

United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT WASHINGTON, DC 20240-0001

April 29, 2024

The Honorable Tina Kotek Governor of Oregon Salem, Oregon 97301-4047

Dear Governor Kotek:

Thank you for your letter dated April 16, 2024, to the Bureau of Ocean Energy Management (BOEM) regarding the state roadmap effort under House Bill (HB) 4080 (Roadmap).

We agree that engaging Tribal Nations, coastal communities, and communities of practice to create strategic policy recommendations regarding the potential for offshore wind development is an essential process to ensure that well informed, deliberative, and conscious policy choices drive Oregon's approach to offshore wind. We commend you for undertaking the efforts to create a Roadmap over the next two years to achieve these goals. BOEM is committed to continued cooperation with the State of Oregon as you develop a Roadmap on offshore wind and our continued partnership as BOEM moves forward with its federal regulatory process.

The current step in BOEM's leasing process for Oregon is the publication of the Proposed Sale Notice (PSN). The PSN describes the proposed auction format, bidding credits, and other pertinent details of the lease sale. The PSN also references related documents that are available through links to the BOEM website, including the proposed lease form that contains terms and conditions, which may provide a useful framework as the state defines standards¹ to be considered in the development process for offshore wind energy under HB 4080. For example, BOEM is proposing the following for the Oregon auction and lease stipulations:

Allowing for the use of bidding credits for bidder's commitments for the benefit of
workforce training and/or domestic supply chain development. The contribution must
support workforce training programs for the U.S. floating offshore wind industry,
development of a U.S. domestic supply chain for the floating offshore wind industry, or
both.

¹ HB 4080 Section 2. The State Department of Energy shall develop an Offshore Wind Roadmap that defines standards to be considered in the development process for offshore wind energy. The standards must support:

⁽¹⁾ Effective stakeholder engagement;

⁽²⁾ Local and regional coastal communities;

⁽³⁾ The creation of economic opportunities and sustainment of existing local and regional economies:

⁽⁴⁾ The creation of an offshore wind energy workforce that is local, trained, housed and equitable;

⁽⁵⁾ Protection of cultural resources, treaty rights and interests of Indian tribes;

⁽⁶⁾ Protection of the environment; and

⁽⁷⁾ The achievement of state energy policy objectives.

- Allowing for the use of two Community Benefit Agreement (CBA) bidding credits. The first is a CBA with one or more Tribal entities, communities, or stakeholder groups whose use of the geographic space of the Lease Area, or whose use of resources harvested from that geographic space, is expected to be impacted by the lessee's potential offshore wind development. The second is a General CBA with one or more Tribes, communities, or stakeholder groups that are expected to be affected by the potential impacts on the marine, coastal, and/or human environment (such as impacts on visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA.
- Requiring the Lessee to create a Statement of Goals in which the lessee describes any plans, including engagement with domestic suppliers, by the lessee for contributing to the creation of a robust and resilient U.S.-based floating offshore wind supply chain, and a report that evaluates the lessee's success in meeting these goals.
- Imposing stipulations that require Lessee engagement with Tribes and parties that may be potentially affected by the lessee's project activities on the OCS to allow for early and active information sharing, focused discussion of potential issues, and collaborative identification of solutions. The lessee must submit to BOEM a progress report on at least the specific items identified in the lease, every six months. Additionally, the lessee must develop communication plans with Native American Tribes, fisheries, and federal, state, and local agencies.
- Requiring the lessee to make every reasonable effort to enter a Project Labor Agreement(s) (PLA) that covers the construction stage of any project proposed for the leased area, and that applies to all contractors.
- Requiring the Lessee to protect environmental and archaeological resources for activities permitted under the lease, which is limited to rights to submit plans.

In your letter, you requested affirmation that BOEM "will not permit any offshore wind projects to move ahead with construction in the outer continental shelf until Oregon's Roadmap is complete and the state has had a reasonable amount of time to complete any formal policy amendments that directly result from Roadmap recommendations." HB 4080 requires a report from the Department of Land and Conservation and Development by September 2025, and we understand from your staff that completion of any policy amendments is expected by early 2026.

The lease sale offshore Oregon is expected to occur in October 2024, and any leases that result from the sale would likely have a lease effective date of January 1, 2025, after all requirements prior to lease issuance are completed. A lease does not authorize the construction of projects. The permitting path to construction of any offshore wind project typically takes a number of years, and BOEM's process provides multiple opportunities for the state, Tribes, and stakeholders to shape the project that could be constructed on a lease. After a lease sale, there is more clarity as to the lease area, lessees, and commitments resulting from bidding credits for more specific conversations that would include project developers.

Each lessee has up to 5 years to submit the details of their proposed project in a Construction and Operations Plan (COP). When a COP is received, BOEM will conduct both a technical and environmental review, in the form of an Environmental Impact Statement (EIS), which typically takes two years, includes public comment opportunities and would include coordination with Federal, state, local, and tribal cooperating agencies. Comments and review will inform terms and conditions to be imposed in any COP approval.

A COP is also informed by additional site assessments and characterization by the lessee of their lease area over a period of time. A typical schedule for activities after a lease sale is provided below. The timing will depend on each lessee's business plans, which may be informed by power procurement contracts and grid interconnection agreements.

- Lessee submits first survey plans within a year of the Lease Effective Date.
- Lessee conducts surveys over a 2 to 5 year period from the Lease Effective Date.
- Lessee has up to 5 years to submit a COP.
- BOEM conducts a technical and environmental review of the COP, typically a 2-year process.
- BOEM approves, approved with modifications, or disapproves a COP.

Under this typical schedule, COPs for leases offshore Oregon are not expected to be submitted until January 2027 at the earliest, and the time for a COP review and associated EIS would not be expected to be completed before January 2029. Therefore, if the state adheres to the current planned Roadmap timeline, the Roadmap report and resulting formal policy amendments should be completed well before any COP decisions are made and would accommodate your request. In addition, when a project is proposed in a COP, the State and others will have had additional opportunities to provide inputs during a lessee's COP development process as the result of the required communications plans in the lease.

BOEM commits to continued cooperation with the State of Oregon to assure the auction and leases are set up for success and looks forward to working with the state on the Roadmap and when COPs are received to help ensure that policies derived from the Roadmap are considered prior to approving projects for construction.

If you have any additional questions or comments, please reach out to me or have your staff contact Doug Boren, Pacific Regional Director, at (805) 384-6384 or Douglas.Boren@boem.gov. We look forward to continuing to collaborate and coordinate together as partners in the planning and analysis phase of the offshore wind leasing process in Oregon.

Sincerely,

Elizabeth Klein Director