

In Reply Refer To:  
2800 [Office Code] P  
[BLM Casefile Serial Numbers]

CERTIFIED MAIL – RETURN RECEIPT REQUESTED  
[Certified Mail Number]

[Holder/Lessee Name]  
[Title or company name]  
[Address]  
[City, State, Zip Code]

Dear [Holder/Lessee Name] [or Salutation your Field Office uses, etc.],

Re: Opportunity to convert solar and wind energy development payment rates

The Bureau of Land Management (BLM) recently published its final rule, *Rights-of-Way, Leasing, and Operations for Renewable Energy*, on May 1, 2024 (89 Fed. Reg. 35634). The new rule, effective on July 1, 2024, amends the existing BLM right-of-way (ROW) regulations to promote and facilitate responsible solar and wind energy development on public lands managed by the BLM.

The BLM wants to ensure you are aware that the new rule provides a two-year opportunity to convert your existing solar or wind energy development ROW acreage rents and capacity fees to the new rate-setting methodology. Please submit your written request to the BLM [Field Office] before July 1, 2026, to convert your acreage rent rates and capacity fees to the new rate-setting methodology per 43 Code of Federal Regulations (CFR) 2806.51(c).

Under the previous rule, the BLM collected both the acreage rent and the megawatt (MW) capacity fee. However, under the new rule, the BLM will collect either the acreage rent or the capacity fee, whichever is greater. The new rule changes the acreage rent and MW capacity fee using a new rate-setting methodology outlined in the updated regulations that are found at 43 CFR 2806.52.

If you choose to convert acreage rent and capacity fee rates for your ROW to those identified in the new rule, the BLM will re-issue your ROW, at which time the Bureau will set the per-acre rate and the megawatt hour (MWh) rate for your grant or lease using the acreage rent and the MWh rate schedules. Once set, the rate would not change for the remaining term of your ROW (the length of time which you are currently authorized to have your facilities on public lands). The acreage rent would be based on the number of acres authorized in the ROW. The capacity fee, including reductions, would be based on the annual power generated on public lands. The

BLM would apply an annual adjustment factor of three percent to the per-acre rate and MWh rate for each year of the authorization.

Existing holders that elect to convert to the new rates will see the change take effect in the **next full calendar year's billing**, first available to an existing holder's 2025 billing year, and thereafter for each billing years 2026 and 2027. The BLM will continue to apply your current rate methodology until your ROW is re-issued. The BLM will not retroactively apply or calculate partial year payments for existing holders choosing to convert to the new rates. Additionally, holders that choose not to convert, or do not timely request to convert, their rates to the new rule will continue with their current rent and capacity fee rate methodology until the end of the ROW term.

Please visit the [BLM's webpage](#) for more information about the BLM's final rule. Additionally, please refer to Instruction Memorandum, IM2024-044, Implementing New Rates for Acreage Rent, Capacity Fee, Reductions and Payment Requirements for Solar and Wind Energy Developments (enclosure 1), including its worksheet that will help you calculate what your payments would be under the new rate setting methodology.

If you have any questions please contact [\[insert name\]](#), [\[insert title\]](#) of my staff at the address above or at [\[insert contact phone number\]](#).

Sincerely,

[\[Name of signatory\]](#)  
[\[Title of signatory\]](#)

1 Enclosure

1. IM2024-044 Implementing New Rates for Acreage Rent, Capacity Fee, Reductions and Payment Requirements for Solar and Wind Energy Developments