

May 20, 2024

Ms. Renee Bigner
Office of Leasing and Plans
Bureau of Ocean Energy Management
1201 Elmwood Park Boulevard
New Orleans, LA 70123

Re: Gulf of Mexico Proposed Sale Notice

The American Clean Power Association (ACP)¹ appreciates the opportunity to comment on the Bureau of Ocean Energy Management's proposed sale notice (PSN) for the Gulf of Mexico Wind Lease Sale (GOMW-2).

I. Introduction

ACP supports BOEM's work to move forward expeditiously with the commercial leasing process in the Gulf of Mexico (Gulf). The leases will create a project pipeline that can help grow and sustain a durable onshore supply chain with tens of thousands of well-paying clean energy jobs, support our national goal of deploying 30 gigawatts (GW) of offshore wind energy by 2030₂₀₃₀

state's climate action plan calls for 5 GW of offshore wind procurement by 2035.

of such construction. This existing expertise can provide developers with increased certainty during each stage of the offshore wind development process.¹¹

The Gulf can support additional leasing due to the demand for green hydrogen in the area. The U.S. Department of Energy (“DOE”) noted in its recent report¹² that the green hydrogen market is on the cusp of rapid expansion, facilitated by the Infrastructure Investment and Jobs Act Regional Hydrogen Hub funding, available tax credits under the Inflation Reduction Act (IRA), and private and public decarbonization goals. Indeed, the potential production of green hydrogen in the U.S. is 50 million metric tons per year by 2050, which could result in meeting significant decarbonization goals.¹³ Importantly, pairing green hydrogen production with clean energy sources such as offshore wind will ensure that this production qualifies for the tax credits outlined in the IRA.

The Gulf is uniquely situated to facilitate and benefit from green hydrogen development and production. The region currently has a well-established hydrogen market; the region produces 50% of the country’s hydrogen, and Louisiana alone consumes 90% of the country’s gray hydrogen.¹⁴ The region also has ext 5 BDC dC Ge3 Tw 1.775 0 Td()Tj0.24 0 (n, a)--1 (y)JTJ()Tj30.004 Tc3 T

III. Response to questions for stakeholders

In the PSN, BOEM seeks feedback from stakeholders on several issues. Below, ACP provides responses to questions on bidding credits, prescribed layouts, and the removal of limits on the number of lease areas per bidder.

a. Bidding credits.

In the PSN, BOEM seeks feedback on bidding credits for workforce training or supply chain development and for a fisheries compensatory mitigation fund. Broadly speaking ACP strongly supports the use of bidding credits as part of a multi-factor auction, and, more specifically for workforce training or supply chain development and a regional fisheries compensation fund.

i. Bidding credit for work force training

BOEM proposes to allow a bidder to receive a credit of 17%

hydrogen

This process includes consideration of navigational risks to all types of vessels in the area. It allows safety measures and mitigation be tailored to the needs of the USCG, vessel operators in the area and developers. Buffers between vessel transit and wind turbine should not be one-size-fits all but should set a threshold that may be extended if determined as necessary during the

This approach would address concerns about potential “circumvention” of the one-lease-per-bidder rule and ensure robust competition. At the same time, it would acknowledge that as a rapidly growing and evolving industry that requires significant capital to bring projects online, offshore wind developers in the United States rely on consortia and partnerships to efficiently and effectively move projects from the lease stage to full operations. Often, these partnerships are a convenience for individual projects, so one developer may have a network of different partnerships as their portfolio grows. This mirrors the structure in more sophisticated markets and serves the rate-payer interests by diversifying risk. BOEM should take care not to inadvertently constrain joint bidding and the formation of such joint ventures through development of its auction rules, both for this forthcoming lease sale and in the future.

e. Communications Plans and Progress Reports

Experience in other regions shows that 120 days after lease execution is not sufficient to draft comprehensive communications plans for fisheries, Tribes, and government agencies. In addition to drafting the plans, leaseholders must host meetings, respond to feedback, and often coordinate with other leaseholders. ACP appreciates BOEM’s willingness to grant extensions for final plan submission but requests that BOEM extend the initial 120-day requirement to reduce burdens for agency staff, leaseholders, Tribes, and stakeholders. ACP requests that fisheries and agency communications plans be submitted within 180 days after lease execution and that Native American Tribes Communications Plans be submitted within one year after lease execution.

V. Conclusion

ACP appreciates the opportunity to provide comments on this lease sale. We look forward to working with BOEM as it moves forward with this process.



Anne Reynolds
Vice President, Offshore Wind
American Clean Power Association