

Frequently Asked Questions for Solar and Wind Inside Designated Leasing Areas Nomination Fees and Competitive Bidding

GENERAL

What is a Designated Leasing Area?

Designated leasing area (DLA) means a parcel of land with specific boundaries identified by the BLM land use planning process as being a preferred location for solar or wind energy development that may be offered **competitively**. (43 Code of Federal Regulations (CFR) 2801.5)

What authorities authorize energy development *inside* DLAs?

When issued competitively, a right-of-way (ROW) Lease is authorized by Title V of the Federal Land Policy and Management Act of 1976 (FLPMA) and its implementing regulations Title 43 CFR Part 2800, Subpart 2809.

What Program Elements (PE) codes can I use for Renewable Energy projects?

- FX – Process Right-of-Way Grants and/or Leases for Renewable Energy (Wind/Solar) Authorizations – including site-specific and project-area testing
- KH – Prepare/Conduct Competitive Renewable Energy (Wind/Solar) Actions
When using the competitive process under 43 CFR 2809
- NH – Conduct Realty Compliance Inspections Compliance or monitoring inspections made for renewable energy (Wind/Solar) – including site-specific and project-area testing

Does it matter what Cost Center is used in CBS?

Yes, when completing any new transactions or transfers in CBS be sure to use the appropriate Cost Center for the Lead Office where the project resides. To make corrections, you can update the Cost Center to the Lead Office where the project resides by doing a transfer in CBS.

NOMINATIONS

What is a Nomination Fee?

Nomination fees are collected under Sections 304(b) and 504(g) of FLPMA as cost recovery fees. The nomination fees will reimburse the BLM for the expense of preparing and holding the competitive process for leasing lands inside a DLA. Furthermore, the nomination allows the BLM to see specifically what parcel of land is of interest to a developer and would inform the BLM of parcel configurations for a competitive leasing process. A variable offset (discount) may be offered for qualified bidders who submitted nominations. Variable offsets are discussed further in 43 CFR 2809.16.

When is the Nomination Fee Due?

The Nomination fee must be submitted at the same time a written Nomination is submitted. Nominations may be submitted for a DLA with or without the publication of a Call for Nominations. Submission of a Nomination demonstrates a developer's seriousness for the use of an area. Note: Do not create an invoice for the Nomination Fee; it is required to be submitted at the same time the written Nomination is submitted.

How much is the Nomination Fee?

The cost is \$5 per acre. The \$5 per acre fee is derived from an appraisal consultation report prepared by the Department's Office of Valuation Services and will be adjusted for inflation once every 10 years, using the change in the IPD-GDP for the preceding 10-year period. This IPD-GDP is used to calculate the current fee that applies through 2025.

How does the BLM use the Nomination Fee?

The BLM uses the Nomination Fee as the initial payment for the expense of preparing and holding a competitive leasing process for lands inside DLAs. Furthermore, the nomination allows the BLM to see specifically what parcel(s) of land are of interest to a developer and would inform the BLM of parcel configurations for a competitive leasing process. The Nomination Fee funds must be managed in a L51010000 account and expended timely and appropriately.

What happens if the BLM receives multiple Nominations Fees inside the same DLA?

Once the WBS for the L51010000 is set up for the specific DLA, additional nomination fees can be immediately deposited into that WBS in Collection & Billing System (CBS).

Is the Nomination Fee refundable?

No, Nomination Fees are non-refundable, except when a nomination is submitted by an individual or company that does not meet the qualifications identified in 43 CFR 2809.11(d). A Nomination cannot be withdrawn, except by the BLM for cause, in which case all Nomination Fees will be refunded to the nominator under 2809.11(e).

What is required by NOC612 to set up the L51010000 WBS?

- The 1310-20 form with the notation “Nomination Fee for the Competitive Leasing for Solar/Wind Energy Development inside DLA.”
- A copy of the applicable CBS Receipt for the nomination fee

What do I need to remember when completing the 1310-20 Form?

- Box 2- List Program Subactivity (Functional Area) as L51010000. Do not list a Program Element (PE) code with the Program Subactivity. A list of valid PE codes provided in separate FAQ below.
- Box 12 – Enter the Organization Code of Lead Office where the project resides (i.e., Field Office)
- Box 13 – Enter the Organization Code for other offices charging to the project (i.e., State/District Office)

Does the Indirect Cost Rate apply to the Application Filing Fees?

Yes. The current Indirect Cost Rate is assessed on obligation/expense transactions for Program Subactivity L51010000. Be sure to check current Headquarters Fiscal Year Indirect Cost Rate Information Bulletin for current rates and any exceptions/adjustments that may apply for Program Subactivity L51010000.

Where are the Nomination Fees Receipted for Depositing?

Initially, the funds are receipted in CBS in a Suspense Account CSA. Note: *XL6500DP is a Suspense Account.

Task 2.0	*Nomination Fee – Suspense Account
	DLA Casefile # needed for suspense entry in CBS
CSA	Description (Select Appropriate Action)
Commodity	Renewable Energy Management
Subject	Competitive Lease/Grant
Action	Initial Nomination Fee (XL6500DP) - Suspense Account

What is the CBS CSA to transfer the funds to the L51010000 WBS?

Once the L51010000 WBS is established, the funds must be transferred from Suspense to the CSA:

Tasks 4.0 & 5.0	**DLA L5101 WBS
	DLA WBS # and Casefile # needed for entry in CBS
CSA	Description (Select Appropriate Action)
Commodity	Renewable Energy Management
Subject	Competitive Lease/Grant
Action	Nomination Fee (XL5017AP) (5101)

COMPETITIVE BIDDING AND ROW LEASES

When is the Submission of a Bid for competitive leasing due?

Due dates for submitting bids are outlined in a Notice of Competitive Offer (NOCO). NOCOs are published in the Federal Register and must be published at least 30 days prior to the competitive offer. Depending on the bidding method used to conduct the competitive offer, bid fees may be received throughout the bidding window or the day of, as identified in the NOCO. (43 CFR 2809.13(b))

How much is the Minimum Bid fee?

Each DLA NOCO is unique. The published NOCO contains the payment amount for the Minimum Bid. The Minimum Bid consists of administrative costs incurred by the BLM and other Federal agencies in preparing for and conducting the competitive offer, including required environmental reviews.

What must the Bid Submission include?

Bid submissions include the minimum bid fee and at least 20 percent of the bonus bid. Bonus bids are **optional** and only to be submitted if a bidder wishes to bid in addition to the minimum bid. The minimum bid consists of administrative costs and an additional amount determined by the authorized officer. Included in the administrative costs are those expenses pertaining to the development of environmental analyses and those costs to the Federal Government associated with holding the competitive offer. (See 2809.14(a)(1) and 2809.14(c)).

What happens if an EFT or credit card payment is submitted before or during the Competitive Bid?

EFT and credit card submissions are considered an uncommon payment method for competitive bidding and are solely based on the method used for competitive bidding published in the NOCO. However, according to the United States Treasury, EFTs and credit cards are still acceptable payment methods. In these cases, see task 6/8.1.

Where are the Bids Received for Depositing?

Initially, the funds are received in CBS in a Suspense Account CSAs, as appropriate; see below. Note: Bid Deposits entered in CBS before the Competitive Bid use the DLA casefile number. For Bid Deposits of Successful Bidder(s), use the casefile(s) numbers created for that specific successful bidder(s).

Tasks 6.0 & 8.1	***Competitive Bid – Suspense Account Casefile #* needed for suspense entry in CBS
CSA	Description (Select Appropriate Action)
Commodity	Renewable Energy Management
Subject	Competitive Lease/Grant
Action	Solar Energy Bid Deposit (*XL6500DP)
	Wind Energy Bid Deposit (*XL6500DP)

Is an Unsuccessful Bidders Bid Deposit refundable?

Yes, all unsuccessful bidders will be refunded their Bid Submissions. Additionally, any rejected bids will be refunded. (See 2809.14(d) and 2809.17(a)). Note: monies in the mailroom will be processed as a return remittance, and monies in EFT suspense (from task 6/8.1) will have to go through a refund process.

How are Variable Offsets applied?

The Successful Bidder(s) may be eligible for an offset (discount) of up to **20%** of the **bonus bid** based on the factors identified in the NOCO. The BLM may apply a variable offset to the bonus bid of the successful bidder. The NOCO will identify each factor of the variable offset, the specific percentage for each factor that would be applied to the bonus bid, and the documentation required to be provided to the BLM prior to the day of the offer to qualify for the offset. The total variable offset cannot be greater than 20 percent of the bonus bid. The BLM will determine your variable offset prior to the ROW Lease offer.

What other fees must be a Successful Bidder(s) pay before offering a ROW Lease?

Within 15 calendar days after the day of the Successful Bidder notification, the Successful Bidder(s) must submit the balance of the bonus bid after variable offsets are applied (*a bidder can choose not to submit a Bonus Bid*) to the BLM office conducting the competitive offer. Remember, the payment of the bonus bid only applies to the Successful Bidders that submitted a Bonus Bid. In addition, within 15 calendar days of the Successful Bidder notification, the Successful Bidder must also submit the acreage rent for the first full year of the energy development lease. This amount will be applied towards the first 12-months of acreage rent.

Where does the balance of the bonus bid after variable offsets and acreage rent for the first full year of rent get receipted for depositing?

Tasks 9.1 & 9.2	****Successful Bidder (For each Successful Bidder)
	Successful Bidder Casefile # needed for entry in CBS
CSA	Description (Select Appropriate Action)
Commodity	Renewable Energy Management
Subject	Competitive Lease/Grant
Action	Bonus Bid Payment (XL3220XM)
	Initial Solar Energy Acre Rent (PD) (XL3220XM)
	Initial Wind Energy Acre Rent (PD) (XL3220XM)

What happens to the money if a Successful Bidder does not satisfy the requirements of a Successful Bidder?

The BLM will not offer a lease to a successful Bidder and will keep all the money that has been submitted if the Successful Bidder does not satisfy the bidder requirements in 2809.15(d). However, the BLM may offer the lease to the next highest bidder or re-offer the lands (2809.15(e)).

Where is the Bid Deposit(s) Transfer when a Successful Bidder is ready to be Offered a ROW Lease?

Task 10.1	****Successful Bidder (For each Successful Bidder)
	Successful Bidder Casefile # needed for entry in CBS
CSA	Description (Select Appropriate Action)
Commodity	Renewable Energy Management
Subject	Competitive Lease/Grant
Action	Solar Comp Offer Admin Fee (L5102 COMP)
	Wind Comp Offer Admin Fee (L5102 COMP)
	Earned Solar Bid Deposit (*XL3220XM)
	Earned Wind Bid Deposit (*XL3220XM)
	Bonus Bid Payment (*XL3220XM)

It is vital to ensure that the Competitive Bid fees are split into the appropriate CBS Action codes outlined in task 10.1. The Competitive Bid funds are divided into three areas: **Administrative Fee** (L51020000 COMP), **Bid Deposit**, and the **20% Bonus Bid Payment** (if a bonus bid is received).

What goes towards the L51020000 COMP WBS?

The Administrative Fees received from the Successful Bidder(s) go into a L51020000 COMP WBS. Any time spent developing a Cost Recovery Agreement (CRA) may be charged to this code. Therefore, It’s important to work with your budget staff to know these account balance(s). Additionally, these funds can be used towards the costs incurred by the BLM and other Federal agencies (*when applicable*) that went into preparing for and conducting the competitive offer, including required environmental reviews when nomination fee funds are insufficient.

What documents are required to set up a L51010000 account for each Successful Bidder that received a Lease?

Three documents are required:

- The 1310-20 form with the notation “for a Renewable Energy Development project inside a DLA.”
- Document 2: Copy of CBS Receipt for Initial Cost Recovery Payment
- Copy of Finalized CRA