

FEDERAL LEASE OPPORTUNITY: BOEM ATLANTIC WIND LEASE SALE 4A (ATLW-4A)

February 5, 2018

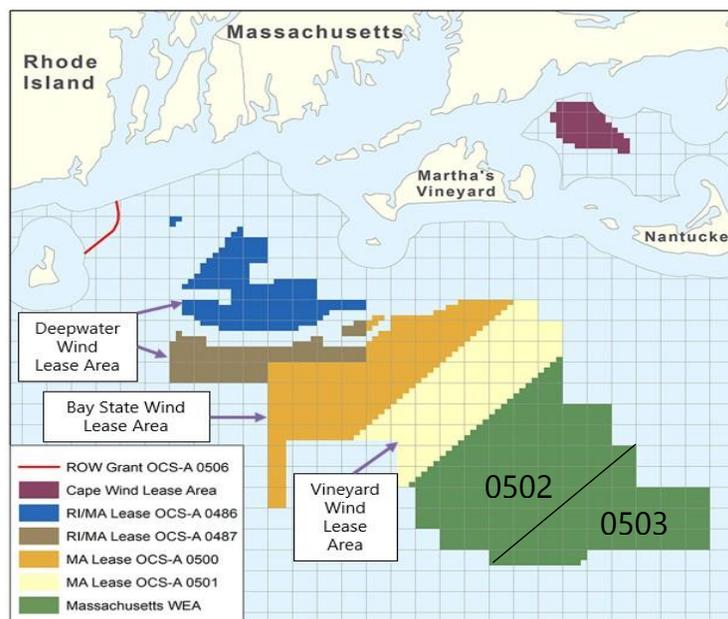
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To: Clients and Colleagues

From: John Dalton, President and Carson Robers, Consultant, Power Advisory LLC

A competitive leasing process has been initiated by the Bureau of Ocean Energy Management (BOEM) for the previously unleased Massachusetts commercial lease areas, OCS-A 0502 and OCS-A 0503, in response to two unsolicited lease requests by Statoil Wind US LLC (December 16, 2016) and PNE Wind USA, Inc. (January 4, 2017). This lease sale follows the first offshore wind lease area auction for Massachusetts in 2014/15 (ATLW-4) and will be identified as Atlantic Wind Lease Sale 4A (ATLW-4A) in the Federal Register (These lease areas (0502 and 0503) are shown along with the existing lease areas and the parties that hold them in the figure below). The target is to hold the competitive auction near the end of September 2018 (See Figure 2 below).

Figure 1: Rhode Island and Massachusetts OSW Lease Areas

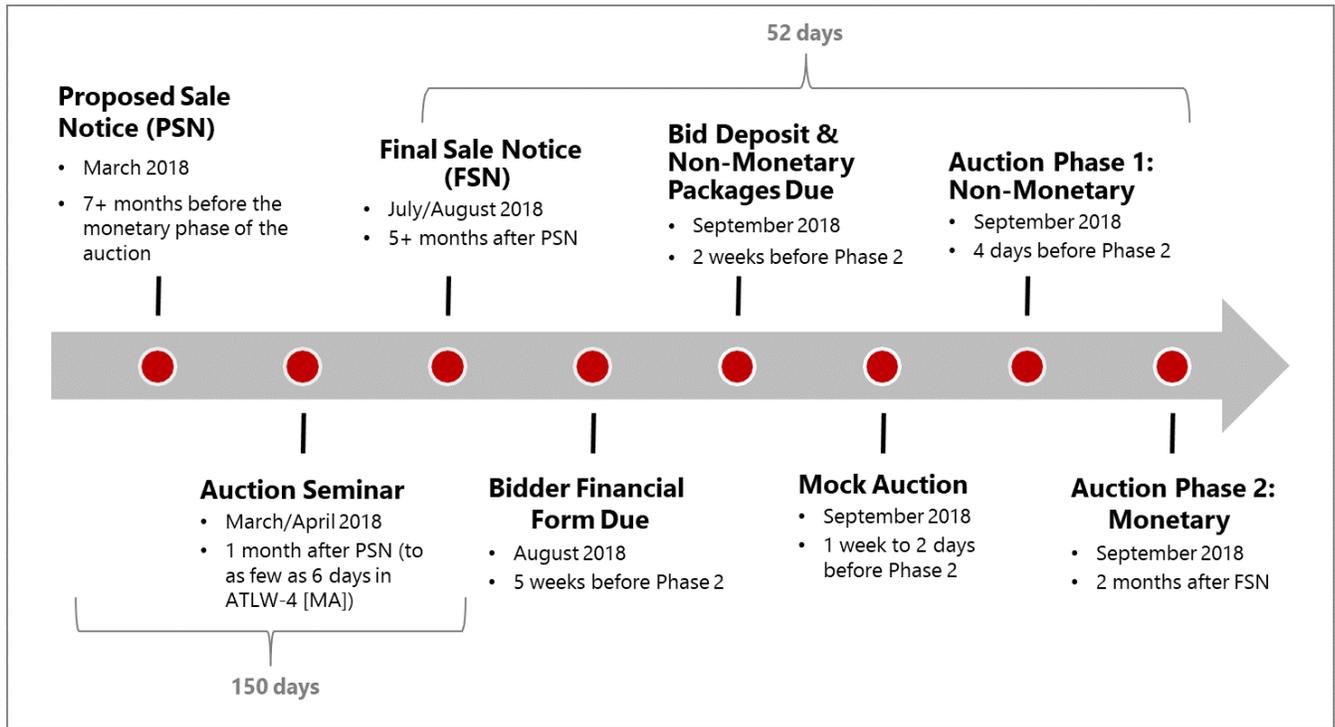


Source: BOEM

Given the policy support for offshore wind in Massachusetts, Connecticut and New York it is expected that the upcoming lease sale will be highly competitive. In ATLW-4 only Offshore MW LLC and RES Developments Inc. offered bids – the auction lasted two rounds and resulted in prices of \$1-2 per acre. Bay State Wind (Ørsted and Eversource Energy) acquired OCS-A 0500 from RES and Offshore MW is now Vineyard Wind (Avangrid Renewables and Copenhagen Infrastructure Partners). For those who are not incumbent lease holders but interested in entering the Northeast offshore wind market and

participating in procurements such as subsequent tranches of the Massachusetts 83C solicitation, this is the most immediate opportunity. Additional lease areas offshore New York will also be made available, as new potential Wind Energy Areas (WEAs) are under consideration as of late 2017.

Figure 2: Indicative ATLW-4A Timeline



The timing of the competitive leasing process was estimated by Power Advisory based on the average of the previous seven OSW lease sales, BOEM’s regulations, and professional opinion. See our [October report](#) on the Massachusetts offshore wind lease opportunity for more information on the auction format and points to consider when evaluating participation.

Power Advisory would welcome the opportunity to help clients assess the opportunity presented by upcoming BOEM lease sales and to support North American offshore wind development activities.