

BIDDER'S FINANCIAL FORM

ADDENDUM

Bidding Credit Purpose and Goals

BOEM is using a multiple-factor auction format for this lease sale. Under this system, BOEM will consider a combination of factors, which will include a monetary factor (cash bid) and up to two non-monetary factors in the form of bidding credits, to determine the outcome of the auction.

The bidding credits are designed to support workforce training programs for the offshore wind industry; develop a U.S. domestic supply chain for offshore wind manufacturing, assembly, or services; and establish and provide funds for a Fisheries Compensatory Mitigation Fund to compensate for potential adverse impacts to commercial and for-hire recreational fisheries resulting from offshore wind development.

General Requirements

For a bidder to qualify for one or both of these bidding credits, BOEM requires the bidder to submit a Conceptual Strategy for fulfilling the requirements for the bidding credits the bidder selects in its Bidder's Financial Form (BFF). BOEM appoints a panel to review the Conceptual Strategies after BOEM has received the BFFs and bid deposits, but before the lease auction. As described in the Final Sale Notice, this panel will assess each Conceptual Strategy on its own merits to determine the bidder's final bidding credit(s). The panel will assess each Conceptual Strategy on a pass/fail basis and will not award partial bidding credits. BOEM will not consider historical or related corporate efforts for credit unless the bidder is proposing to continue the same program for fulfilling its bidding credit. Bidders will be notified of their final bidding credit amounts before the Mock Auction.

Based on its review, the panel will determine whether it finds a bidder eligible or not eligible for each bidding credit.

The Lessee must meet the commitments described in its Conceptual Strategy before the Lessee submits its first Facility Design Report (FDR) or before the applicable lease Anniversary, whichever is sooner. To allow bidders to adapt more successfully to unexpected future conditions, bidders may include multiple qualifying monetary contribution targets under consideration, so long as all the contribution targets are consistent with and total not less than, the bidding credit requirements described in Addendum "C" of the executed lease. Addendum "C" of the executed Lease will include the exact amount of the financial commitment for each bidding credit. The Conceptual Strategy for each bidding credit is expected to be forward-looking and need not name specific investments or beneficiaries (though specificity is encouraged where possible). However, each individual Conceptual Strategy must enable BOEM to objectively verify that the bidder has formulated and eventually satisfied a plan that will lead to the fulfillment of the bidding credit requirements, as specified in the Lease.

After BOEM has issued the lease, Lessees may request meetings with BOEM regarding satisfaction of their bidding credit.

Section One: Workforce Training and/or Domestic Supply Chain Development

Bidding Credit Value: 12.5 Percent of Bid

Qualifications

To qualify for the **Workforce Training and/or Domestic Supply Chain Development Bidding Credit**, the bidder must commit to making a qualifying Contribution to programs or initiatives, as described in the lease, that support workforce training programs for the U.S. offshore wind industry, development of a U.S. domestic supply chain for the offshore wind industry, or both. The Contribution must be verifiable by BOEM and be executed before the submission of the first FDR for the lease or the 10th Lease Anniversary, whichever is sooner. Specifically, BOEM must be able to verify that the Contribution was made, that it was applied in the manner described in the lease, and that it is consistent with the Lessee's Conceptual Strategy submitted with the BFF.

Conceptual Strategy

Bidders committing to use the **Workforce Training and/or Domestic Supply Chain Development Bidding Credit** must submit their Conceptual Strategy along with their BFF.

The Conceptual Strategy must:

- Describe the verifiable actions the Lessee intends to take to allow BOEM to confirm compliance when the Lessee submits its documentation demonstrating satisfaction of the lease requirements for its Contribution to Workforce Training and/or Domestic Supply Chain Development.
- Describe the bidder's individual proposals for Contributions to fulfill the bidding credit, including the form of Contributions, subject to the requirements and restrictions described in the lease.
- Describe how each proposal will support workforce training programs for the offshore wind industry, development of a U.S. domestic supply chain for the offshore wind industry, or both, as required in the lease.
- Explain how the Lessee will select Contribution recipients. The bidder can identify different workforce training or supply chain programs the Lessee will consider. The Conceptual Strategy can prioritize different programs under consideration while maintaining flexibility to select recipients that provide the greatest value and benefit for training workers or supporting development of the offshore wind supply chain closer to the time when the Contribution is made.
- Describe the Lessee's process for documentation and verification once the Contribution has been made, consistent with the requirements in the lease.

The individual proposals for Contributions within the Conceptual Strategy need not be evenly distributed between workforce training and domestic supply chain development and could include proposals that address only workforce training or supply chain development.

Section Two: Fisheries Compensatory Mitigation Fund Bidding Credit

Value: 12.5 Percent of Bid

Qualifications

To qualify for the **Fisheries Compensatory Mitigation Fund Bidding Credit**, bidders must commit to establishing and contributing to a Fisheries Compensatory Mitigation Fund or contributing to an existing Fund before the submission of the first FDR for the lease or the fifth Lease Anniversary, whichever is sooner. The Fisheries Compensatory Mitigation Fund Bidding Credit is intended to address the impacts identified in BOEM's environmental and project reviews.

The Fisheries Compensatory Mitigation Fund must compensate commercial and for-hire recreational fisheries impacted by pre-construction, construction, operations, and/or decommissioning of offshore wind facilities associated with any project developed on this lease. To save on administrative expenses, Lessees are encouraged to establish or contribute to an Atlantic Fisheries Compensatory Mitigation Fund, but contributions from this bidding credit must cover impacts resulting from the Lessee's lease.

Conceptual Strategy

Bidders committing to use the **Fisheries Compensatory Mitigation Fund Bidding Credit** must submit their Conceptual Strategy along with their BFF.

Bidders' Conceptual Strategies must:

- Describe the verifiable actions the Lessee intends to take to allow BOEM to confirm compliance when the Lessee submits its documentation demonstrating satisfaction of the lease requirements for its Contribution to the Fisheries Compensatory Mitigation Fund.
- Describe how the Lessee will ensure fiduciary governance and strong internal controls. The bidder is encouraged to consider existing fisheries compensatory mitigation models, including BOEM's draft *Guidelines for Mitigating Impacts to Commercial and For-Hire Recreational Fisheries on the Outer Continental Shelf Pursuant to 30 CFR Part 585* and the East Coast States' *Fisheries Mitigation Project*.
- Describe a process or mechanism for compensating fishers for gear loss or damage, as well as income loss claims, including such loss or damage that may occur before the Lessee begins in-water construction activities (e.g., surveys) and before the Fisheries Compensatory Mitigation Fund has been established.

- Certify that documentation and verification processes for the Fisheries Compensatory Mitigation Fund will be established and that the fund itself will be funded according to the requirements in the lease.
