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<th><strong>Docket Number:</strong></th>
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<tr>
<td><strong>Project Title:</strong></td>
<td>California Offshore Renewable Energy</td>
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<tr>
<td><strong>Document Title:</strong></td>
<td>Presentations – Outer Continental Shelf Wind Energy Leasing in California</td>
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<tr>
<td><strong>Description:</strong></td>
<td>Workshop on Assembly Bill 525 Strategic Plan for Offshore Wind Energy Planning Goals-BOEM Presentations</td>
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<td><strong>Filer:</strong></td>
<td>susan fleming</td>
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<td><strong>Organization:</strong></td>
<td>BOEM</td>
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<td><strong>Submitter Role:</strong></td>
<td>Public Agency</td>
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<td><strong>Submission Date:</strong></td>
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<td><strong>Docketed Date:</strong></td>
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Outer Continental Shelf Wind Energy Leasing in California

California Energy Commission Workshop
March 3, 2022

Necy Sumait, Regional Supervisor, Office of Strategic Resources
Pacific Regional Office
Presentation Topics

- Brief overview of the BOEM leasing process
- California status and next steps to lease sale
- Opportunities for input and engagement
- Lease auction formats and previous approaches
BOEM Wind Energy Authorization Process

**Planning & Analysis**
- Intergovernmental Task Force
- Request for Information or Call for Information and Nominations
- Area Identification
- Environmental Reviews

**Leasing**
- Publish Leasing Notices
- Conduct Auction or Negotiate Lease Terms
- Issue Lease(s)

**Site Assessment**
- Site Characterization
- Site Assessment Plan

**Construction & Operations**
- Construction & Operations Plan
- Facility Design Report and Fabrication & Installation Report
- Decommissioning
- Environmental and Technical Reviews

- BOEM coordinates and consults with affected Tribal, State, and local governments and other federal agencies
  - Multiple opportunities for public input
Humboldt Wind Energy Area

- Size: 132,369 acres (206 square miles)
- 20 miles offshore
- July 28, 2021: BOEM announced the Humboldt Wind Energy Area (WEA) offshore Northern California
- January 11, 2022: Draft Environmental Assessment released
  - January 25 and January 26, 2022: Virtual meetings held for public input
  - February 10, 2022: 30-day public review and comment period closed

Next Step

- Finalize and publish Environmental Assessment
California Central Coast: Morro Bay

Morro Bay Wind Energy Area

- Size: 240,898 acres (376 square miles)
- 20 miles offshore
- November 12, 2021: BOEM announced the Morro Bay Wind Energy Area (WEA) offshore Central California
- December 1, 2021 and January 5, 2022: Virtual public scoping meetings held to solicit input on the Morro Bay WEA environmental analysis

Next Step

- Release Draft Environmental Assessment for public review and comment
Complete Environmental Assessments

Publish Proposed Sale Notice
- Humboldt and Morro Bay Areas will be combined into one Proposed Sale Notice for a single California auction that includes both Areas
  - 60-day comment period
  - Last opportunity for developers to indicate interest and submit qualifications to bid

Publish Final Sale Notice

Lease Auction (Fall 2022)
Contents of a Proposed Sale Notice (PSN)

- Identifies areas proposed for leasing
- Identifies proposed auction methodology
- Invites potential bidders to qualify
  - Legal, Financial, Technical Requirements
- Initiates 60-day comment period for stakeholder input
- BOEM will hold auction seminar during comment period
Potential Inputs From Stakeholders

- Comments related to the lease sale
- Number, size, orientation and location of the proposed lease areas
- Project layout considerations
- Potential lease stipulations
- Potential auction formats
Examples of Lease Provisions and Conditions in a PSN

- Fisheries Liaison and Fisheries Communication Plan
- Native American Tribes Communication Plan
- Agency Communication Plan
- Protected Species considerations
- Site characterization requirements – e.g. survey plan submittals, pre-survey meetings, progress reporting, engagement with Tribal Governments and other parties
- Workforce considerations for construction
- Financial assurance
- Lease terms
Contents of a Final Sale Notice

- Published in the Federal Register a minimum of 30 days prior to the auction
- Sets dates for next steps
- Specifies the final areas for lease
- Identifies final auction format selected for the lease sale
- Incorporates any changes based on PSN feedback
- Lists eligible bidders
  - Does not guarantee participation
Final Sale Notice to the Auction

Bidder Financial Forms Due to BOEM
- Lists any affiliations
- Designates Person of Contact & Bidder

Bid Deposits Paid
Mock Auction
Live Auction
1. Bidders log in
2. Rounds of the auction occur until one winner for each area
3. Website updated

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<tr>
<th>Round</th>
<th>Asking Price</th>
<th>Bidder 1</th>
<th>Bidder 2</th>
<th>Bidder 3</th>
<th>Bidder 4</th>
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<td>✗</td>
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WINNER
Auction to Lease Issuance

1. Declaration of Provisional Winners
2. Department of Justice Review
   - Up to 30 days
3. Lease Sent to Winners for Execution (10 Business Days)
   1. Pay balance of bonus bid
   2. Agree to the terms of the lease
   3. File financial assurance
   4. Return signed lease copies
BOEM utilized an ascending bidding auction with cash as the bid variable for this lease sale as authorized under 30 CFR 585.220(a)(2) and 585.221(a)(1).

- Auction started with minimum bid prices for each Lease Area.
- Prices incrementally increased until no more than one active bidder per Lease Area remained in the auction.
  - The New York Bight Auction was 64 rounds over three days.
Multiple factor bidding auction as authorized under 30 CFR 585.220(a)(4) and 585.221(a)(6)

Under BOEM’s proposal, the bidding system for this lease sale would be a multiple-factor combination of non-monetary and monetary factors.

The bid made by a particular bidder in each round would represent the sum of a bidding credit and a monetary (cash) amount.

The proposed bidding credit would allow bidders to receive a credit of up to 20% off their winning bid in exchange for financial commitments to a workforce training program or to development of a domestic supply chain.

BOEM proposes to start the auction using the minimum bid price for the Lease Area and to increase that price incrementally until no more than one active bidder remains in the auction.
Renewable Energy Process: Lease to Operations

[Planning & Analysis]
- Initiate Leasing Process (RFI/Call)

[Leasing]
- Lease Granted
- Submit SAP

[Site Assessment]
- Pre-survey Meetings/Plan
- Site Assessment & Surveys (maximum timeframe)

[Construction & Operations]
- BOEM Deems COP Complete & Sufficient
- BOEM Approves COP

- NEPA/Environmental Reviews
- BOEM Reviews & Approves SAP (with Project Design Envelope – optional)
- Submit COP
- Submit Design & Installation Plans

Area Identification:
Wind Energy Areas

Publish Leasing Notices

BOEM Bureau of Ocean Energy Management

Installation