

DOCKETED

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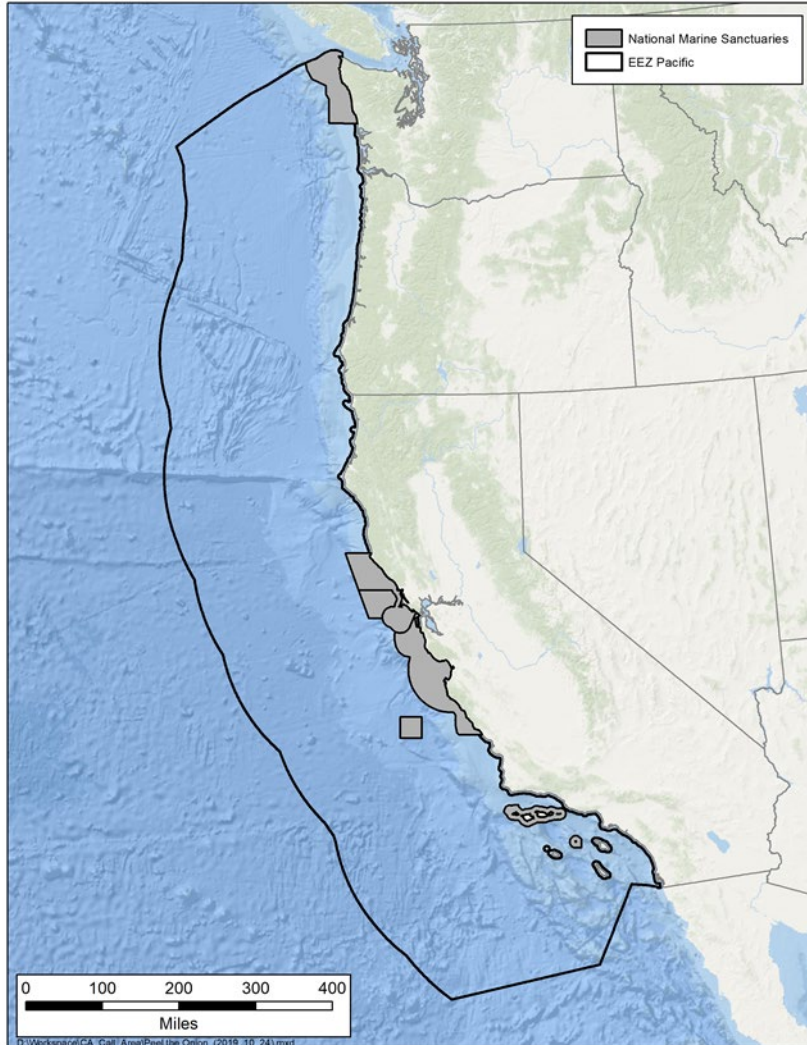
BOEM Bureau of
Ocean Energy Management

BOEM California Leasing Update

California Energy Commission AB 525 Workshop
October 6, 2022

Jennifer Miller | Renewable Energy Section Chief, BOEM Pacific Regional Office

Bureau of Ocean Energy Management (BOEM)



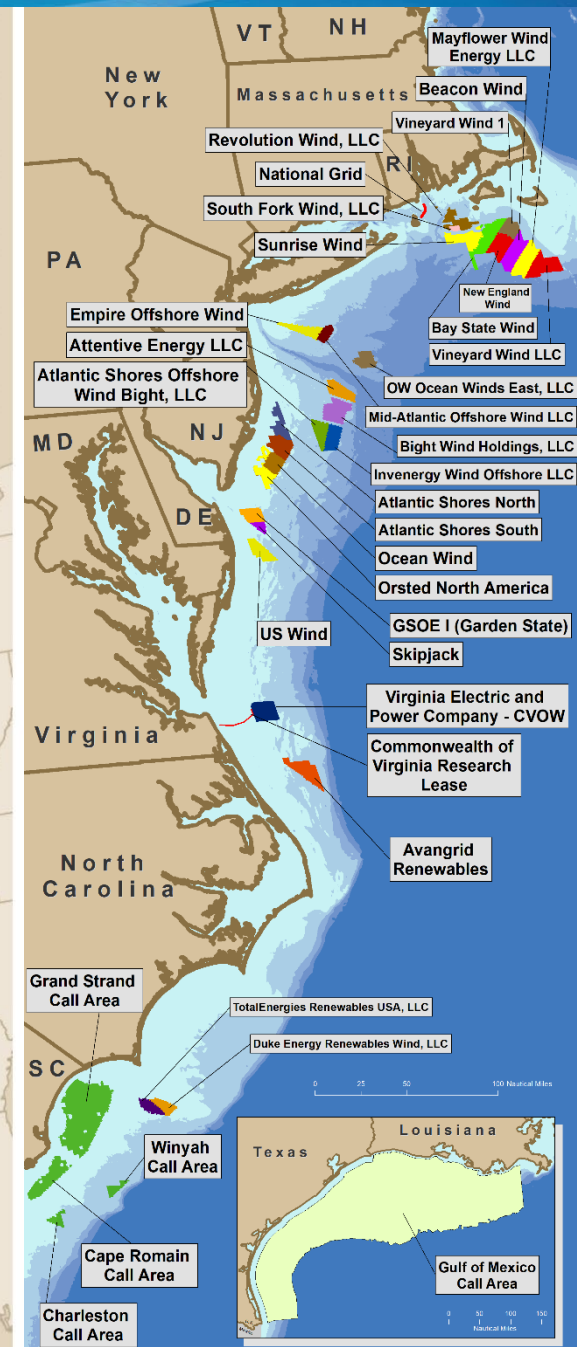
Mission: Manage the development of U.S. Outer Continental Shelf (OCS) energy and mineral resources in an environmentally and economically responsible way

Jurisdiction on the U.S. West Coast

- OCS extends from 3 to 200 nautical miles off the coast of California, Oregon, and Washington
- Excludes National Marine Sanctuaries



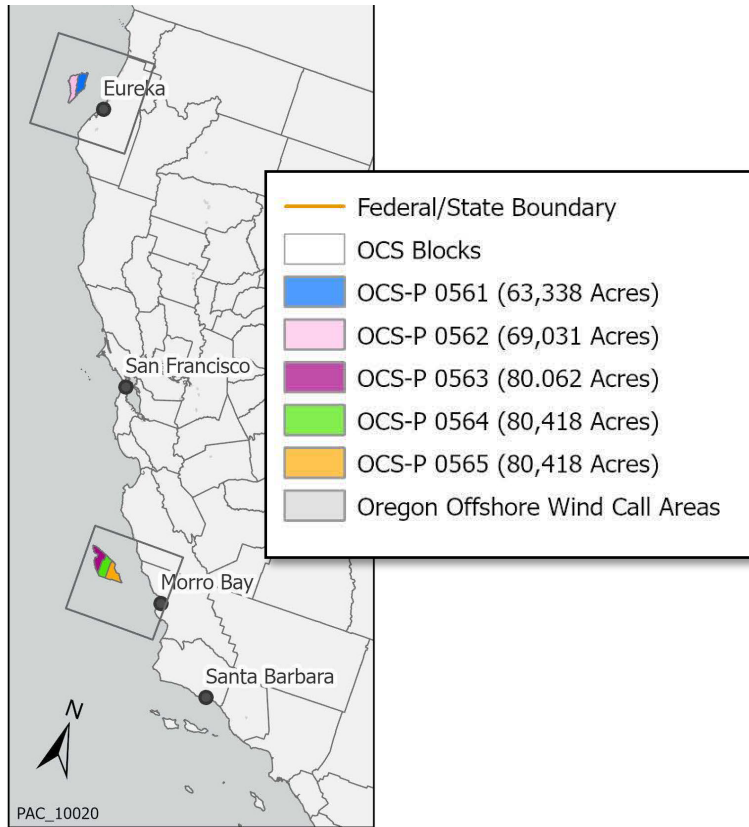
Renewable Energy Program by the Numbers



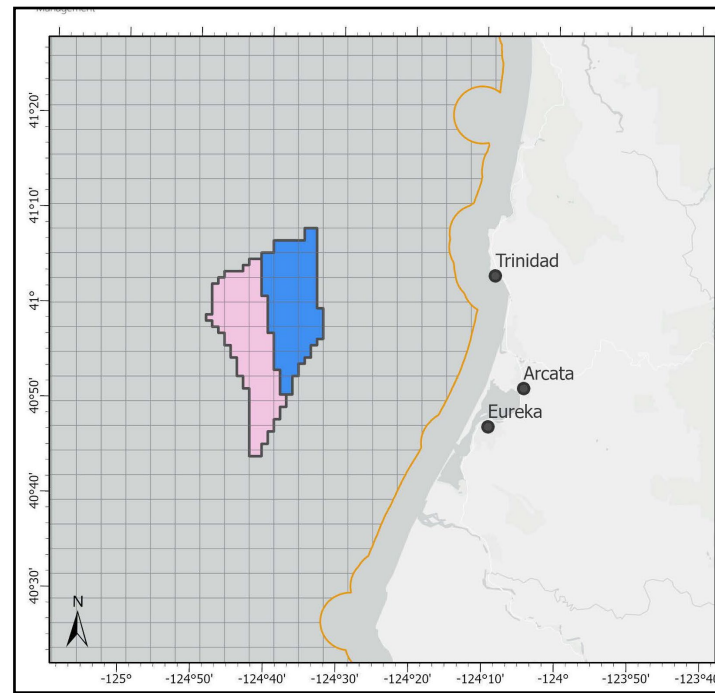
Proposed Lease Areas

Delineation Goals

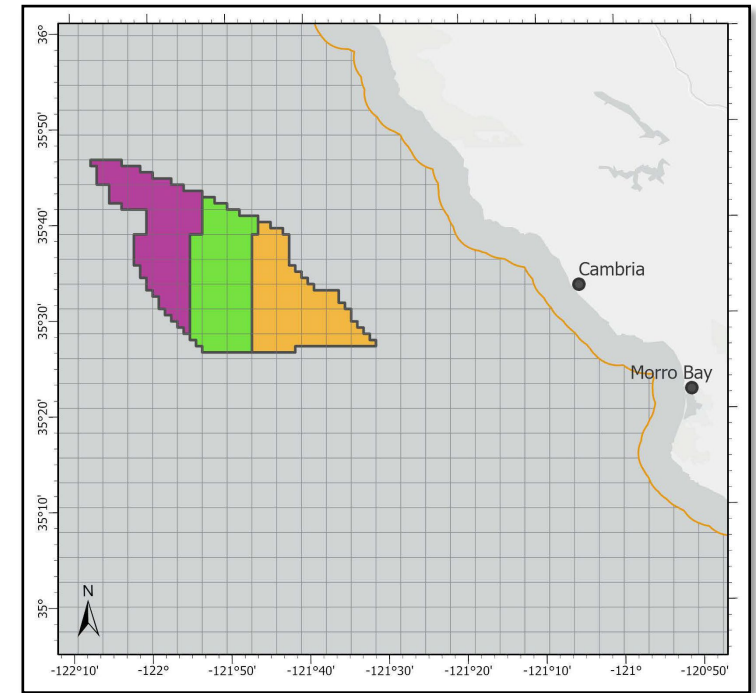
- Maximize energy generation
- Equal commercial viability
- Approximately equal size



2 Lease Areas within the Humboldt Wind Energy Area



3 Lease Areas within the Morro Bay Wind Energy Area



Proposed Sale Notice (PSN)

- **Published in the Federal Register on May 31, 2022**
- **The PSN describes:**
 - **5 proposed areas** that could be available for leasing
 - Proposed conditions and **stipulations** of a lease
 - **Bidding credits** that could be available to qualified bidders
 - Proposed auction format and procedures
 - **Specific questions** on which BOEM is seeking feedback
 - Process for issuing a lease
- **60-day public comment period ended August 1, 2022**
 - Docket No. BOEM-2022-0017 in [Regulations.gov](https://www.regulations.gov)



PSN Package

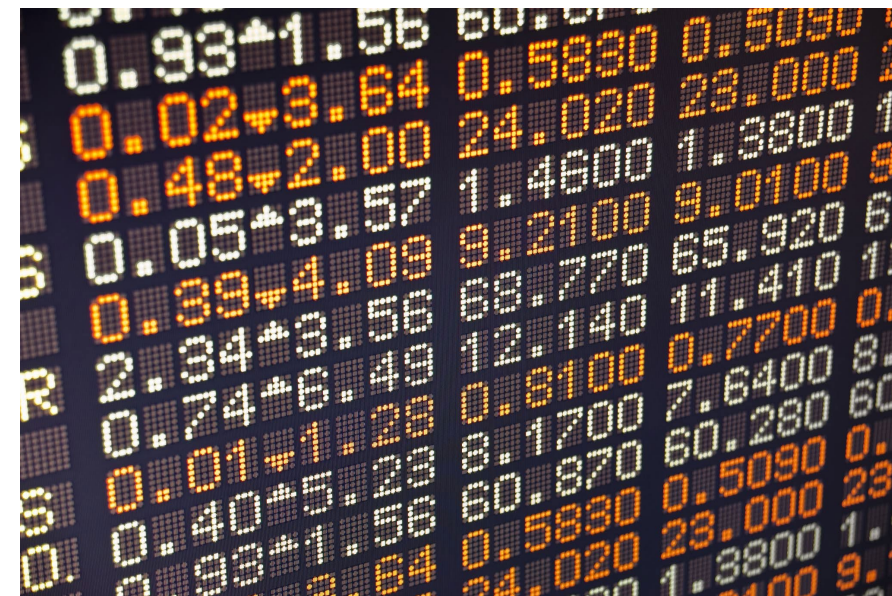
- Proposed Sale Notice
- North Coast (Humboldt) Proposed Leases (2)
 - CA Proposed Lease OCS-P 0561
 - CA Proposed Lease OCS-P 0562
- Central Coast (Morro Bay) Proposed Leases (3)
 - CA Proposed Lease OCS-P 0563
 - CA Proposed Lease OCS-P 0564
 - CA Proposed Lease OCS-P 0565
- Overview Map of the California Proposed Lease Areas
- California Proposed Lease Areas Shapefiles
- Bidder's Financial Form
- Bidder's Financial Form Addendum
- Qualifications Guidelines
- EFT Payment Instructions

All available on BOEM California Activities webpage: www.boem.gov/california



Lease Sale and Auction

- **Ascending bid clock auction format**
 - Multi-factor (cash + bidding credits)
 - Lease awarded to highest bidder
 - Bids are entered electronically through an online auction platform
 - PSN proposes limiting bidders to one lease area in each the north and central coast
- **Auction ends when there is no more than one bidder for each of the lease areas**
 - Could span multiple days depending on demand



Bidding Credit

- **Bidders may receive 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.**
 - 2.5% bidding credit for executing a community benefit agreement with a community or stakeholder group **whose use of the geographic space of the Lease Area, or whose use of resources harvested from that geographic space,** is directly impacted by the Lessee's potential offshore wind development.



Supply Chain Development Bidding Credit

- **The Contribution must result in:**

- Overall benefits to the U.S. offshore wind supply chain for all potential purchasers of offshore wind services, components, or subassemblies, not solely the Lessee's project.
- A demonstrable development of new domestic capacity (including vessels) or the demonstrable buildout of existing capacity.
- A more robust domestic supply chain by reducing the upfront capital or certification cost for manufacturing offshore wind components including the building of facilities, the purchasing of capital equipment, and the certifying of existing manufacturing facilities.
 - Includes quay-side fabrication and components specifically needed to develop floating wind technology.



Workforce Training Bidding Credit

- **The contribution must result in a better trained offshore wind workforce including:**
 - Union apprenticeships, labor management training partnerships, stipends for workforce training, or other technical training programs.
 - Maritime training for crewing vessels supporting wind energy projects.
 - Training workers in skills or techniques necessary to manufacture or assemble offshore wind components, subcomponents, or subassemblies.
 - Training in other skills that Lessee can demonstrate are necessary for the planning, design, construction, operation, or maintenance of offshore wind energy projects in the United States.



Lease Area Use Community Benefit Agreement

- **A lessee agreement with a qualified community or stakeholder group(s) will include provisions such as:**
 - Plans to mitigate potential impacts of the proposed development to the community or stakeholder group.
 - Monetary, material, or other benefits provided or to be provided.
 - Commitment of parties to collaboration and resolution of issues with or without the assistance of an independent third party.
 - Promotion of community education and engagement regarding the coexistence of ocean users.



Selected Lease-Specific Terms, Conditions, and Stipulations

Engagement and Reporting

- Lessee will make reasonable efforts to engage with Tribes and parties who may be potentially affected by the project activities on the Outer Continental Shelf.
- Coordinated engagement among lessees to decrease communication and consultation burden.
- Progress Reports submitted to BOEM every 6 months.
- Progress Reports must include: Tribes and parties engaged, potential adverse effects from Lessee's project, how project design or implementation was informed or altered to address potential effects (if at all), feedback from engagement on transmission planning prior to proposing any export cable, and survey plan activity progress.



Selected Lease-Specific Terms, Conditions, and Stipulations

Commercial Fisheries

- Before submitting a COP, Lessee will contact potentially affected commercial fishing communities or their representatives to discuss potential conflicts with the siting, timing, and methods proposed.
- Lessee will ensure that survey and development activities are compatible with seasonal fishing operations whenever feasible and avoid creation of obstacles and entanglement hazards to commercial fishing operations.
- Lessee must provide annual summary of filed complaint claims and outcomes.
- Requirements for Lessee's COP: prioritize Federal and state climate change adaptation strategies for fisheries, vessel routes to minimize impacts, including analysis of the effects of operations on allocation and use of local dock space.



Selected Lease-Specific Conditions and Stipulations

Coastal Zone Management Act

- Lease to be updated with conditions to ensure that the activities authorized under the lease are consistent with conditions of California Coastal Commission's consistency review under the Coastal Zone Management Act.

Project Labor Agreements (PLAs)

- Lessee must make every reasonable effort to enter into a PLA that covers the construction stage of any project proposed for the leased area, and that applies to all contractors.

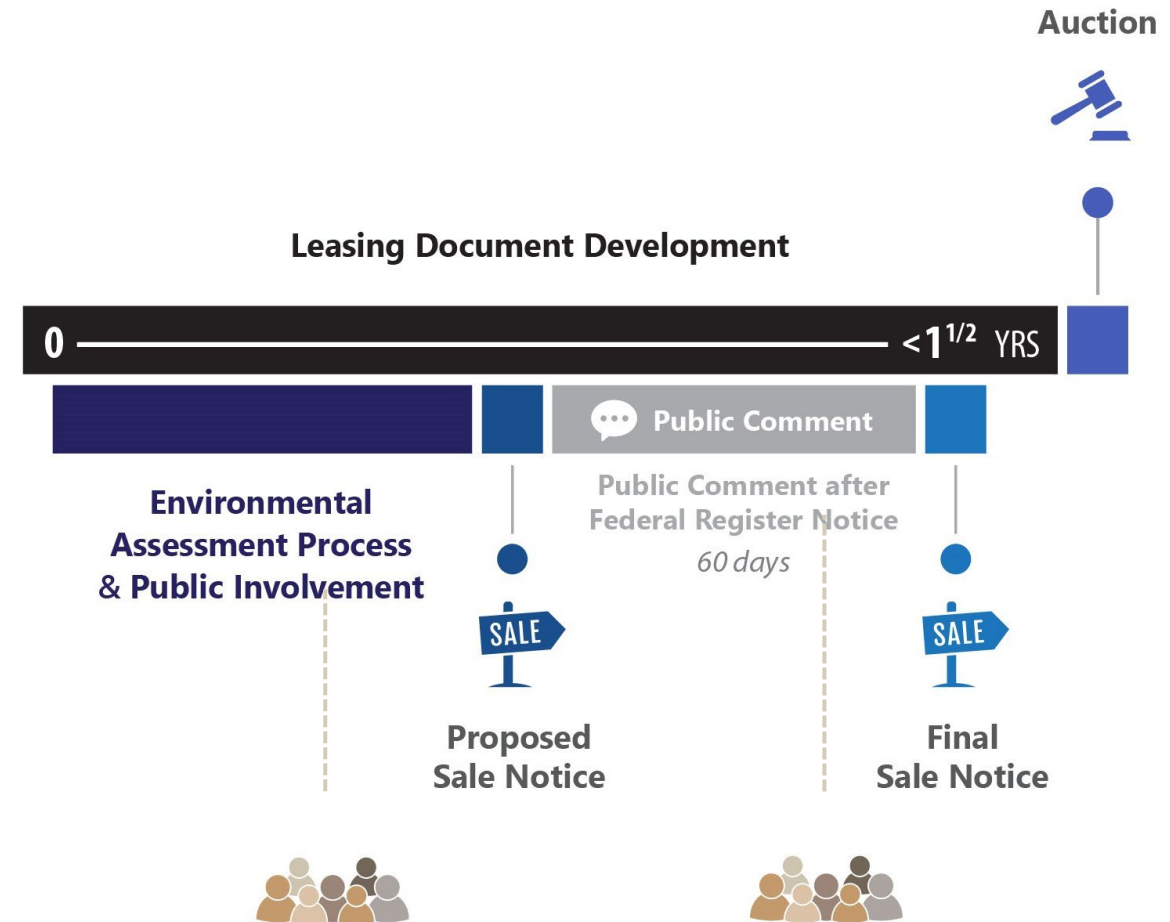
National security and military operations

Marine trash and debris prevention

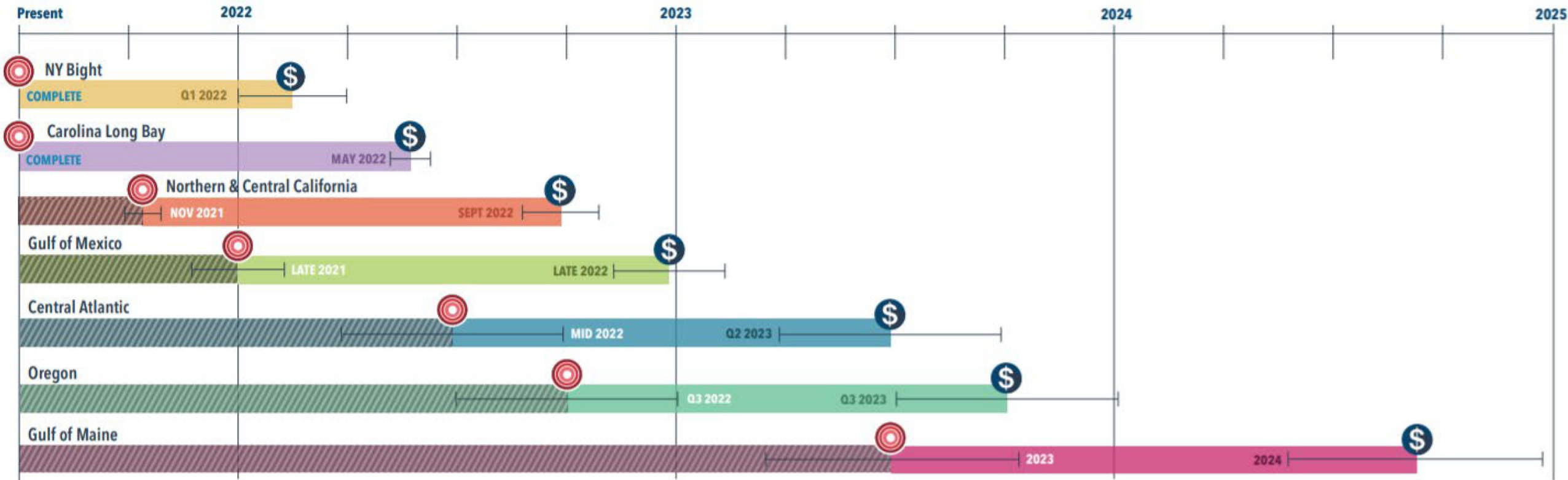


Next Steps for California Offshore Wind

- **Complete Morro Bay Environmental Assessment**
- **Review PSN comments, finalize qualification reviews**
- **Publish Final Sale Notice**
 - Specifies the final lease areas to be offered, final auction format, auction date, and lists qualified bidders
- **30-day waiting period (minimum)**
- **Lease Auction**



BOEM Offshore Wind Leasing Path Forward 2022–2025



BOEM-Funded California Regional Ports Assessments

Basis of Analysis: 10.6.22 Update

- Initial outreach to 17 ports to determine how many port sites are required to meet AB 525 deployment targets (low, med, high)—sites ranked
- Assess physical, operational, and regulatory capabilities and constraints of port facilities and infrastructure and potential port infrastructure upgrades
- Draft Report 11/4, Final Report 12/2

Year	Target Deployment				
	Low		Medium	High	
Rate	0.5 GW/yr	1 GW/yr	1.5 GW/yr	2 GW/yr	2.5 GW/yr
2030	1 GW	2 GW	3 GW	4 GW	5 GW
2035	3.5 GW	7 GW	10.5 GW	14 GW	17.5 GW
2038	5 GW	10 GW	15 GW	20 GW	25 GW
2045	8.5 GW	17 GW	25.5 GW	34 GW	42.5 GW
2048	10 GW	20 GW	30 GW	40 GW	50 GW
2050	11 GW	23 GW	33 GW	44 GW	55 GW

Activities Considered:

- Staging and Integration Facility (S&I)
- Operations and Maintenance Facility (O&M)
- Construction Support Facility
- Manufacturing / Fabrication Site (MF)



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