energy lease sales through 2028. Future lease sales from BOEM are anticipated in the Atlantic, Gulf of Mexico, Pacific, and the waters offshore the U.S. territories in the next five years. The leasing schedule includes four potential offshore lease sales in 2024, one each in 2025 and 2026, two in 2027, and four in 2028. An overview of the schedule can be found [here](#).

[4] Our [Update](#) on March 21, 2024, provides an in-depth analysis of the draft EA and final WEAs in the Gulf of Maine.

[5] *See* 6 U.S.C. §§ 1431 et seq. Note that NOAA is considering similar issues related to installation of cables in the proposed Chumash National Marine Sanctuary offshore California. *See* [Proposed Chumash Heritage National Marine Sanctuary](#).

[6] The estimated regional goals for offshore wind in the Gulf of Maine are 10 GW for Massachusetts and 3 GW for Maine.

[7] The phased sale mirrors BOEM's [approach](#) in the Gulf of Mexico, where it conducted a regional EA, held a lease sale, and now has proposed an additional lease sale expected to occur in October 2024.

[8] As set forth in the [Bidders' Financial Form Addendum](#), the Fisheries Compensatory Mitigation Fund "must compensate commercial and for-hire recreational fisheries impacted by preconstruction, construction, operations, and/or decommissioning of offshore wind facilities in the Gulf of Maine. Lessees are encouraged to establish or contribute to a regional Fisheries Compensatory Mitigation Fund where all money would be combined to cover impacts from Atlantic wind energy leases or easements, not just those that occur under the lessee's Lease."

[9] The Gulf of Mexico first lease sale offered a 10% bidding credit for a fisheries compensatory mitigation fund.

[10] The second [PSN](#) proposes removal of limits of the number of lease areas per bidder to provide for economies of scale and more efficient development. Note that this is a change from the first [Gulf of Mexico lease auction](#), where the bidders' eligibility was for "either one or zero lease areas and corresponds to the maximum number of lease areas that a bidder may include in a live bid during a single round of the auction."

[11] Note that the results of the offshore wind procurement being conducted by Massachusetts, Connecticut, and Rhode Island will inevitably inform Maine's approach. *See* this [Memorandum of Understanding](#).

[12] Note that in February 2024, Governor Mills [designated](#) approximately 100 acres of a state-owned portion of Sears Island reserved for port development as Maine's preferred site for a port facility to support the floating offshore wind industry. More information about potential port issues in Maine can be found in our March 21st [Update](#).

[13] A breakdown of transmission considerations also can be found in our March 21st [Update](#).

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