

September 2026

Offshore Wind Lease Buyouts

Picking Winners and Losers Costs Taxpayers Billions



Bryce Vickmark Photography

Beginning in March 2026, the Administration initiated the first in what has become a series of offshore wind lease buyouts. The agreements came after the Administration had halted new or renewed federal wind approvals and begun examining whether existing offshore wind leases could be terminated or amended, putting developers in the position of negotiating with an administration actively working to unwind the federal offshore wind program.

As of September 2026, the Department of the Interior (DOI) has agreed to pay energy companies up to \$3.9 billion to cancel 12 leases they previously obtained at competitive auctions, on the condition that they make equivalent investments in conventional energy projects instead. These buyouts carry significant implications for American taxpayers and consumers, and there could be more to come.

Taxpayer Concerns with Offshore Wind Lease Buyouts:

- **Costs Taxpayers \$3.9 Billion to Cancel Projects Already Underway:** The agreements would return billions in taxpayer revenue already deposited into the federal Treasury to wind developers in exchange for terminating their offshore wind leases.
- **Picks Winners and Losers:** The Administration is using billions in refunds to steer investment toward specific energy sectors, manipulating the free market. These cancellations run counter to market trends and private investment decisions. Companies won these leases through competitive auctions; now the Administration is determining which projects and energy sectors qualify for taxpayer-funded refunds.
- **Forfeits Future Taxpayer Revenue:** The cancellations eliminate future lease payments and the annual operating fees taxpayers would have received if the projects entered production.
- **Decreases Planned Domestic Energy Supply:** The 12 canceled leases were expected to support projects with a combined nameplate capacity of 19.2 gigawatts (GW), enough to power 6.6 million households. Their cancellation deprives consumers of a future source of domestic energy production.
- **Undermines Energy Security:** Robust and diverse energy sources strengthen the domestic energy market. Energy companies paid billions of dollars to secure federal offshore wind leases to diversify their energy portfolios, and now the Administration is undermining their diversification efforts. Although the Administration claims the refunds support new investments, some agreements count investments companies had already made, meaning these taxpayer-funded refunds will not lead to new investment or increase future energy supply.
- **Uses the Judgment Fund to Finance a Policy Reversal:** Congress created the Judgment Fund to pay qualifying judgments and settlements without requiring separate appropriations for each payment, not to provide a blank check for major executive branch policy decisions.

Federal Offshore Wind Program

Federal waters hold abundant domestic energy and mineral resources including oil, gas, wind, and critical minerals. These resources belong to all Americans and must be managed to provide a fair return to taxpayers. The Bureau of Ocean Energy Management (BOEM), within DOI, oversees energy development in federal waters, including offshore wind. As of September 2026, BOEM has issued 53 offshore wind leases and rights-of-way grants and manages 40 active leases.¹



[“Offshore Turbine Install 37”](#) by [Bureau of Ocean Energy Management](#), CC BY-SA 2.0

The offshore wind program generates revenue for taxpayers through bonus bids at competitive auctions, annual per-acre rental fees, and operating fees once a project starts generating electricity. This revenue is distributed to the U.S. Treasury, but states may receive 27% of revenues from leases located within the first three nautical miles of federal waters.² In FY2025, the Office of Natural Resources Revenue reported \$97.4 million in revenue from offshore wind leases.³

Offshore energy development has historically been concentrated on oil and gas, which preceded offshore wind by nearly five decades. Offshore wind is now becoming a lucrative revenue stream for American taxpayers. Several highly competitive offshore wind auctions held in 2022 generated billions of dollars in bonus bid revenue. In 2023, more than 7,200 megawatts (MW) of generating capacity were under construction or being planned,⁴ enough to power 2.5 million households.⁵ However, recent efforts to scale back and dismantle the program have severely hamstrung the progress of these offshore wind projects, costing taxpayers revenue and preventing much-needed domestic energy from being added to the grid.

In January 2025, the Administration directed federal agencies to stop issuing new or renewed approvals, permits, leases, and other authorizations for wind projects while it reviewed federal wind leasing and permitting practices. Separately, the President withdrew all federal waters from consideration for new or renewed offshore wind leasing.⁶

Although the withdrawal preserved existing lease rights, subsequent administrative actions have sought to slow or halt permitting and approval activities. A federal court struck down the agencies' indefinite moratorium, but no offshore wind lease sales have been held since January 2025.⁷ The Administration appealed the court decision in February 2026 but voluntarily dropped the challenge in June 2026.⁸

After several losses in court, the Administration pivoted towards other strategies to undermine federal offshore wind development. A proposed rule, titled "Offshore Wind Regulatory Reform," is currently under review at the Office of Information and Regulatory Affairs (OIRA), but no details about the specific regulatory changes under consideration are publicly available.⁹ And beginning in March 2026, DOI also entered into several agreements to terminate existing offshore wind leases in an effort to direct private investment elsewhere, often toward oil and gas.



Bryce Vickmark Photography

Canceled Leases

As of September 2026, DOI has reached several agreements providing for \$3.9 billion in offshore wind lease reimbursements to developers, including TotalEnergies, Bluepoint Wind, Golden State Wind, Invenergy, Duke Energy, and RWE. All these settlements follow a similar structure, tying reimbursement of lease payments to the abandonment of offshore wind projects and to equivalent qualifying investments by the companies or their affiliates in other energy sectors, including oil and gas production, liquefied natural gas export terminals, natural gas-fired power plants, nuclear, geothermal, and grid infrastructure. Some agreements allow investments made before they were signed to count toward reimbursement.

Settlement Date	Lease No.	Location	Company/ Parent Company	Refund Amount	Estimated Nameplate Capacity
3/23/2026	OCS-A 0538	New York Bight	TotalEnergies	\$795,000,000	1,545 MW
3/23/2026	OCS-A 0545	Carolina Long Bay	TotalEnergies	\$133,333,333	1,000 MW
4/27/2026	OCS-A 0537	New York Bight	Bluepoint Wind, LLC	\$765,000,000	1,158 MW
4/27/2026	OCS-P 0564	California	Golden State Wind	\$120,240,000	1,302 MW
6/12/2026	OCS-A 0542	New York Bight	Invenergy	\$645,000,000	2,400 MW
6/12/2026	OCS-P 0565	California	Invenergy	\$111,769,231	1,300 MW
6/12/2026	OCS-A 0562	Gulf of Maine	Invenergy	\$3,669,525	1,964 MW
6/12/2026	OCS-A 0567	Gulf of Maine	Invenergy	\$4,416,750	1,993 MW
6/26/2026	OCS-A 0546	Carolina Long Bay	Duke Energy	\$129,166,667	1,600 MW
8/4/2026	OCS-A 0539	New York Bight	RWE	\$1,100,000,000	2,125 MW
8/4/2026	OCS-G 37334	Gulf of America	RWE	\$4,307,692	1,244 MW
8/4/2026	OCS-P 0561	California	RWE	\$121,307,692	1,600 MW
Total				\$3,933,210,890	19.2 GW

March 2026 – TotalEnergies

On March 23, 2026, DOI announced an unprecedented agreement with TotalEnergies, a French energy company, to refund the company \$928 million in taxpayer dollars to terminate two federal offshore wind leases.¹⁰ The amount is roughly equal to what the company paid to secure and maintain the federal leases in 2022.

In exchange for the taxpayer-funded buyout, TotalEnergies agreed to invest \$928 million in “conventional energy projects,” which DOI defined to include oil and gas production, gathering, transportation, processing, storage, or refining; liquefied natural gas; generation or transmission of electricity from nonrenewable sources; tank farms; and related infrastructure.

TotalEnergies New York Lease (OCS-A 0538) Termination

In February 2022, the New York Bight auction generated a record-breaking \$4.37 billion in bonus bid revenue for taxpayers across six leases covering 488,000 acres.¹¹ One of the leases (Lease No. OCS-A 0538) was issued to Attentive Energy, a subsidiary of TotalEnergies. Attentive Energy acquired the lease with a bonus bid of \$795 million, all of which DOI will now refund. This 84,332-acre tract was expected to support approximately 1,545 megawatts (MW) of commercial offshore wind capacity. In September 2024, Attentive Energy submitted its Construction and Operations Plan (COP) to BOEM. Before the lease was canceled, Attentive Energy had spent close to \$500 million developing the lease.

TotalEnergies North Carolina Lease (OCS-A 0545) Termination

In May 2022, the Carolina Long Bay auction brought in \$315 million in bonus bid revenue across two leases covering 110,091 acres.¹² One of the leases (Lease No. OCS-A 0545) was issued to TotalEnergies Renewables USA for a bonus bid of \$160 million. TotalEnergies paid a deposit of \$133.3 million toward the bid, which DOI will now refund in full. TotalEnergies anticipated that the 54,937-acre project would come online by 2030, providing more than 1 GW of electricity to the Southeast. Prior to the Administration's buyback, TotalEnergies had spent approximately \$35 million developing the lease.

In exchange for reimbursement of its lease payments, TotalEnergies has agreed to invest a combined \$928 million in oil and gas projects, including development of:

- Trains 1 through 4 of the 29-million-ton-per-annum Rio Grande LNG plant in Texas
- Conventional oil production in the Gulf of America and shale gas production

These investments will likely be made through TotalEnergies' U.S. affiliate, which owns an equity interest in Rio Grande LNG Intermediate Holdings, with contributions made through equity cash calls. Following TotalEnergies' \$928 million investment in these projects, DOI will terminate the leases and reimburse the company through the Treasury Department's Judgment Fund. Several similar agreements followed the TotalEnergies deal.

However, TotalEnergies already owns a 16.7% interest in Trains 1 through 3 of the Rio Grande LNG Plant and finalized agreements to take on a 10% stake in Train 4 of the plant in September 2025,¹³ six months before the settlement agreement with DOI. This raises questions about whether refunds will spur actual new investments, or if investments companies had already made can be counted towards new investments. If pre-existing investments count as qualified investment under the settlement agreements, companies will receive taxpayer-funded refunds for projects that they have already invested in and are underway, meaning that some of these agreements will only pull future electricity supply offline without replacement from new projects.



Government Work, U.S. Department of Energy

April 2026 – Bluepoint Wind and Golden State Wind

On April 27, 2026, DOI announced agreements with Bluepoint Wind and Golden State Wind, resulting in another combined \$900 million buyout of leases off the coasts of California, New Jersey, and New York.¹⁴ Both Bluepoint and Golden State promised to invest equivalent amounts in fossil fuel initiatives.

Bluepoint Wind New York Lease (OCS-A 0537) Termination

At the same February 2022 New York Bight auction, Bluepoint Wind won Lease No. OCS-A 0537 with a high bid of \$765 million,¹⁵ which DOI will refund in full. This 71,522-acre project was projected to generate more than 1 GW of electricity. To date, Bluepoint Wind has spent approximately \$100 million developing the lease.

Bluepoint Wind will invest an amount equal to the refund in a U.S.-based liquefied natural gas (LNG) facility. Additionally, Bluepoint Wind has decided not to pursue any new offshore wind developments in the United States.¹⁶

Golden State Wind California Lease (OCS-P 0564) Termination

Golden State Wind (formerly Central California Offshore Wind LLC) was awarded Lease No. OCS-P 0564, spanning 80,418 acres, in December 2022 with a high bid of \$150 million. After applying bidding credits, the company paid \$120 million toward the bonus bid payment, which DOI will refund in full. To date, Golden State Wind has spent approximately \$70 million developing the project, which was expected to provide 1.3 GW of electricity.

In exchange, Golden State Wind will invest an equal amount to develop U.S. oil and gas assets, energy infrastructure, and/or LNG projects along the Gulf Coast. Golden State Wind has also decided not to pursue any new offshore wind projects in the United States.¹⁷



[“Offshore_Turbine_Install_17”](#) by [Bureau of Ocean Energy Management](#), CC BY-SA 2.0

June 2026 – Invenergy

On June 12, 2026, DOI offered Invenergy a \$765 million buyout of its four leases off the coasts of California, Maine, and New York.¹⁸ Under the agreement, Invenergy would invest an equivalent amount in natural gas power plants in Wisconsin, Iowa, Kansas, and Missouri and geothermal projects in the western United States. The four lease terminations are:

Invenergy New York Bight Lease (OCS-A 0542) Termination

In February 2022, Invenergy acquired OCS-A 0542 with a high bid of \$645 million, all of which DOI will refund. To date, the company has spent \$169 million developing the 83,976-acre lease. The project was expected to deliver 2.4 GW of electricity to the grid.

Invenergy California Lease (OCS-P 0565) Termination

In December 2022, Invenergy acquired OCS-P 0565 and has since paid \$111,769,231 toward the lease, all of which DOI will refund. To date, the company has spent \$27 million developing the 80,418-acre lease. The planned project was expected to produce 1.3 GW of electricity.

Invenergy Gulf of Maine Leases (OCS-A 0562, OCS-A 0567) Termination

On October 29, 2024, DOI held an offshore wind energy lease sale on the OCS in the Gulf of Maine. The auction resulted in two winners across four lease areas and more than \$21.9 million in winning bids. Invenergy won Lease OCS-A 0562, covering 97,854 acres, with a bid of \$4,892,700, and Lease OCS-A 0567, covering 117,780 acres, with a bid of \$5,889,000. The company has paid \$3,669,525 for the first lease and \$4,416,750 for the second. DOI will refund those payments in full to Invenergy. To date, the company has spent \$333 million developing the leases. The projects had a combined estimated capacity of 4 GW.

June 2026 – Duke Energy

On June 26, 2026, DOI announced an agreement to terminate Duke Energy’s offshore wind lease located in the Carolina Long Bay area. In exchange, Duke Energy would reinvest the funds in new nuclear and natural gas projects.

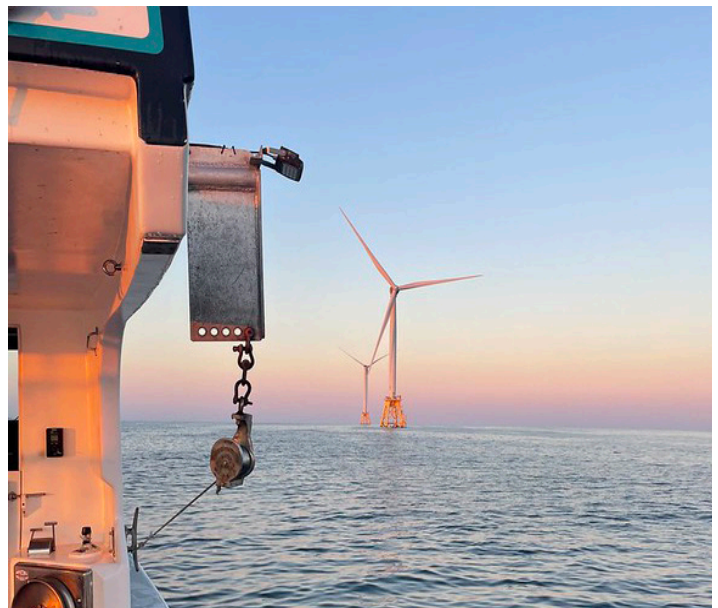
Duke Energy North Carolina Lease (OCS-A 0546) Termination

In May 2022, Duke Energy acquired Lease OCS-A 0546 and has since paid \$129 million toward the lease, which DOI will refund in full. To date, Duke Energy has invested \$27 million developing the 55,154-acre lease, which was expected to generate 1.6 GW of electricity.

August 2026 – RWE

On August 4, 2026, DOI announced an agreement with RWE to cancel three leases held by the company and refund a total of \$1.22 billion in bonus bid payments. In exchange for the refund, the company would invest an equal amount in conventional energy projects, including:

- \$900 million in LNG infrastructure: RWE will acquire an indirect 16% stake in a Louisiana LNG project. The proceeds from RWE’s investment will fund construction of the terminal.
- \$300 million in natural gas turbine reservations: RWE signed a turbine reservation agreement to secure turbines for future power generation. The company is developing 15 natural gas peaking projects in the U.S.



“Turbines at sunrise” by [Bureau of Ocean Energy Management](#), CC BY-SA 2.0



Bryce Vickmark Photography

The three canceled leases include:

RWE New York Lease (OCS-A 0539) Termination

In February 2022, RWE acquired Lease OCS-A 0539 with a high bid of \$1.1 billion. The project was expected to generate over 2 GW of electricity.

RWE Gulf of America Lease (OCS-G 37334) Termination

On August 29, 2023, BOEM held the first-ever offshore wind energy auction in the Gulf of America. RWE won OCS-G 37334 with a high bid of \$5.6 million. The project had the potential to support 1.24 GW of offshore wind energy capacity and power nearly 435,400 homes.¹⁹ RWE paid a deposit of \$4.3 million toward the bid, which DOI will now refund in full. RWE had spent \$5 million to develop the lease prior to DOI's buyout agreement.

RWE California Lease (OCS-P 0561) Termination

In December 2022, RWE acquired the 63,338-acre Lease OCS-P 0561 and has since paid \$121 million toward the lease, which DOI will refund in full. The project was expected to generate 1.6 GW of electricity.

Taxpayer Concerns

The taxpayer concerns extend well beyond the cost of the buyouts themselves. These buyouts return revenue already collected through competitive auctions, eliminate future lease and operating revenues, use the Judgment Fund to finance a major policy reversal, and steer private investment to projects in some cases hand-picked by the Administration.

All the buyout agreements follow a similar model. Reimbursement of a company's bonus bid payment is tied to an equivalent investment in conventional energy projects, although some agreements specify projects and investments in greater detail than others. In each buyout agreement, DOI has structured the payments as settlements, allowing compensation to be drawn from the Treasury Department's Judgment Fund.

Using the Judgment Fund to Finance a Policy Reversal

The Judgment Fund is a permanent appropriation used by federal agencies to pay qualifying court judgments and settlements against the United States without requiring a new appropriation from Congress for each case. The fund may be used to pay final judgments, awards, and compromise settlements of “actual or imminent litigation entered into by the Attorney General.”²⁰ An agency may only request payment from the Judgment Fund if payment cannot legally be made from the agency’s own appropriations or another available source of funds. The legality of using the Judgment Fund for these agreements remains in question. Even setting legal questions aside, the Administration is using billions in taxpayer-funded payments to pick winners and losers in the energy market.

Undermining Energy Security

Terminating these leases not only runs counter to the Administration’s energy dominance agenda but also undermines the overall strategy many energy companies have adopted to diversify their energy portfolios, especially as wind and solar costs have gone down significantly over the past few decades. According to the Energy Information Administration, wind and solar make up around 20% of total U.S. electricity generation. Wind power alone accounted for more than 10.4% of U.S. electricity generation in 2025, producing more than 464 terawatt-hours of electricity.²¹

Lack of Oversight and Accountability

Using the Judgment Fund to finance this policy reversal also raises broader questions about congressional oversight of billions in taxpayer spending. Congress created the fund to ensure the prompt payment of legitimate legal liabilities and eliminate the procedural burdens involved in obtaining individual appropriations for payments. This allows judgments to be paid sooner and reduces the interest that accrues against the United States before payment. The fund should not be a blank check that provides an alternative source of funding for major executive branch policy decisions. Because the Judgment Fund is a permanent, indefinite appropriation that operates outside the annual appropriations process, its use deserves careful scrutiny to ensure it is being used consistently with the purposes Congress intended.



Bryce Vickmark Photography

Decreasing Future Energy Supply

Companies paid for these leases at competitive auctions, and those payments flowed into the federal Treasury. The Administration is relying on the Judgment Fund's existing appropriation to finance the buyouts. It should clearly explain how that authority applies to agreements that reimburse companies for giving up leases and investing elsewhere. Offshore leasing laws spell out how companies can surrender leases and how the government can terminate them. The separate question is whether these reimbursements qualify for payment from the Judgment Fund.

Terminating these leases prevents tens of gigawatts of future domestic energy production, depriving taxpayers of a future revenue source and consumers of affordable domestic electricity supply. Even apart from the legal questions, taxpayers would return billions in collected revenue to companies abandoning offshore wind development. It also undermines many energy companies' efforts to diversify their portfolios as wind and solar costs have fallen significantly over the past few decades.



[“Offshore Turbine Install_07”](#) by [Bureau of Ocean Energy Management](#), CC BY-SA 2.0

Conclusion

Our nation benefits from a robust, diverse energy market that puts our natural resources to work for all Americans. Paying companies billions to abandon projects already in development moves us in the wrong direction.

These buyout agreements would return revenue taxpayers have already collected while closing off opportunities for future electricity generation and lease revenue. In exchange, the Administration is steering companies toward other energy investments, some of which they had already made. Congress should demand a clear accounting of what taxpayers are paying for and what they stand to receive. Otherwise, taxpayers are stuck with a \$3.9 billion bill and nothing to show for it.



taxpayer.net



facebook.com/taxpayers



x.com/taxpayers



info@taxpayer.net

Endnotes

- 1 Bureau of Ocean Energy Management (BOEM), “Lease and Grant Information,” accessed September 15, 2026, <https://www.boem.gov/renewable-energy/lease-and-grant-information>.
- 2 BOEM, “OCS Revenue,” accessed September 2, 2026, <https://www.boem.gov/oil-gas-energy/energy-economics/ocs-revenue>.
- 3 BOEM, “Outer Continental Shelf,” Oil & Gas Energy: Energy Economics, accessed June 26, 2026, <https://www.boem.gov/oil-gas-energy/energy-economics/ocs-revenue>.
- 4 U.S. Energy Information Administration (EIA), “Preliminary Monthly Electric Generator Inventory (based on Form EIA-860M as a supplement to Form EIA-860),” May 2023, <https://www.eia.gov/electricity/data/eia860m/>.
- 5 U.S. Geological Survey, “How many homes can an average wind turbine power?” accessed September 2, 2026, <https://www.usgs.gov/faqs/how-many-homes-can-average-wind-turbine-power>.
- 6 Donald Trump, “Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government’s Leasing and Permitting Practices for Wind Projects,” Presidential Memorandum, January 20, 2025, <https://www.whitehouse.gov/presidential-actions/2025/01/temporary-withdrawal-of-all-areas-on-the-outer-continental-shelf-from-offshore-wind-leasing-and-review-of-the-federal-governments-leasing-and-permitting-practices-for-wind-projects/>.
- 7 United States District Court District of Massachusetts, State of New York, et al. v. President of the United States, et al., <https://www.courthousenews.com/wp-content/uploads/2025/12/trump-wind-energy-ruling.pdf>.
- 8 New York Attorney General, “Attorney General James Secures Final Victory Defending Wind Energy,” June 15, 2026, <https://ag.ny.gov/press-release/2026/attorney-general-james-secures-final-victory-defending-wind-energy>.
- 9 BOEM, “Offshore Wind Regulatory Reform,” Unified Agenda, RIN 1010-AE38, accessed September 23, 2026, <https://www.reginfo.gov/public/do/eAgendaViewRule?RIN=1010-AE38&pubId=202510>.
- 10 Department of the Interior (DOI), “Interior and TotalEnergies Agree to End Offshore Wind Projects, Lowering Costs for American Families,” March 23, 2026, <https://www.doi.gov/pressreleases/interior-and-totalenergies-agree-end-offshore-wind-projects-lowering-costs-american>.
- 11 BOEM, “New York Bight,” accessed September 15, 2026, <https://www.boem.gov/renewable-energy/state-activities/new-york-bight>.
- 12 BOEM, “Carolina Long Bay,” accessed September 15, 2026, <https://www.boem.gov/renewable-energy/state-activities/carolina-long-bay>.
- 13 TotalEnergies, “TotalEnergies reaches Final Investment Decision with its Partners on Rio Grande LNG Train 4, with a 10% Direct Participating Interest and 1.5 MT LNG offtake,” September 10, 2025, <https://corporate.totalenergies.us/news/totalenergies-reaches-final-investment-decision-its-partners-rio-grande-lng-train-4-10-direct>.
- 14 DOI, “Interior Announces Two Historic Agreements to Promote Affordable, Reliable Energy Production in the United States,” April 27, 2026, <https://www.doi.gov/pressreleases/interior-announces-two-historic-agreements-promote-affordable-reliable-energy>.
- 15 BOEM, “New York Bight,” accessed September 15, 2026, <https://www.boem.gov/renewable-energy/state-activities/new-york-bight>.
- 16 DOI, “Interior Announces Two Historic Agreements to Promote Affordable, Reliable Energy Production in the United States,” April 27, 2026, <https://www.doi.gov/pressreleases/interior-announces-two-historic-agreements-promote-affordable-reliable-energy>.
- 17 Ibid.
- 18 DOI, “Interior Announces New Energy Agreement to Strengthen American Energy Security and Lower Costs,” June 17, 2026, <https://www.doi.gov/pressreleases/interior-announces-new-energy-agreement-strengthen-american-energy-security-and-lower>.

19 BOEM, “Gulf of America Wind Auction 1,” August 4, 2026, <https://www.boem.gov/renewable-energy/state-activities/gulf-america-wind-auction-1>.

20 Bureau of Fiscal Service, “About the Judgment Fund,” accessed September 15, 2026, <https://fiscal.treasury.gov/payments-from-government/judgment-fund/about>.

21 EIA, “Wind and solar generated a record 17% of U.S. electricity in 2025,” March 20, 2026, <https://www.eia.gov/todayinenergy/detail.php?id=67367>.