§ 585.220 What auction format may BOEM use in a lease sale?

(a) Except as provided in §585.231, we will hold competitive auctions to award renewable energy leases and will use one of the following auction formats, as determined through the lease sale process and specified in the Proposed Sale Notice and in the Final Sale Notice:

(b) A general description of your objectives and the facilities that you would use to achieve those objectives.

(c) A general schedule of proposed activities, including those leading to commercial operations.

(d) Available and pertinent data and information concerning renewable energy and environmental conditions in the area of interest, including energy and resource data and information used to evaluate the area of interest. BOEM will withhold trade secrets and commercial or financial information that is privileged or confidential from public disclosure under exemption 4 of the FOIA and as provided in §585.113.

(e) Documentation showing that you are qualified to hold a lease, as specified in §585.107.

(f) Any other information requested by BOEM in the Federal Register notice.

§ 585.214 What will BOEM do with information from the Requests for Information or Calls for Information and Nominations?

BOEM will use the information received in response to the Requests or Calls to:

(a) Identify the lease area;

(b) Develop options for the environmental analysis and leasing provisions (stipulations, payments, terms, and conditions); and

(c) Prepare appropriate documentation to satisfy applicable Federal requirements, such as NEPA, CZMA, the ESA, and the MMPA.

§ 585.215 What areas will BOEM offer in a lease sale?

BOEM will offer the areas for leasing determined through the process set forth in §585.211 of this part. We will not accept nominations after the Call for Information and Nominations closes.

§ 585.216 What information will BOEM publish in the Proposed Sale Notice and Final Sale Notice?

For each competitive lease sale, BOEM will publish a Proposed Sale Notice and a Final Sale Notice in the Federal Register. In the Proposed Sale Notice, we will request public comment on the items listed in this section. We will consider all public comments received in developing the final lease sale terms and conditions. We will publish the final terms and conditions in the Final Sale Notice. The Proposed Sale Notice and Final Sale Notice will include, or describe the availability of, information pertaining to:

(a) The area available for leasing.

(b) Proposed and final lease provisions and conditions, including, but not limited to:

(1) Lease size;

(2) Lease term;

(3) Payment requirements;

(4) Performance requirements; and

(5) Site-specific lease stipulations.

(c) Auction details, including:

(1) Bidding procedures and systems;

(2) Minimum bid;

(3) Deposit amount;

(4) The place and time for filing bids and the place, date, and hour for opening bids;

(5) Lease award method; and

(6) Bidding or application instructions.

(d) The official BOEM lease form to be used or a reference to that form.

(e) Criteria BOEM will use to evaluate competing bids or applications and how the criteria will be used in decision-making for awarding a lease.

(f) Award procedures, including how and when BOEM will award leases and how BOEM will handle unsuccessful bids or applications.

(g) Procedures for appealing the lease issuance decision.

(h) Execution of the lease instrument.

§§ 585.217–585.219 [Reserved]

COMPETITIVE LEASE AWARD PROCESS
§ 585.221 What bidding systems may BOEM use for commercial leases and limited leases?

(a) For commercial leases, we will specify minimum bids in the Final Sale Notice and use one of the following bidding systems, as specified in the Proposed Sale Notice and in the Final Sale Notice:

<table>
<thead>
<tr>
<th>Bid system</th>
<th>Bid variable</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Cash bonus with a constant fee rate (decimal)</td>
<td>Cash bonus.</td>
</tr>
<tr>
<td>(2) Constant operating fee rate with fixed cash bonus</td>
<td>A fee rate used in the formula found in § 585.506 to set the operating fee per year during the operations term of your lease.</td>
</tr>
<tr>
<td>(3) Sliding operating fee rate with a fixed cash bonus</td>
<td>A fee rate used in the formula in § 585.506 to set the operating fee for the first year of the operations term of your lease. The fee rate for subsequent years changes by a mathematical function we specify in the Final Sale Notice.</td>
</tr>
<tr>
<td>(4) Cash bonus and constant operating fee rate</td>
<td>Cash bonus and operating fee rate as stated in paragraph (2) of this section (two-stage auction format only).</td>
</tr>
<tr>
<td>(5) Cash bonus and sliding operating fee rate</td>
<td>Cash bonus and operating fee rate as stated in paragraph (3) of this section (two-stage auction format only).</td>
</tr>
<tr>
<td>(6) Multiple-factor combination of nonmonetary and monetary factors.</td>
<td>BOEM will identify bidding variables in the Final Sale Notice. Variables may include:</td>
</tr>
<tr>
<td></td>
<td>(i) Nonmonetary (e.g., technical merit) factors and</td>
</tr>
<tr>
<td></td>
<td>(ii) Monetary (e.g., cash bonus, rental rate, fee rate) factors.</td>
</tr>
</tbody>
</table>

(b) For limited leases, the bid variable will be a cash bonus, with a minimum bid as we specify in the Final Sale Notice.

§ 585.222 What does BOEM do with my bid?

(a) If sealed bidding is used:

(1) We open the sealed bids at the place, date, and hour specified in the Final Sale Notice for the sole purpose of publicly announcing and recording the bids. We do not accept or reject any bids at that time.

(2) We reserve the right to reject any and all high bids, including a bid for any proposal submitted under the multiple-factor bidding format, regardless of the amount offered or bidding system used. The reasons for the rejection of a winning bid may include, but are not necessarily limited to, insufficiency, illegality, anti-competitive behavior, administrative error, and the presence of unusual bidding patterns.