



September 12, 2024

Karoline DiPerna
Office of Leasing and Plans
Bureau of Ocean Energy Management
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123

Re: Unsolicited lease request for wind energy development in the Gulf of Mexico
Docket No. : BOEM-2024-0039

Submitted via Regulations.gov

Dear Ms. DiPerna,

RWE Offshore Wind Holdings, LLC (RWE) appreciates the opportunity to provide comments on the unsolicited proposal submitted to the Bureau of Ocean Energy Management (BOEM) by Hecate Energy Gulf Wind, LLC (Hecate Energy) to acquire two wind energy leases in the Gulf of Mexico.

As the first offshore wind leaseholder in the Gulf of Mexico, RWE appreciates BOEM's ongoing commitment to expanding offshore wind in this region. The existing oil and gas supply chain, highly skilled workforce, and robust port infrastructure provide unique advantages for a potential offshore wind hub. With the right investments and partnerships, the Gulf Coast will become an international hub for offshore wind manufacturing, expertise, and innovation by continuing to build on generational strengths. RWE looks forward to having other leaseholders in the region to help build the offshore wind industry and create new economic development opportunities.

As BOEM considers Hecate Energy's request for unsolicited leases, RWE requests that BOEM uphold the same principles as the competitive leasing process when evaluating this unsolicited lease request. Specifically, BOEM should prioritize robust stakeholder engagement and should use the previous auction price of \$50 per acre as a minimum benchmark for providing a fair return to taxpayers as it considers Hecate Energy's request.

RWE strongly recommends that BOEM continue the current practice of requiring communications plans for Fisheries, Tribes and Tribal Nations, and Government Agencies for all leaseholders to promote constructive stakeholder engagement. Moreover, RWE urges BOEM to consider including an option for Hecate Energy – and any future unsolicited proposals in the Gulf of Mexico - to commit funding for a Fisheries Compensatory Mitigation Fund. RWE is concerned that future compensatory claims for

potential fishery gear loss or damage for loss of income from activities related to Hecate Energy's lease will generate liabilities for the Regional Compensatory Mitigation Fund that cannot be reimbursed by the RWE funding commitment alone. According to BOEM guidance, lessees are encouraged to coordinate with other lessees to establish or contribute to a regional fund. Therefore, if Hecate Energy is awarded a lease outside of an auction process, RWE recommends that BOEM provide similar opportunities for Hecate Energy to contribute funds upfront for fisheries compensatory mitigation purposes.

RWE also requests that BOEM consider their previous competitive auction processes when determining a sale price for all unsolicited lease requests. BOEM's competitive auction process is well designed to ensure that leases are offered at fair market value and provide a fair return to the American people for use of public waters. Under BOEM's current regulations, the minimum price per acre that can be offered for unsolicited lease request (\$0.25 per acre) is well below the minimum price per acre that BOEM proposed in the Final Sale Notice for the auction held in August 2023 (\$50 dollars per acre) and the Proposed Sale Notice that was published by BOEM in March 2024 (\$50 dollars per acre). If BOEM chooses to move forward with the unsolicited leases, the results of the previous auction and the minimum bid price for the proposed second auction should be key benchmarks for determining fair market value.

RWE looks forward to continued engagement with BOEM and local stakeholders as we work collaboratively to develop this new energy industry in the Gulf of Mexico.

Sincerely,

Kate McKeever
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