

## Q&A

# Opportunity to Bid for a Preference Right Right-of-Way Application for Solar Energy Development

**Question: How did the BLM determine that competitive interest existed in the De Tilla Gulch and Los Mogotes East Solar Energy Zone (SEZ)?**

*Answer:* On March 22, 2013, the BLM published a Notice Seeking Public Interest for Solar Energy Development on Public Lands in the State of Colorado. BLM Colorado received 27 email/telephone inquiries about the notice. By the May 21, 2013, deadline, the BLM received six letters of interest or preliminary applications, including the two previously-filed right-of-way (ROW) applications. Altogether, there were five ROW applications filed for the De Tilla Gulch SEZ and four ROW applications filed for the Los Mogotes East SEZ. Based on the competitive interest, BLM Colorado is moving ahead with competitive bidding procedures for the SEZ parcels.

**Question: Why were applications filed in these areas considered "new applications" under the Solar Energy Programmatic Environmental Impact Statement (PEIS)?**

*Answer:* The San Luis Valley Field Office received two solar energy development ROW applications in December 2010 within the De Tilla Gulch and Los Mogotes East SEZs designated by the Solar Energy PEIS and Record of Decision (ROD). New applications are defined as any applications filed within the SEZs after June 30, 2009, which represents the date the PEIS process was initiated. All new applications are subject to the program elements adopted by the Solar Energy ROD.

**Question: What authority or regulations provide for this competitive process?**

*Answer:* On October 12, 2012, Secretary Salazar signed a ROD for solar energy development in six southwestern states, which amended 89 BLM resource management plans. The Solar Energy PEIS provides a road map for utility-scale solar energy development on public lands. The Solar Energy ROD requires new applications to be processed through a competitive process. Under 43 *Code of Federal Regulations* § 2804.23, the BLM is authorized to determine whether competition exists among ROW applications filed for the same facility or system.

**Question: What is the bidding process with sealed bids and an oral auction?**

*Answer:* All parties interested in being bidders must provide the bidders name and a personal or business address to bid. An administrative fee of \$48,169 is also required from each bidder for each parcel at registration. Bidders may submit a sealed bid to the BLM prior to the start of the auction. Sealed bids can be used if the bidder is unable to come to the auction in person, or simply wishes to make their highest offer in one bid. The oral auction will open with the minimum bonus bid, or the highest sealed bid, whichever is higher. All registered bidders will be notified of the results within 10 calendar days of the bid closing. The highest bidder, either through the oral auction or the sealed bid process, will become the preferred applicant and must submit ROW applications, plans of development and all associated information within 180 days of notification.

**Question: How was the Administrative Fee of \$48,169 for each parcel determined?**

*Answer:* The total administrative cost to complete the solicitation of interest and competitive auction is \$144,508. Costs include a proportionate share of the cost for preparation of the Solar Energy PEIS (\$35/acre), publication costs associated with the Public Interest Notice and the Auction Notice, auctioneer and BLM personnel time. The total cost was divided evenly between the three bid parcels for a cost of \$48,169. The BLM will retain the administrative fee from the successful bidder to recover the administrative costs for conducting the competitive bid process. The administrative fee from the unsuccessful bidders will be returned.

**Question: How was the minimum bid for each parcel determined?**

*Answer:* The minimum bonus bid for each parcel, which is valued at 5 percent of the rent value of the land for one year (\$63 per acre for Saguache and Conejos counties) pursuant to the BLM's interim solar rental policy, is based on the value of the interests acquired by the preferred applicant to file an application in a SEZ.

**Question: When will the auction be held?**

*Answer:* The BLM will hold an oral auction at the Colorado State Office (2850 Youngfield Street, Lakewood, CO 80215) on October 24, 2013. Bidder registration begins at 9 a.m. and the oral auction will start at 10 a.m.

**Question: What rights are acquired by the successful bidder?**

*Answer:* A successful bidder will become a preferred applicant to submit a ROW application and plan of development for a solar energy project located in the De Tilla Gulch or Los Mogotes East SEZs. This is an administrative process and does not result in the issuance of a ROW authorization or any rights in the property.

**Question: Is an authorization or lease issued as a result of the competitive auction?**

*Answer:* No. The successful high bidder(s) will become the preferred ROW applicant.

**Question: What is the successful bidder required to do after being identified as the preferred applicant?**

*Answer:* The successful high bidder(s) must submit ROW applications, plans of development and all associated information within 180 days of notification. A public comment period will occur during the National Environmental Policy Act (NEPA) process once the BLM processes the ROW application(s) for a specific parcel.

**Question: What NEPA analysis was completed or will be required to be completed in the future?**

*Answer:* The Solar Energy PEIS and ROD provided the NEPA analysis for designation of the SEZs and also described the BLM's intent to use a competitive process to facilitate solar energy development in the SEZs. New ROW applications submitted within the SEZs are subject to the decisions adopted by the Solar Energy ROD. Since this stage of the process is administrative and procedural in nature, the BLM prepared and signed a Categorical Exclusion prior to the publication of the Notice of auction. The BLM will conduct subsequent NEPA analysis while processing individual right-of-way applications of the successful high bidders for the specific parcels.

**Question: Will this process be used in other SEZs?**

*Answer:* If the BLM determines there is competitive interest in other SEZs, this competitive ROW application process under existing regulations could be used in other SEZs. The BLM is also currently working on competitive leasing regulations that could be used in the future to offer lands in SEZs for solar energy development.

**Question: Why is there interest in approving renewable energy projects on public lands?**

*Answer:* The President on June 25, 2013 announced the release of a Climate Action Plan to reduce carbon pollution, prepare the U.S. for the impacts of climate change, and lead international efforts to address global climate change. To ensure America's continued leadership in clean energy, the Climate Action Plan set a new goal for the Department of the Interior to permit enough renewable electricity generation from public lands to power more than 6 million homes by 2020. This goal will require the approval of 20,000 megawatts of renewable energy projects on the public lands by 2020.