

**Outer Continental Shelf (OCS) Renewable Energy Project Leases, Rights-of-Use and
Easement (RUEs), and Rights-of-Way (ROWs)
U.S. Department of Interior
Minerals Management Service
Offshore Energy and Minerals Management – (DOI-1)**

Permit Packet Includes:

1. Process Overview
2. Guidelines for the Minerals Management Service Renewable Energy Framework, July 2009
3. 30 CFR Parts 250, 285, and 290

Approval or Permit Required: To allow renewable energy and alternative uses (REAU) of existing facilities on the Outer Continental Shelf (OCS).

Contact Information: Minerals Management Service
Pacific OCS Region,
770 Paseo Camarillo, 2nd Floor, Camarillo, CA 93010
Phone: 1-800-672-2627

Website:

BOEM - Renewable Energy:

<http://www.boem.gov/Renewable-Energy/>

BOEM OCS Operation Forms:

<http://www.boem.gov/BOEM-OCS-Operation-Forms/>

Guidelines for the Minerals Management Service Renewable Energy Framework:

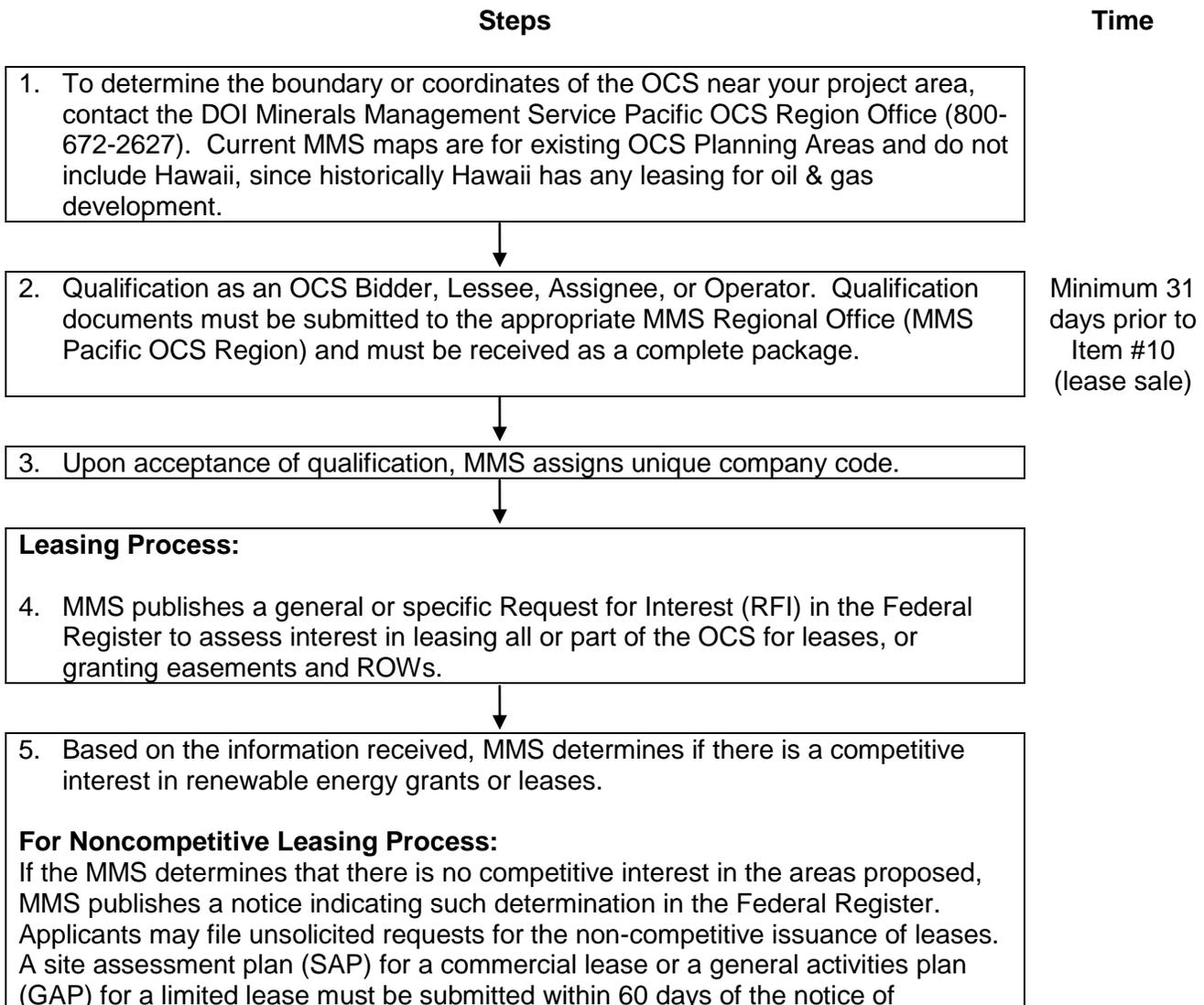
http://www.boem.gov/Renewable-Energy-Program/Regulatory-Information/REnGuidebook_03August2009_3_-pdf.aspx

DEPARTMENT OF THE INTERIOR, Minerals Management Service, 30 CFR Parts 250, 285, and 290 Renewable Energy and Alternate Uses of Existing Facilities on the Outer Continental Shelf: <http://www.stoel.com/webfiles/OCSleaserule.pdf>

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Notes:

- See "Guidelines for the MMS Renewable Energy Framework" guidance document issued July 2009.
http://www.mms.gov/offshore/RenewableEnergy/PDFs/REnGuidebook_03August2009_3.pdf
- A limited lease cannot be converted to a commercial lease.
- MMS does not have leasing authority to approve a project in a National Park or Monument located on the OCS. The same restriction applies to National Marine Sanctuaries and Wildlife Refuges located on the OCS.
- MMS leases are specific to the type of project (i.e. type of technology).



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determination of no competitive interest. Each unsolicited application is reviewed on a case-by-case basis. The MMS will not consider an unsolicited request for a lease in an area of the OCS that is scheduled for a lease sale. A noncompetitive lease may be issued if the MMS approves, or approves with conditions, the SAP or GAP and after the necessary environmental analyses and documentation have been completed.

For Competitive Leasing Process:

If there is competitive interest, MMS may prepare and issue a national, regional, or more specific schedule of lease sales for one or more types of renewable energy. (See continued steps below)

6. As the first step in a competitive lease sale process, MMS may publish in the Federal Register a Call for Information and Nominations (Call) for leasing in specified areas.

Applications submitted 45 days after Call is issued

7. MMS considers areas for leasing that were nominated in response to the Call or areas MMS deems appropriate. MMS identifies areas for environmental analysis and consideration for leasing, in consultation with appropriate Federal agencies, States, local governments, and other interested parties.

8. For a lease sale, the MMS first publishes a Proposed Sale Notice and then a Final Sale Notice in the Federal Register. A comment period follows publication of a Proposed Sale Notice in the Federal Register.

60 day public comment period

9. After consideration of all public comments received, MMS develops the final lease sale terms and conditions. The auction details are published in a Final Sale Notice in the Federal Register.

Final Sale Notice published 30 days prior to Item #10

10. MMS holds auctions at a lease sale to award leases.

11. For a one-stage bidding auction, MMS determines the winning bids according to the bid evaluation criteria published in the Final Sale Notice. In the event of a tied bid, the MMS holds another round or stage of bidding. MMS sends a written notice of the decision to reject or accept bids to all bidders whose deposits MMS holds, and refunds any money deposited with a rejected bid.

12. Bid Rejection or Acceptance

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Bid Rejection: May be appealed to the MMS Director in writing within 15 days of bid rejection. The MMS responds to all appeals by either affirming or rejecting the appeal.

15 days from
Item #11

Bid Acceptance: Upon receipt of the required payments and properly executed lease forms, MMS will issue a lease to the successful bidder. If you receive a lease, you must file your SAP within 6 months of obtaining the lease.

Grant Process (ROW and RUE Grants):

The MMS is required to issue ROW grants and RUE grants through a competitive process unless MMS determines after public notice that there is no competitive interest. The MMS considers requests on a case-by-case basis, and follows a similar process as leasing, including determining if there is competitive interest, issuing a public notice describing the project, evaluating comments received, and issuing a notice of a determination of no competitive interest. Due to the nature of potential activities associated with ROW grants and RUE grants, as well as the limited area requirements involved, it is unlikely that there should be much, if any, competition. However, if MMS determines that there is competition, the MMS publishes a notice of grant auction in the Federal Register describing the auction process and allowing interested individuals 30 days to comment. The MMS then conducts a competitive auction. If MMS determines there is no competitive interest in the grant, MMS establishes the terms and conditions for the grant. A general activities plan (GAP) for the RUE or ROW must be submitted within 60 days of the notice of a determination of no competitive interest. A grant may be issued if the MMS approves, or approves with conditions, the GAP and after the necessary environmental analyses and documentation have been completed.

Total Time Period (minimum)

Competitive Lease Process: 2 – 2.5 years
Noncompetitive Lease Process: 1 – 2 years

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| Fees | Amount | Maximum |
|--|-----------------------|-----------------------|
| <p>Payments to MMS include acquisition fees, bonus bids, rent, operating fees, late payment charges, assessments, penalties, or other payments made to the MMS.</p> <p>Initial Payment/ Deposits for a Competitively Issued Lease or Grant: For a competitive lease or grant that is offered through sealed bidding, a deposit of 20% of the total cash bid amount must be submitted unless some other amount is specified in the Final Sale Notice.</p> <p>Accepted high bidders must pay any balances, such as the bonus bid, financial assurance, and the first 6 months rent, in accordance with the Final Sale Notice, the lease or grant, and applicable regulations. The deposit will be forfeited for any successful bidder who fails to execute the lease within the prescribed time, or otherwise does not comply with the regulations concerning acquisition of a lease or grant or stipulations in the Final Sale Notice.</p> | 20% of total cash bid | Per Final Sale Notice |
| <p>Initial Payment/ Deposits for a Noncompetitively Issued Lease or Grant: An acquisition fee of \$0.25 per acre must be submitted when requesting a noncompetitive lease, unless the acquisition fee is otherwise set by the Director.</p> | \$0.25 per acre | Set by Director |
| <p>No initial payment is required when requesting noncompetitive ROW grants and RUE grants.</p> | \$0 | \$0 |
| <p>If MMS determines that there is a competitive interest in the requested area, the competitive lease sale process will commence. The acquisition fee will either be applied to the required deposit for the bid amount if a bid is submitted; to the bonus bid if the lease is acquired; or retained if the applicant does not bid on the lease.</p> | | |
| <p>Rent and Operating Fees: Commercial Lease or Limited Lease Rent:</p> | \$3/acre/year | Per Final Sale |

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|--|---|---|
| Commercial Lease or Limited Lease Operating Fee: ROW Grant or RUE Grant Rent: Project Easement Rent: | Varies \$70/nautical mile/year \$5/acre/year (min. \$450) | Notice or lease; potential additional fees based on site location |
| Financial Assurances: | Varies | Varies |
| Total Fees: | Varies | Varies |

Flowchart of MMS Fees and Deposits

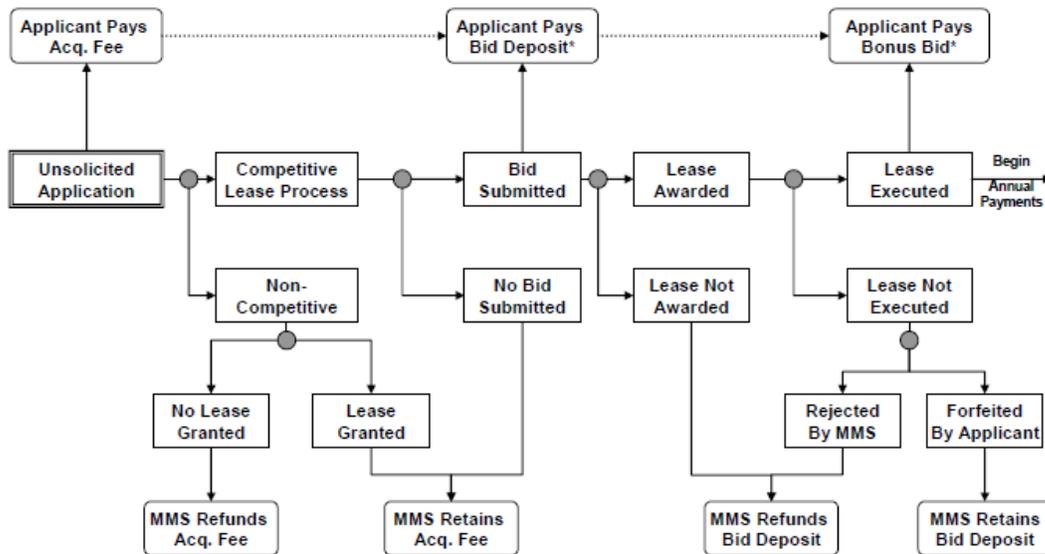


Figure 1

*Acquisition fees are applied to bid deposit balances, and bid deposits are applied against the bonus bid amount, accordingly. Potential lessees must pay the balance due for the bonus bid amount within the timeframe specified by MMS, after the lease award date.