

VIRGINIA OFFSHORE WIND
DEVELOPMENT AUTHORITY



Annual Report

October 15, 2014

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I. Executive Summary

The Virginia Offshore Wind Development Authority (“VOWDA” or “the Authority”) was created in 2010 by the Virginia General Assembly. The Authority oversees data gathering, research and planning to support offshore wind development off Virginia’s coast, tracks issues as they arise, and makes recommendations for promoting Virginia offshore wind development and associated economic development opportunities for supply chain businesses and Virginia’s ports. This report constitutes the third annual report of the Authority’s activities and accomplishments.

This year has been a major year for offshore wind in the Commonwealth of Virginia. Dominion Virginia Power was the successful bidder for the commercial Wind Energy Area (WEA) in federal waters off Virginia’s coast. This represented the nation’s second competitive lease sale. Once developed, the lease will be capable of accommodating up to 2,000 megawatts (MW) of electricity, enough renewable energy to power up to 500,000 homes and businesses. The Virginia Offshore Wind Technology Advancement Project (VOWTAP) team was also selected by the Department of Energy (DOE) for an additional \$47 million to continue the development of the offshore wind demonstration project. The VOWTAP is expected to produce enough renewable energy to help power 3,000 homes and businesses in Virginia. Furthermore, the Department of Mines, Minerals, and Energy (DMME) completed the collection of geophysical data in Virginia’s WEA. Finally, two research leases were offered to DMME for the purpose of demonstrating advanced technologies and innovation to reduce the cost of offshore wind. VOWDA was a major supporter of each of these activities and played a key role in facilitating data collection and providing offshore wind policy support.

In 2014, the Authority continued work on its four main goals established by the 2010 legislation, which are summarized as follows:

1. Virginia Offshore Industry Data: Facilitate the definition, collection, and dissemination of relevant metocean data, environmental data, and other information needed by Virginia offshore wind stakeholders, using existing, planned, or projected sources of data collection or activities.
2. Offshore Leasing, Permitting, Financing, and Regulation: Identify existing federal and state barriers to the development of the offshore wind industry in Virginia.

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3. Virginia Offshore Job Creation and Supply Chain Development: Work in cooperation with relevant local, state, and federal agencies to accommodate the manufacturing, assembly, and maintenance of offshore wind energy project components and vessels.
4. Offshore Wind Project Siting and Development: Communicate and coordinate with stakeholders, including the Department of the Interior Bureau of Ocean Energy Management, Regulation, and Enforcement (DOI BOEMRE, subsequently renamed BOEM) Task Force to ensure the development of offshore wind projects is compatible with other ocean uses and avian and marine resources, including both the possible interference with and positive effects on naval facilities and operations, NASA-Wallops Flight Facility operations, shipping lanes, recreational and commercial fisheries, and avian and marine species and habitats.

To accomplish its goals, the Authority worked with and supported efforts by the DMME, BOEM, and other stakeholders to help accelerate offshore wind development projects in Virginia. The Authority heard presentations throughout the year from various stakeholders and experts and analyzed this and other information to determine the appropriate next steps to facilitate development of the offshore wind energy resource, to provide reasonably priced renewable energy, and to develop an offshore wind industry and supply chain that will create economic opportunity for businesses and good jobs for Virginians. As a result of its activities and accomplishments in 2014, the Authority makes the following recommendations to advance offshore wind development and related supply chain activities in Virginia. The recommendations are ranked in order of priority.

RECOMMENDATION 1: Leverage state funding with additional private and federal funding to give Virginia a competitive advantage over other Mid-Atlantic States in attracting the offshore wind industry.

- Establish Virginia as the ideal manufacturing, operational and supply chain hub for offshore wind development in the Mid-Atlantic region.
- Assess opportunities for local manufacturing, operations and maintenance, and other services to support industry; identify and address any gaps; and publicize the asset strengths and other unique advantages that differentiate the Commonwealth as the best location for a Mid-Atlantic offshore wind hub. The Authority should lead and accomplish this strategy by June 30, 2015.
- Gather data to demonstrate the economic benefits that would result if the Commonwealth of Virginia became home to a vibrant Mid-Atlantic offshore wind



industry and supply chain, and work with Dominion Virginia Power, as the commercial lease holder, and others to strategically engage potential supply chain and workforce development opportunities.

RECOMMENDATION 2: Support successful completion of the advanced technology demonstration project by working with state and federal agencies to ensure advancement of the project.

- Work with interested stakeholders to address any concerns they may have in the Environmental Assessment (EA) related to the demonstration.
- Work with the VOWTAP team to remove any impediments to the project's permitting and offer environmental and regulatory support.

RECOMMENDATION 3: Support and expedite the federal process for development of the commercial wind energy area off of the coast of Virginia and ensure compatibility with other ocean uses and avian and marine species and habitat.

- Support the extension of federal Investment Tax Credits and Production Tax Credits in a form that would assist offshore wind development in Virginia.
- Work with the federal lessee and the applicable federal resource agencies to expedite permitting of offshore wind commercial development.
- Work with interested stakeholders to address any concerns they may have in the EA or Environmental Impact Statement (EIS) related to the commercial lease.

RECOMMENDATION 4: Support and expedite the state process for developing the commercial wind energy area off the coast of Virginia by removing barriers to commercial development of VOWTAP and the federal lease area.

- Further engage with the VSRA, VOW Coalition, maritime industry, and other stakeholders to ensure successful and productive shared use of the ocean and port facilities.
- Quantify public perceptions of, and the level of support that Virginia citizens are willing to provide for, offshore wind and other renewable generation sources.



- Support legislative and administrative efforts to encourage the development and approval of offshore wind projects in Virginia, in addition to attracting offshore wind economic development to the Commonwealth.

II. Mission

In 2010, the Virginia Offshore Wind Development Authority was created and vested with the powers set forth in § 67-1201 of the Code of Virginia. The Authority was established for the purposes of facilitating, coordinating, and supporting the development of the offshore wind energy industry, offshore wind energy projects, and associated supply chain businesses. Legislation established four goals:

1. Collecting relevant metocean and environmental data;
2. Identifying existing state and regulatory or administrative barriers to the development of the offshore wind energy industry;
3. Working in cooperation with relevant local, state, and federal agencies to upgrade port and other logistical facilities and sites to accommodate the manufacturing and assembly of offshore wind energy project components and vessels; and
4. Ensuring that the development of such projects is compatible with other ocean uses and avian and marine resources, including both the possible interference with and positive effects on naval facilities and operations, NASA-Wallops Flight Facility operations, shipping lanes, recreational and commercial fisheries, and avian and marine species and habitats.

Legislation introduced and approved in 2012 (Chapter 502) amended the membership from eleven to nine non-legislative citizen members appointed by the Governor. In addition, one ex-officio member, without voting privileges, will be selected by the Governor after consideration of the persons nominated by the Secretary of the Navy¹.

To maintain continuity of operations by ensuring that all appointments do not expire in the same year, six of the initial appointments will serve terms of less than four years. Three inaugural members were appointed for the full four years; three members are appointed for terms of three years; and three members for terms of two years. Thereafter, all appointments or re-appointments will be for four year terms.

¹ The ex-officio member selected from the list provided by the Secretary of the Navy has not yet been appointed.

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VOWDA has a fairly broad authority to accept, hold, invest and administer monies, grants, securities or other property, to make and execute contracts with public and private entities as necessary, and to hire consultants, attorneys, financial experts and others as necessary to fulfill its mission. The Director of DMME serves as the Director of the Authority and DMME serves as staff to the Authority.

The legislation also requires the Authority to provide its recommendations on what is needed to facilitate the transmission of offshore wind-generated power after review of the transmission study prepared by the investor-owned utility Dominion; and provide by October 15 each year an annual summary of the activities of the Authority and policy recommendations to the Governor, the Chairs of the House and Senate Commerce and Labor Committees and the Chairs of the House Appropriations and Senate Finance Committees.

A copy of the Authority's Mission Statement and Objectives can be found in **Appendix A**.

III. Summary of 2014 State Activities

The Authority continues to update and implement a comprehensive work plan to accomplish its goals and objectives, which included objectives to engage with agencies and stakeholders to support and accelerate offshore wind development and associated supply chain in Virginia; to secure financial and other resources; to identify and address policy and regulatory issues and barriers; to acquire and share data; and to promote Virginia's unique attributes and readiness for offshore wind and encourage port and supply chain development.

The remainder of this section reports on offshore wind development activities undertaken at the state level from October 1, 2013, to September 30, 2014. Federal actions affecting Virginia offshore wind are reported in Section IV.

Commercial Lease

In September 2013, the Department of Interior (DOI) announced Dominion Virginia Power as the provisional winner of the nation's second competitive lease sale of 112,800 acres on the Outer Continental Shelf (OCS) offshore Virginia. The winning bid of \$1.6 million is for the development rights in the Virginia WEA, which will support up to 2,000 MW of wind power. The area, composed of 19 full OCS blocks and 13 aliquots, or sub blocks, was selected after intensive work with the Commonwealth and stakeholders to avoid conflicts with existing uses of the OCS offshore Virginia, including sensitive ecological habitat, marine vessel traffic, a dredge disposal site, and areas of concern specified by NASA's Wallops Flight Facility. The lease



became effective on November 1, 2013. Dominion submitted its Site Assessment Plan in April 2014, and will submit the Construction and Operations Survey Plan by November 1, 2014.

DMME Applications for Two Research Leases

Research Lease 1

On June 1, 2012, DMME submitted the first of two research lease requests to BOEM (Research Lease 1). As an initial step in the leasing process, BOEM published a "Public Notice of an Unsolicited Request for an OCS Research Lease, Request for Competitive Interest, and Request for Public Comment" in the Federal Register on December 21, 2012, to obtain public input on the research proposal and its potential environmental consequences, and to determine whether there was other interest in acquiring a research lease for the area in which the proposed project would be located.

The public comment period in response to the Federal Register notice closed on January 22, 2013. BOEM received four comments in response to the Notice, none of which expressed a competitive interest in the area proposed by DMME. Accordingly, BOEM published a "Determination of No Competitive Interest" in the Federal Register on March 15, and announced it will proceed with the leasing process on a non-competitive basis.

On March 13, 2014, BOEM issued DMME a lease offer for Research Lease 1. This lease offer is currently undergoing review and comment by the Virginia Office of the Attorney General.

Research Lease 2

DMME submitted a second wind energy research lease application to BOEM in February 2013 for the design, development and demonstration of a grid-connected, 12 MW offshore wind test facility on the OCS off the coast of Virginia. The data obtained under this lease will be made publicly available and inform the future production of renewable energy within Virginia's WEA.

On December 6, 2014, BOEM issued a finding of no competitive interest in the area where DMME proposes to conduct activities, on the western edge immediately adjacent to the Virginia WEA. DMME submitted a Research Activities Plan to BOEM on February 21, 2014, that detailed the proposed location and schedule of the VOWTAP. The Plan provided resource/assessment information and data collected to date in support of the planned design, construction, installation operation and maintenance of two 6 MW turbines offshore Virginia. It also included information related to the installation of approximately 27

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nautical miles of submarine transmission cable as well as other ancillary facilities and improvements to terrestrial substations required to support the project.

BOEM issued the second research lease offer to DMME on May 6, 2014.

Chesapeake Light Tower

In October 2012, DOE took possession of the Chesapeake Light Tower (CLT) from the U.S. Coast Guard. The CLT, located approximately 12 nautical miles due east of Virginia Beach, is being evaluated for use as a national Reference Facility for Offshore Renewable Energy (RFORE). The CLT-RFORE would be used to measure wind speed and direction profiles across the full span of offshore wind turbine rotors, as well as measurements that will help inform offshore wind forecasting models, such as air temperature and relative humidity profiles for atmospheric stability, turbulence, directional wave spectra (to measure atmospheric drag by the ocean surface), and sea surface temperature.

The National Renewable Energy Laboratory (NREL) and Pacific Northwest National Laboratory (PNNL) are tasked by DOE to establish the RFORE. NREL has the lead for inspection, repair, upgrade, and operation of the facility. PNNL has the lead for developing the scientific research plan, including instrumentation specifications, and a data management system.

NREL contracted a full underwater structural inspection in September of 2013, and also has completed an environmental and safety hazard assessment. In order to begin obtaining turbine hub height wind profiles and obtain a fixed reference system for validating floating LiDAR buoy performance, PNNL is developing plans to install a WindCube on the CLT, which would measure wind speed and direction at twelve elevations from 70 m (230 ft) to 200 m (660 feet) above sea level.

Virginia Wind Energy Area Ocean Geological Survey

In September 2012, DMME entered into a cooperative agreement with BOEM to support collection of geologic information in the Virginia WEA. DMME awarded a contract to Fugro Atlantic in December 2012 to conduct an offshore geophysical regional survey of the Virginia WEA on the OCS off of Virginia Beach. The study was funded by DMME (\$300,000), BOEM (\$300,000) and Fugro (\$250,000). The purpose of the survey was to help accelerate commercial leasing and development of the Virginia WEA and offshore energy industry supply chain by reducing private development and project costs, and lowering risk.

In November 2013, Fugro Atlantic submitted to DMME the final report summarizing the results of the geophysical survey conducted from May 28, 2013, to July 3, 2013. The primary focus of



the data interpretation is within the WEA and complements the previous geosciences-focused desktop study (DTS) completed in May 2013. Understanding seafloor and subsurface conditions are important aspects to an offshore project. There is only basic knowledge of the character of the seafloor and subsurface of the OCS and little record of how installed structures have performed. The regional geophysical survey successfully advanced definition and appreciation of the physical seafloor and subsurface conditions and their project development implications. It identified how different features on the sea floor move over time, which is important for determining placement and burial depth of the export cable and predicting scour around foundations. When the WEA is developed, detailed data gathered from this survey will provide a tremendous amount of information relative to the stability of the sea floor. Survey report products include elevation maps of the different geologic areas, which can be used for a developer to evaluate how deep pile foundations might extend for turbines. This survey report is available to the public and lessee to assist in making decisions.

Virginia Offshore Wind Advanced Technology Project

Dominion Virginia Power and its team was one of seven projects nationally selected by DOE in 2012 to receive \$4 million each in federal matching funds to undertake initial engineering, design, and permitting for an offshore advanced technology demonstration facility. On May 4, 2014, DOE announced that Dominion was one of three of the initial seven projects selected for follow-on phases to move forward with the final design, permitting, and ultimate construction. Dominion will receive up to \$47 million in additional DOE funding to support the VOWTAP.

The Dominion team includes:

- Dominion Virginia Power – Project lead, owner and operator;
- U.S. Department of Energy – Funding partner;
- Department of Mines, Minerals and Energy – Funding partner and offshore research lease holder;
- National Renewable Energy Laboratory – Federally Funded Research and Development Center;
- Virginia Tech – Representing the Virginia Coastal Energy Research Consortium;
- Newport News Shipbuilding, a division of Huntington Ingalls Industries;
- Alstom – Wind turbine manufacturer;
- KBR – Owner’s engineer;
- Tetra Tech – Environmental consultant; and
- Keystone Engineering – Innovative foundation and substructure designer.

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The Dominion team proposes designing, developing, and demonstrating two 6-MW Alstom Halide turbines mounted on innovative “Inward Battered Guide Structures”. The objective of the project is to advance offshore wind technology and gain experience in offshore wind installation and operations, with the goal to reduce the cost and risk of future commercial scale offshore wind projects. Dominion's primary location for the demonstration project is in Research Lease 2. The permitting process, which is underway, will extend over a two-year period.

To be eligible to receive DOE funding, these projects must be operational by the end of 2017. The Virginia project would require that the Virginia State Corporation Commission (SCC) approve cost recovery before proceeding with construction. VOWDA supports strategies to assist and enable expedited treatment by the SCC when it reviews and considers approval of cost recovery for the demonstration project. On January 23, 2014, VOWDA sent a resolution to the SCC supporting wind power development in the federal waters off the coast of Virginia and the expedited SCC approval of an expected future petition by Dominion Virginia Power to recover eligible costs for VOWTAP.

A summary of the above 2013-2014 milestones can be found in **Appendix B**.

Virginia Offshore Wind Timeline

DMME first developed a detailed timeline with estimated milestones shortly after the formation of VCERC in 2006. The two most important offshore wind milestone updates in the past year are (A) the execution of the commercial lease for the Virginia Offshore WEA, which has an effective date November 1, 2013; and (B) the announcement by DOE in May 2014 that VOWTAP was one of three selected nationwide to receive \$47 million for detailed design, construction and operation of two demonstration turbines.

Dominion’s VOWTAP award builds on \$4 million previously received from DOE for the 50% front-end engineering design (FEED). With this new award, the VOWTAP team is proceeding with the 100% FEED, to be followed by construction and operation in the summer of 2017, contingent upon approval by the SCC and receipt of all environmental permits and regulatory approvals.

Virginia’s commercial lease effective date launched a BOEM-proscribed set of progress milestones that the lease holder must meet. The first of these was submittal of a Site Assessment Plan (SAP), which Dominion sent to BOEM in April 2014. Dominion has up to 4 ½ years to develop and submit a Construction and Operations Plan (COP). The length of time before construction can commence may be influenced by a number of factors, including: (i)

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approval of a Construction and Operations Plan by BOEM, (ii) economic competitiveness of offshore wind energy, (iii) public and legislative support for offshore wind as opposed to other sources of power generation, (iv) the timely co-development of a domestic manufacturing and service supply chain to support commercial development of the Virginia WEA, and (v) other factors.

Because many variables impact the construction timetable and given the required activities and milestones needed, construction in the Virginia WEA is not likely prior to 2020. The timeline depicts a range of completion dates for installation of 400-600 MW as early as 2019 or as late as 2025. A copy of the timeline can be found in **Appendix C**.

As noted above, one of the key goals of VOWDA is to work with the lessee and DMME to expedite the permitting process for the production of wind energy from the Virginia WEA. To this end, VOWDA will provide support to Dominion Virginia Power as it develops the WEA and will work to remove impediments where necessary to expedite the timeline for offshore wind development.

VOWDA Comments

VOWDA submitted letters of comment and a resolution on three topics to Virginia's Congressional delegation, the SCC and BOEM. For each topic, the comment letter and corresponding documents are included in the appendices noted parenthetically, below:

- U.S. House and Senate Incentivizing Offshore Wind Power Act legislation that would provide a 30% investment tax credit for the first 3 GW of U.S. offshore wind projects – VOWDA's second letter to Virginia's congressional delegation urging their support of the offshore wind investment tax credit legislation, referencing the significant developments in Virginia, including the commercial lease. (VOWDA, November 6, 2013) **[Appendix D]**
- Resolution to the SCC supporting wind power development in the federal waters off the coast of Virginia and the expedited SCC approval of an expected future petition by Dominion Virginia Power to recover ratepayers' eligible costs for VOWTAP (VOWDA Letter and Resolution, January 23, 2014) **[Appendix E]**
- Notice of Intent to Prepare an EA for Proposed Wind Energy-Related Research Activities on the Atlantic OCS Offshore Virginia and Notice of Public Scoping Meeting -- Docket No. BOEM-2014-0009 (VOWDA Comment Letter, April 13, 2014) **[Appendix F]**

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DMME Funding to Accelerate and Assist Private Development of the Virginia WEA

The General Assembly passed a budget amendment that provided an additional \$1 million from the general fund in FY 14 for DMME to leverage private and federal funding for increased data collection to give Virginia an advantage over competing states in attracting the offshore wind industry to Virginia. To this end, DMME issued a Request for Information (RFI) in September 2013 that sought input on how to best apply approximately \$850,000 of the \$1 million in state funds. This RFI was partially informed with input from a VOW Coalition survey of its members and of the general public seeking ideas about how best to invest state funds.

The agency received 21 responses to its public RFI and in April 2014 DMME selected four teams to receive a total of \$860,000 from the Commonwealth of Virginia to conduct offshore wind site characterization studies, surveys and measurements having a total value of more than \$3 million. Funding was awarded to:

- Dominion Virginia Power (\$310,000) – Deep Geotechnical Borings²
- CoastalObsTechServices (\$260,000) – Wave Forecasting and Measurement
- Alstom Power (\$40,000) – Wave Forecasting for Optimal Turbine Control
- Timmons Group (\$250,000) – Wide-Area Metocean and Environmental Monitoring

The results of these research projects will be made publicly available on the VOWDA website when the reports are completed.

Presentations Made to VOWDA

Offshore Wind Federal Investment Tax Credit Legislation – October 15, 2013: Chesapeake Climate Action Network addressed VOWDA regarding the Investment Tax Credit (ITC) for offshore wind legislation in Congress that would extend the 30% ITC on offshore wind project investments for the first 3,000 GW built in U.S. waters beyond December 31, 2013.

Commercial Offshore Lease, Dominion Virginia Power – November 13, 2013: Commercial Offshore Wind Development update highlighting Dominion’s winning bid of \$1.6 million for development rights in the Virginia WEA.

² The funding for this project was not awarded since the project could not be completed by the June 30, 2014, deadline because required BOEM approvals could not be obtained quickly enough to bore within the WEA and weather delays.

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Virginia Offshore Wind Technology Advancement Project (VOWTAP), Dominion Virginia Power – November 13, 2013: Update report on Dominion’s plans to install two 6-MW Alstom turbines on twisted jacket foundations 1,000 meters apart in one of six aliquots adjacent to the western edge of the commercial WEA.

Voluntary Right Whale Agreement, National Resources Defense Council/National Wildlife Federation – November 13, 2013: Overview of the North Atlantic Right Whales and Offshore Wind Site Assessment and Characterization Agreement for the Mid-Atlantic, the result of a collaborative effort between offshore wind developers and environmental non-governmental organizations with input from scientific experts. The goal of the agreement is to develop mitigation measures that protect the most endangered marine mammal species, the right whale, while facilitating offshore wind energy development in the Mid-Atlantic WEAs.

Virginia Data Collection and Analysis, Cornell University Bioacoustics Research Program – November 13, 2013: Presentation on Bioacoustics’ work using noninvasive methods to collect and analyze data off the coast of Virginia to detect and identify multiple vocally active species and other environmental sounds. The Virginia Acoustic Survey provided new understanding of right whale occurrences. Long term surveys can reduce data gaps, further reduce risk to developers and help minimize environmental impacts.

Ocean Survey Update, Fugro – January 16, 2014: Briefing on the regional geological and geophysical survey that Fugro conducted in the summer of 2013 in the Virginia WEA. Fugro provided the background of the survey and reviewed some of the findings that will affect foundation selections and design for offshore wind farms in the Mid-Atlantic region of the OCS. [The final report was released in February 2014.]

Virginia Offshore Wind (VOW) Coalition European Trade Mission – January 16, 2014: Members of VOW showed slides and shared highlights of their Northern European trade mission to Belgium and Germany. The purpose of the November 2013 trade mission was to meet with manufacturers, fabricators, developers, logistics providers, insurers, financiers, applied science facilities, government and government economic development representatives specific to the offshore wind industry. The industry has been active since the early 1990s, as such the opportunity to acquire lessons learned in order to skew the learning curves was a prime focus of discussions. The primary take away was to ensure that all components of the industry are coordinated from a logistics, supply chain, and risk perspective in advance. Missing this global perspective was a significant hindrance for many European projects, essentially creating additional and expensive delays. Virginia has the great advantage of an asset, services, and employment base that can become the new



economic growth engine for the region and the industry. The coordination with our European partners has and will play a significant and positive role in assuring costs reductions on a supply chain basis and inherent frictional costs that come with not having a coordinated plan. The supply chain hub is a home run for Virginia; however we need to have a concise game plan. If we become the hub, we will maintain that position in perpetuity.

Jobs and Economic Development Impact Modeling for Offshore Wind – January 16, 2014:

Overview of a study completed at JMU’s Center for Wind Energy that estimates the economic impacts associated with offshore wind power developed in the Mid-Atlantic region; Delaware, Maryland, New Jersey, Pennsylvania, and Virginia. The study, funded by DOE, used the new Offshore Jobs and Economic Development Impacts model developed by the National Renewable Energy Laboratory.

Basic Offshore Wind Safety and Survival (BOSS) Training for Virginia Offshore Wind Development Activities – April 10, 2014:

Briefing on the BOSS class intended for non-mariners who may travel as a scientist, engineer or technician conducting offshore surveys, ocean research or instrumentation deployment, or simply observing these activities as a project manager or sponsor.

Virginia Offshore Wind Technology Advancement Project (VOWTAP), Dominion Virginia Power – June 9, 2014:

Dominion Virginia Power, one of three companies selected to receive additional funding, was awarded a \$47 million grant to support the wind turbine demonstration project off the coast of Virginia. Presentation covered the DOE selection process, design features, project development major tasks, Commercial Site Assessment Plan and DMME funding award.

Deepwater Wind Project Highlights – June 9, 2014:

Overview of Deepwater Wind and the company’s East and West Coast projects: Block Island Wind Farm in Rhode Island, the first U.S. offshore wind farm; Deepwater ONE offshore wind farm project, the first federal lease auction awarded by BOEM; Garden State Offshore Energy wind farm off the southern New Jersey coastline, a joint venture project with PSEG; WindFloat Pacific Project off the Oregon coast in partnership with Principle Power, the first-ever commercial floating wind farm and one of the three projects awarded additional DOE funding.

Virginia Offshore Wind (VOW) Coalition “An Evolution Revolution” – September 16, 2014:

Overview of the VOW Coalition’s history, new restructure in 2014, and future plans. The VOW Coalition was created in 2009 to move forward offshore wind development education and awareness of opportunities that exist in Virginia. In 2014 the VOW Coalition



restructured its bylaws and the new membership model to reflect the engagement of the “boots on the ground” Virginia entities within the supply chain. They also established a strategic cooperative agreement with the Virginia Ship Repair Association to support, promote and increase awareness of each others’ missions. Future plans include setting up an Industry Day to continue offshore wind development education and working on reverse trade missions with the Virginia Economic Development Partnership.

Presentations can be viewed on the VOWDA website at <http://wind.jmu.edu/offshore/vowda/index.html>.

IV. Federal Offshore Wind Developments and Actions Affecting Virginia

Bureau of Ocean Energy Management (BOEM) Activities in 2014

Research Lease 1

On March 13, 2014, in response to DMME’s unsolicited research lease request, BOEM issued DMME a lease offer for Research Lease 1. This lease offer is currently undergoing review and comment by the Virginia Office of the Attorney General.

Research Lease 2

On May 6, 2014, BOEM offered DMME the second research lease for the conduct of renewable energy activities. This lease will facilitate the VOWTAP project.

Determination of Noncompetitive Interest

In response to BOEM’s March 15, 2013, Federal Register *Notice, Determination of No Competitive Interest*, five comments were received by the public comment closing date of August 29, 2013. None of the comments expressed competitive interest in the area proposed by DMME. Accordingly, BOEM published a “Determination of No Competitive Interest” in the Federal Register on December 9, 2013, which cleared the way for DMME to submit a plan for renewable research activities for which BOEM will prepare a project-specific environmental review with opportunities for public input.

Research Activities Plan

A Research Activities Plan (RAP) was submitted by DMME to BOEM on February 21, 2014, and revised on July 7, 2014, for VOWTAP. The plan details the VOWTAP proposed location and schedule and includes resource and assessment information and data



collected to date in support of the planned design, construction, installation operation and maintenance of two 6-MW turbines offshore Virginia. The plan also provides information related to the installation of approximately 27 nautical miles of submarine transmission cable as well as other ancillary facilities and improvements to terrestrial substations required to support the VOWTAP project.

Environmental Review

On March 14, 2014, BOEM issued a *Notice of Intent to Prepare an Environmental Assessment and Notice of Public Scoping Meetings* to seek public comment on the RAP as it prepares an EA to analyze potential impacts from proposed wind energy research activities offshore Virginia. BOEM received 10 comments.

Commercial Wind Energy Area

The commercial lease between BOEM and Dominion Virginia Power for the Virginia WEA went into effect on November 1, 2013. The commercial lease auction for this lease was held September 4, 2013, representing the second competitive lease sale for renewable energy on the OCS. The winning bid of \$1.6 million is for the development rights in the Virginia WEA, which will support up to 2,000 MW of wind power and in turn supply energy to 500,000 homes. Dominion submitted its Site Assessment Plan in April 2014 and will submit the Construction and Operations Survey Plan by November 1, 2014.

Other Regional BOEM Activities Affecting Virginia

On April 3, 2014, BOEM sent an invitation to consult on the undertaking of approving the RAP submitted by DMME. BOEM determined that approving a RAP for the construction, operation and decommissioning of two test turbines and transmission cable to shore constitute an undertaking subject to Section 106 of the National Historic Preservation Act (16 U.S.C. 470f), and its implementing regulations (36 CFR 800) and that the activities proposed under the RAP constitute activities that have the potential to affect historic properties.

After conducting its sufficiency review of the RAP, BOEM convened an August 27, 2014, meeting of stakeholders at the Virginia Department of Historic Resources to share more specific information pursuant to this undertaking, including the historic properties identification reports, and to discuss any other identified concerns. At this meeting, BOEM consulted with the parties on the Area of Potential Effects, results of identification efforts, and their preliminary findings.

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Those present at the meeting, either in person or via teleconference included representatives from the following organizations.

- BOEM
- Virginian National Guard
- Virginia Department of Historic Resources
- DMME
- Dominion
- Tetra Tech
- Goodwin & Associates
- The Lenape Indian Tribe of Delaware
- The Narragansett Indian Tribe
- The U.S Department of Energy

Federal Tax Credits

U.S. House and Senate

The Incentivizing Offshore Wind Power Act legislation was reintroduced in the 113th Congress by Senator Carper and Representative Pascrell, among other co-sponsors. The bill would amend Section 48 of the tax code to extend the 30% investment tax credit (ITC) for the first 3 GW of U.S. offshore wind projects. The ITC expired at the end of 2013. The proposed legislation aimed to provide a stable financial incentive to the offshore wind industry that could provide the additional incentives needed to attract significant commercial investment in Virginia's offshore wind industry. VOWDA believes it would be prudent to act now using this legislation vehicle to accomplish the goal of limited, fiscally sensible support with a cap. In March 2013, VOWDA sent a letter to Virginia's congressional delegation in support of the investment tax credit legislation. They followed up with a second letter in November 2013 again urging their support and referencing the significant developments in Virginia, including the commercial lease. **[See Appendix D]**

Internal Revenue Service

The Internal Revenue Service announced in August 2014 that it lowered a threshold for renewable-energy projects to qualify for federal tax credits if they had incurred at least 3% of the total project cost before the beginning of 2014, down from the previous threshold of 5%. Credits would be proportionally reduced in value below the 5% threshold.



V. Summary of 2014 Key Offshore Wind Developments in Other States

Georgia

4/1/2014: BOEM announced the publication of its environmental assessment of Southern Energy's application for a proposed wind energy research lease offshore Tybee Island that would deploy a meteorological tower and/or buoys to characterize wind resources and collect other data regarding the lease area and surrounding region.

4/23-24-2014: BOEM hosted two open house poster sessions to discuss its environmental assessment regarding Southern Company's request for an Interim Policy lease in Savannah and Tybee Island.

Maine

10-15-2013: Statoil ASA announced it was cancelling the planned offshore wind project off the coast of Maine. The move came after the state announced plans to reopen a competitive bidding process for offshore wind projects in the state's waters, which Statoil had already completed. Statoil believed these changes made the project outlook too uncertain to proceed.

12-4-2013: The PUC and a consortium of private industry headed by the University of Maine released a draft term sheet for the VoltturnUS I project. That effort would feature a pair of 6-MW turbines floating off the Coast of Monhegan Island, and potentially build to a full-scale energy industry in Maine.

3-25-2014: Several pieces of wind-related legislation -- removing the 100 MW cap in Maine's Renewable Portfolio Standard, and new standards for siting wind farms. Governor LePage proposed a bill to remove Maine's statutory numerical megawatt wind power goals (2000 MW by 2015 and 3000 MW by 2020), and replace them with "unquantified" goals, and lower rates for Maine citizens.

3-25-2014: Prof. Habib Dagher, PhD. P.E., University of Maine releases success report, VoltturnUS 1:8 Floating Offshore Wind Turbine Testing off the Coast of Maine.

5-7-2014: DOE grants University of Maine-led offshore wind project \$3 million in funding to continue the design and engineering work to place a full-scale test turbine at a site near Monhegan Island.



Maryland

11-12-2013: Maryland seeks Denmark's help in regulatory and risk management issues regarding the state's tender for establishing an offshore wind farm of 200 MW 12.4 miles off the coast of Ocean City.

12-17- 2013: BOEM announced the publication of a Proposed Sale Notice in the Federal Register, which requests public comment on BOEM's proposal to auction two leases totaling approximately 80,000 acres offshore Maryland for commercial wind energy development.

12-18-2013: BOEM published a proposal Sale Notice in the Federal Registrar, which describes proposed terms and conditions for a lease sale to two commercial wind energy leases in the Maryland WEA.

1-24-2014: A public seminar on the Maryland Wind Energy Area Lease sale was held in Baltimore at Johns Hopkins University's Homewood Campus, Hodson Hall.

2-18-2014: The PSN 60-day public comment period ended and in response, BOEM received 19 comments and 7 additional qualifications packages from companies wanting to participate in the auction.

5-18-2014: Maryland Governor vetoed legislation that would have blocked a proposed wind farm on the state's Eastern Shore, Great Bay Wind project. Southern Maryland officials had concerns the project could interfere with a radar system at Naval Air Station Patuxent River. MIT is studying the potential interference and has recommended modifications to the turbines' operations to avoid interference; MIT is continuing to do a Phase II of this study at the Navy's request.

6-3-2014: The Maryland Energy Administration released a high-resolution map of roughly 80,000 acres of seafloor off its coast in hopes of jump-starting its offshore wind industry. The survey data will give industry an early glimpse of what lies below BOEM's wind energy area about 12 miles off the Ocean City shore.

7-3-2014: BOEM published a Final Sale Notice for a commercial lease area offshore Maryland to be held August 19, 2014. This represents the third competitive lease sale for renewable energy in federal waters.

7-11-2014: BOEM pledged \$1.1 million to study the marine mammal populations in the Maryland WEA. The study will allow the agencies working on development to better understand the distribution, abundance and densities of the whales, dolphins and porpoises found in the WEA.

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



8-20-2014: \$8.7M sale of the Maryland WEA leases totaling approximately 80,000 acres to U.S. Wind, a subsidiary of Renexia, an Italian wind energy company.

Massachusetts

12-17-2013: Cape Wind breaks ground/starts construction (funds spent), meeting a key deadline to receive the federal tax credit.

12-24-2013: Siemens signs deal to supply turbines for Cape Wind.

12-2013: DOE's National Renewable Energy Laboratory (NREL), under an interagency agreement with BOEM, is providing technical assistance to identify and delineate leasing areas for offshore wind energy development within WEAs on the Atlantic Coast. In December 2013, NREL submitted a report to BOEM that focuses on the Massachusetts WEA.

1-16-2014: BOEM convened an intergovernmental Massachusetts Task Force meeting on January 16, 2014, via webinar to discuss the next steps in the commercial wind leasing process offshore Massachusetts.

1-22-2014: Challenge to Cape Wind by FAA rejected by court. FAA upgraded radar and a beacon at Otis Air National Guard Base in Massachusetts and ran several tests to ensure the turbines would not pose a problem.

2-27-2014: Cape Wind wins approval for \$600M loan from EKF, Denmark's official export credit agency.

5-6-2014: A Federal Judge dismissed a lawsuit contending the state acted unconstitutionally by helping the Cape Wind offshore wind farm project get a contract to sell electricity.

5-7-2014: Deepwater Wind [developer of wind projects off the coasts of Rhode Island and Massachusetts] signed an agreement with the Conservation Law Foundation, Natural Resources Defense Council and National Wildlife Federation to minimize potential impacts on North Atlantic right whales and other marine mammals from underwater noise and construction vessels during site characterization and assessment activities. The measures outlined in the agreement provide further protections for the North Atlantic right whales, including a commitment by Deepwater Wind to avoid all noise-producing activities during specific periods in the spring when right whales have been known to frequent Rhode Island Sound, as well as reduced speed limits for all vessels involved in site characterization and assessment activities for the Deepwater ONE project during these periods.

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



6-4-2014: BOEM issues the revised EA for the WEA offshore Massachusetts and a “Finding of No Significant Impact” which concluded that reasonably foreseeable environmental effects associated with the commercial wind lease issues and related activities would not significantly impact the environment.

6-17-2014: DOI and BOEM announced that more 742,000 acres offshore Massachusetts will be available for commercial wind energy leasing. The proposed area is the largest in federal waters and will nearly double the federal offshore acreage available for commercial-scale wind energy projects.

6-23-24-2014: Public meetings on BOEM’s commercial leasing process and the Proposed Sale Notice for the Massachusetts WEA were held in Vineyard Haven and in New Bedford.

7-1-2014: DOE makes a conditional commitment for a \$150 million loan guarantee for Cape Wind’s proposed 468-MW facility. Under the proposed financing structure, DOE would be part of a group of public and private lenders.

New Jersey

1-11-2014: The state Board of Public Utilities heard closing arguments from Fishermen’s Energy of Cape May, a consortium of partners from the commercial fishing industry. The company wants to build six wind turbines nearly three miles off the coast of Atlantic City. This 25-MW demonstration project would be the forerunner of a much more ambitious and expensive wind farm in federal waters farther out at sea.

1-28-2014: BOEM held the fifth New Jersey Intergovernmental Task Force meeting on January 28, 2014, via webinar.

4-22-2014: Sixth New Jersey Renewable Energy Task Force meeting was held.

4/28/2014: Fishermen’s Energy announced it will sue the state after regulators rejected for a second time the company’s proposal to build a 25-MW pilot wind farm

5-7-2014: DOE announced Fisherman’s Energy was one of three companies to advance to the second phase of wind energy demonstration project and to receive additional funding of up to \$47 million over the next four years. Fisherman’s Energy plans to install five 5-MW direct-drive wind turbines in state waters about three miles off the cost of Atlantic City.

7-17-2014: DOI and BOEM announced the proposed sale of leases for nearly 344,000 acres offshore New Jersey for commercial wind energy leasing.

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



New York

3-24-2014: New York ended comment period on petition to address the lack of recent progress in the Main Tier program, noting that the program has not kept pace with the evolving wholesale renewable energy market since the New York State Energy Research and Development Authority (NYSERDA) remains limited to offering 10-year renewable Energy Credit only contracts, which fail to incentivize participation in Main Tier solicitations. The petition requests the Commission (1) remove 10-year cap on Main tier contracts and allow NYSEDA to use alternatives and (2) requires NYSEDA to immediately issue a 2014-2015 Main Tier solicitation schedule that includes a minimum of three solicitations.

4-24-2014: The New York State Department of Public Service (NYPSC) issued a report that proposed a radical change to the way regulated utilities in the state are structured and the services they provide. The report proposes restructuring the state's utilities so their focus and means of earning a return is shifted from the procurement and distribution of electricity to the management of distributed energy resources and storage on an increasing decentralized, complex grid. Through this initiative PSC seeks to implement broad regulatory changes to promote energy efficiency, distributed energy, microgrids, energy storage, and the use of more technologically advanced energy management products and services.

5-28-2014: BOEM published a Call for nominations for companies interested in commercial wind energy leases within a proposed area offshore New York, located 11 nautical miles south of Long Beach; and is seeking public input on the potential for wind development in the Call Area. BOEM also published a Notice of Intent to prepare an EA.

7-2-2014: The NYPSC ordered NYSEDA to modify its Renewable Portfolio Standard *Main Tier* program and offer longer-term contracts to renewable developers. Contracts will now be offered on a 10-20 year time frame, and the PSC committed to RPS Main Tier solicitations in 2014 and 2015.

North Carolina

8-11-2014: BOEM announced that it has defined three WEAs offshore North Carolina, which total approximately 307,590 acres for potential commercial wind energy development.

Oregon

2-5-2014: DOI announced that it is advancing a Seattle company's plan to install the nation's first commercial floating wind turbine facility. BOEM released a determination of no



competitive interest for a 15-square-mile offshore area in Oregon that Seattle-based renewable energy developer Principle Power aims to use as a test bed for its floating offshore wind technology.

3-24-14: BOEM published the “Notice of Potential Research Lease on the OCS Offshore Oregon, Request for Competitive Interest” in the Federal Register.

5-7-2014: DOE announced Principle Power was one of three companies to advance to the second phase of wind energy demonstration project, and to receive additional funding of up to \$47 million over the next four years. Principle Power will install five 6-MW direct-drive turbines about 18 miles off the coast of Coos Bay.

5-29-2014: BOEM published a “Notice of Intent to Prepare an Environmental Assessment” in the Federal Register for the proposed wind pilot demonstration project offshore Coos Bay.

6/17/2014: BOEM held two public meetings in Coos Bay to solicit comments on the scope of the environmental assessment.

6/19/2014: BOEM announced milestone cleared toward issuing a non-competitive research lease for a facility to test utility-scale wave energy devices in federal waters off Oregon – the first marine hydrokinetic research lease offshore the West coast. The Northwest National Marine Renewable Energy Center proposes to design, build and operate the Pacific Marine Renewable Energy Center – South Energy Test Site, designed to support 20 MW of electricity generation which would be transmitted to the mainland grid via a subsea cable.

Rhode Island

1-28-2014: Coastal Resources Management Council staff said they have no objections to the five-turbine wind farm proposed by Deepwater Wind in waters off Block Island.

2-10-2014: Deepwater Wind and Alstom sign major turbine agreements for Block Island Wind Farm. The 30-MW Block Island project being developed by Deepwater Wind will use five 6-MW turbines supplied by French manufacturer Alstom.

3-25-2014: Governor Chafee filed a bill on the procurement of large hydropower and wind and cost recovery of multi-state transmission and pipeline build-out. It will give the state’s utility National Grid the discretion to (1) conduct competitive solicitations to enter long term contracts for large hydropower, RES eligible wind resources and new natural gas pipeline capacity and (2) participate in cost sharing among the New England States for new electric transmission and natural gas pipelines.

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



5-7-2014: Deepwater Wind signed an agreement with the Conservation Law Foundation, Natural Resources Defense Council and National Wildlife Federation to ensure that construction on weather towers and other noisy activities does not occur in winter and spring when the whales forage in southern New England waters.

5-15-2014: Rhode Island regulators at the Coastal Resources Management Council approved Deepwater Wind's Block Island Wind Farm 30-MW proposal.

9/4/2014: Deepwater Wind received the final federal approval from the U.S. Army Corps of Engineers for the Block Island Wind Farm.

South Carolina

5-16-2014: BOEM held the second meeting of the South Carolina Offshore Renewable Energy Task Force in North Charleston.

Texas

7-20-2014: Austin-based Baryonyx Corp.'s two state leases off of South Padre Island expired and the company has not re-applied for a new permit. Baryonyx, whose proposed project was among seven originally tapped for possible \$47 million U.S. Department of Energy grants, was not among three companies awarded a grant on May 7.

VI. Recommendations

RECOMMENDATION 1: Leverage state funding with additional private and federal funding to give Virginia a competitive advantage over other Mid-Atlantic States in attracting the offshore wind industry.

- Establish Virginia as the ideal manufacturing, operational and supply chain hub for offshore wind development in the Mid-Atlantic region.
- Assess opportunities for local manufacturing, operations and maintenance, and other services to support industry; identify and address any gaps; and publicize the asset strengths and other unique advantages that differentiate the Commonwealth as the best location for a Mid-Atlantic offshore wind hub. The Authority should lead and accomplish this strategy by June 30, 2015.
- Gather data to demonstrate the economic benefits that would result if the Commonwealth of Virginia became home to a vibrant Mid-Atlantic offshore wind



industry and supply chain, and work with Dominion Virginia Power, as the commercial lease holder and others to strategically engage potential supply chain and workforce development opportunities.

RECOMMENDATION 2: Support successful completion of the advanced technology demonstration project by working with state and federal agencies to ensure advancement of the project.

- Work with interested stakeholders to address any concerns they may have in the Environmental Assessment (EA) related to the demonstration.
- Work with the VOWTAP team to remove any impediments to the project's permitting and offer environmental and regulatory support.

RECOMMENDATION 3: Support and expedite the federal process for development of the commercial wind energy area off of the coast of Virginia and ensure compatibility with other ocean uses and avian and marine species and habitat.

- Support the extension of federal Investment Tax Credits and Production Tax Credits in a form that would assist offshore wind development in Virginia.
- Work with the federal lessee and the applicable federal resource agencies to expedite permitting of offshore wind commercial development.
- Work with interested stakeholders to address any concerns they may have in the EA or Environmental Impact Statement (EIS) related to the commercial lease.

RECOMMENDATION 4: Support and expedite the state process for developing the commercial wind energy area off the coast of Virginia by removing barriers to commercial development of VOWTAP and the federal lease area.

- Further engage with the VSRA, VOW Coalition, the maritime industry, and other stakeholders to ensure successful and productive shared use of the ocean and port facilities.
- Quantify public perceptions of, and the level of support that Virginia citizens are willing to provide for, offshore wind and other renewable generation sources.



- Support legislative and administrative efforts to encourage the development and approval of offshore wind projects in Virginia, in addition to attracting offshore wind economic development to the Commonwealth.

Future Goals/Activities

VOWDA will continue to engage with BOEM, the VOW Coalition and others to monitor, support, expedite and provide input to identify key next steps in the Virginia Offshore Wind commercial development process. The following are milestones and anticipated activities for the coming year. **[See Appendix G]**

- Quantify public perceptions of, and the level of support that Virginia citizens are willing to provide for, offshore wind and other renewable generation sources.
- DMME issuance in October 2014 of an RFI and RFP for ways to invest and leverage state funds for data collection and collaborations to give Virginia a competitive advantage. DMME received \$1 million in state general funds for FY 2015 of the biennium budget.
- Acceptance in January 2015 and implementation of DMME Research Lease 1 activities.
- Acceptance in November 2015 and implementation of DMME Research Lease 2 activities.
- Support VOWTAP's advancement through each future federal award budget period: Budget Period III, beginning in August 2015; Budget Period IV, beginning in August 2016; and Budget Period V, beginning August 2017.

VOWDA will also continue to support commercial-scale development of the Virginia WEA and the cultivation of industry to support offshore wind, including:

- Identification and promotion by July 2015 of specific Port and private assets and facilities unique to Virginia to support private developers and supply chain members involved in pre-construction, construction, operation and maintenance.
- Monitoring and engaging with PJM's ongoing Regional Transmission Expansion Plan (RTEP) process as the costs of offshore wind transmission are explored – especially as issues of cost allocation for offshore transmission are considered.
- Maintaining and updating information on wind resource data, economics and environmental impacts, and information characterizing the state and federal regulatory



framework for establishing a project off the coast of Virginia with updates in December, March and June.

- Supporting the Virginia Economic Development Partnership, VOW Coalition and other stakeholders to assess the sourcing and supply strategy for components, services, and vessels employed or being contemplated for other offshore wind farms in the U.S. and overseas by September 2015, and identifying how Virginia companies and resources can best be deployed to promote offshore wind development in Virginia.
- Providing technical support to the Virginia Economic Development Partnership and identifying state and other financial incentives that might be available to help commercialize emerging technologies that can create Virginia jobs. This includes identifying leading candidate businesses and helping to connect with state and federal support programs, particularly focused on Tier 3 and Tier 4 suppliers who can export to Tier 1 and Tier 2 integrators now expanding in European offshore wind supply chains.
- Supporting development of a strategic or ocean management plan for Virginia waters, that includes uses such as offshore wind, and participating in the Coastal and Marine Spatial Planning process for federal waters off the coast of Virginia, with an update in August 2015.
- Identifying available grants and other financing mechanisms by November 2014 to support offshore wind development, endorsing and possibly participating in federal grant applications and state efforts to support projects that improve the offshore wind value chain, reduce the delivered cost of power, and create jobs and other opportunities.
- Continuing to advocate on behalf of the Commonwealth that Virginia has the port infrastructure, supply chain, workforce resources, strategic location, and *can-do* spirit that make Virginia the ideal host to, and partner for, offshore wind developers.

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



APPENDIX A

MISSION STATEMENT AND OBJECTIVES

Virginia Offshore Wind Development Authority

Objectives

Mission Statement

The Virginia Offshore Wind Development Authority (the "**Authority**") is created as a political subdivision of the Commonwealth for the purpose of facilitating, coordinating, and supporting the development (either by the Authority or by other qualified entities) of the offshore wind energy industry, offshore wind energy projects, and supply chain vendors by:

- A. Collecting relevant metocean and environmental data;
- B. Identifying existing state and regulatory or administrative barriers to the development of the offshore wind energy industry;
- C. Working in cooperation with relevant local, state, and federal agencies to upgrade port and other logistical facilities and sites to accommodate the manufacturing and assembly of offshore wind energy project components and vessels; and
- D. Ensuring that the development of such wind projects is compatible with other ocean uses and avian and marine resources, including both the possible interference with and positive effects on naval facilities and operations, NASA-Wallops Flight Facility operations, shipping lanes, recreational and commercial fisheries, and avian and marine species and habitats.

The Authority shall, in cooperation with the relevant state and federal agencies as necessary, recommend ways to encourage and expedite the development of the offshore wind energy industry.

The Authority shall also consult with research institutions, businesses, nonprofit organizations, and stakeholders as the Authority deems appropriate.

The Authority shall consider seeking grant and/or loan guarantees and/or entering into public-private partnerships to assist in the development of offshore wind.

The Authority shall provide two reports: 1) by May 31, 2011, a report on its recommendations on what is needed to facilitate the transmission of the offshore wind-generated power after review of the transmission study prepared by the investor-owned utility, Dominion Virginia Power; and 2) by October 15 each year, an annual summary of the activities of the Authority and policy recommendations to the Governor, the Chairs of the House and Senate Commerce and Labor Committees and the Chairs of the House Appropriations and Senate Finance

Virginia Offshore Wind Development Authority

Objectives

Committees (the "Annual Report"). The Annual Report shall include specific policy recommendations that shall be derived from and supported by the actions, results, and deliberations of the Authority in carrying out its objectives listed below.

A. Virginia Offshore Industry Data: Facilitate the definition, collection, dissemination of relevant metocean data, environmental data, and other information needed by Virginia offshore wind stakeholders, utilizing existing, planned, or projected sources of data collection or activities.

1. Direct and provide support to the Virginia Department of Mines, Minerals and Energy (DMME) to gather, reconcile and disseminate information and data required for the development of the offshore wind industry and offshore wind facilities. Specifically, develop a strategy and action plan to:
 - a. Inventory the available information (e.g. wind data, environmental data, oceanographic data, sea current data, electricity transmission data, port and shipping data, DOD/Navy Coast Guard requirements, integration of the Chesapeake Light Tower, offshore LIDAR buoy data, wind turbine construction and operating cost data, etc.);
 - b. Gather stakeholder input regarding what information is required to support the offshore wind industry;
 - c. Reduce gaps in information required versus information collected¹;
 - d. Collect, process and disseminate this information to stakeholders; and
2. Collect, monitor, and provide information regarding the delivered cost, rate impact, economic impact, and environments benefits of electricity generated from offshore wind projects that considers existing studies, legislative and regulatory actions by the Commonwealth, federal government and other states, and information provided by stakeholders and interested parties;
3. Review, support/endorse and possibly participate in federal grant applications and state efforts that support projects that will improve the offshore wind value chain to shorten completion times, reduce the delivered cost of power, and create job opportunities.

¹ Note that the Department of the Interior plans to make available to lessees available federal data at the time of the lease sale for offshore wind

Virginia Offshore Wind Development Authority

Objectives

B. Offshore Leasing, Permitting, Financing, and Regulation: Identify existing federal and state barriers to the development of the offshore wind industry in Virginia.

1. Define, identify and provide information regarding:
 - a. Virginia's renewable energy goals with respect to offshore wind as well as state and federal incentives for renewable energy development;
 - b. The current federal and state regulatory framework for the development, transmission, generation and purchasing power for offshore wind in Virginia;
2. Develop a process to gather and validate stakeholder input regarding perceived and/or real federal and state regulatory and administrative barriers to the development of the offshore wind industry in Virginia and work with stakeholders to create action plans or strategies to remove or reduce those barriers.
3. Incorporate results of these findings into the Annual Report.

C. Virginia Offshore Job Creation & Supply Chain Development: Work in cooperation with relevant local, state, and federal agencies to accommodate the manufacturing, assembly, and maintenance of offshore wind energy project components and vessels.

1. Support the Virginia Economic Development Partnership (VEDP) to:
 - a. Assess the competitiveness of Virginia for the location of manufacturing, assembly, portage, and service centers to support the offshore wind industry;
 - b. Define and implement strategies to attract industry to locate facilities in Virginia that will support the manufacturing, assembly, service and transport resources required by the industry participants; and
 - c. Address the training and human resource requirements and the mechanism to provide the necessary human resources.
2. Consider incentives and/or policy initiatives needed to attract offshore related business to Virginia so as to create employment opportunities and balance the delivered cost of offshore wind and incorporate any recommendations regarding those incentives/policy initiatives into the Annual Report.

Virginia Offshore Wind Development Authority

Objectives

D. Offshore Wind Project Siting and Development: Communicate and coordinate with stakeholders, including the Bureau of Ocean Energy Management, Regulation, and Enforcement (BOEMRE) Task Force to ensure that the development of offshore wind projects is compatible with other ocean uses and avian and marine resources, including both the possible interference with and positive effects on naval facilities and operations, NASA-Wallops Flight Facility operations, shipping lanes, recreational and commercial fisheries, and avian and marine species and habitats.

1. Provide input and support to the Virginia BOEMRE Task Force in their ongoing communication with local, state, tribal, and federal stakeholders concerning the compatibility of offshore wind projects with other ocean uses.
2. Encourage the development of a strategic plan regarding the development and use of the offshore waters of Virginia for wind generation and other uses (recreation, defense, oil and gas exploration, shipping, etc.), using the principles of coastal and marine spatial planning.

**VIRGINIA OFFSHORE WIND
DEVELOPMENT AUTHORITY**

APPENDIX B

2013-2014 SUMMARY OF MILESTONES AND ACTIVITIES

Virginia Offshore Wind Milestones 2013 - 2014

Action	8/13	9/13	10/13	11/13	12/13	1/14	2/14	3/14	4/14	5/14	6/14	7/14	8/14	9/14	10/14	11/14	12/14	Comments
DMME issued a Request for Information for Virginia Offshore Wind Data Gathering Opportunity		■																
Fugro Atlantic submitted to DMME the final report summarizing the results of the geophysical survey conducted 5/28/13 - 7/3/13							■											
DMME Selected four teams to conduct offshore wind site characterization studies, surveys and measurements									■									
VOWDA sent 2nd letter to VA's congressional delegation urging their support of the offshore wind investment tax credit legislation, referencing the significant developments in VA, including the commercial lease.				■														
VOWDA sent a resolution to the SCC supporting wind power development in the federal waters off the coast of VA and the expedited SCC approval of an expected future petition by Dominion Virginia Power to recover eligible costs for VOWTAP						■												
Research Activities Plan was submitted by DMME to BOEM for the VOWTAP							■											
As DMME-designated operator for RL2, Dominion submitted its Site Assessment Plan for VOWTAP							■											
BOEM issued a Notice of Intent to Prepare an Environmental Assessment and Notice of Public Scoping Meetings								■										
Research Activities Plan was revised and submitted by DMME to BOEM for the VOWTAP												■						
BOEM convened meeting of stakeholders regarding Historic properties													■					
Dominion to submit the Construction and Operations Survey Plan																	■	
Dominion submitted its Site Assessment Plan for the Virginia Wind Energy Area									■									
IRS announced that it lowered a threshold for renewable-energy projects to qualify for federal tax credits													■					

List of Acronyms (not otherwise defined above)

BOEM = U.S. Bureau of Ocean Energy Management	RL1 = Research Lease 1 (DMME is lease holder; designated operator to be determined)
DMME = Virginia Department of Mines, Minerals and Energy	RL2 = Research Lease 2 (DMME is lease holder; Dominion is designated operator)
DOE = U.S. Department of Energy	WEA = Commercial Wind Energy Area (Dominion is lease holder)
NREL = National Renewable Energy Laboratory	

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



APPENDIX C

VIRGINIA OFFSHORE WIND TIMELINE

VA Offshore Wind Timeline

- (some future timelines are estimates)

Action	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Comments	
PRE-LEASE																						
Creation of VA Coastal Energy Research Consortium (VCERC) - May 18, 2006	May 18																					
Creation of VA Offshore Wind Development Authority (VOWDA)					April 11																	
VCERC Final Report					April 20																	http://www.vcerc.org/VCERC_Final_Report_Offshore_Wind_Studies_Final_Report_new_est.pdf
Gamesa/Northrup Grumman Partner to Develop Turbine/Locate Test Sites					Oct.																	
DMME Draft Research Lease Application Developed						Jan. 13																
DMME Draft Research Lease Application Revised						Sept. 6																
RESEARCH LEASE 1																						
DMME Research Lease Activities Separated into Two Lease Applications and RL1 Submitted							June 1															http://www.dmme.virginia.gov/DE/LinkDocuments/DMME_238ResearchLease_1%20p.dcf
BOEM Determination of No Competitive Interest in RL1								Mar. 14														
DMME Submits Gen'l Activities Plan for RL1								Sep. →	Feb.													
BOEM issued DMME a lease offer for RL1									Mar. 13													
RL1 GAP Approval									April													
Metocean Platform Deployed to RL1									Oct. →	Dec.												
RESEARCH LEASE 2																						
DMME Research Lease 2 Application Submitted								Feb. 8														
BOEM Determination of No Competitive Interest in RL2								Dec.														
DMME Submits General Activities Plan for RL2								Nov. 22														
BOEM issued DMME a lease offer for RL2									May 6													
RL2 GAP Approval										Jan.												
DOE announced that Dominion was one of three of the initial seven projects selected for follow-on phases to move forward.										May 4												
VOWTAP Phase I ATDP (to DOE submittal date)								Feb. →	Jan.													
VOWTAP Phase I Period Ends									June 30													
VOWTAP Phase II-Phase IV ATDP									May →	→	→	→	→	→	→	→	→	→	→	→	→	→
Test Turbines Deployed																						Dec
COMMERCIAL																						
BOEM Issues Call for Info & Nominations						Feb. 3																
DMME/BOEM Award Regional Ocean Survey Contract (Fugro Atlantic)								April- Dec.														
BOEM Lease Auction								Sep. 4														
Lease & Pre-Construction Activities								Oct.	→	→	→	→	→	→	→	→	→	→	→	→	→	→
Commercial lease with Dominion Virginia Power for the Virginia Wind Energy Area went in to effect								Nov. 1														
Approvals and Construction																						→ → → → → → → →

Many variables impact the construction time table. Construction could begin even before 2017, but that probably is not likely. Lease holder has up to five years to develop a Construction and Operations Plan. The length of time needed for approvals, procurement of long-lead-time materials and construction can vary depending on extent of SCC involvement, where power output is sold and other factors. Actual construction of first phase 400-600 MW could take 2-3 years. The chart depicts a range of completion dates for installation of 400-600 MW as early as 2019 or as late as 2025.

**VIRGINIA OFFSHORE WIND
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APPENDIX D

**VOWDA LETTER OF SUPPORT TO VIRGINIA'S CONGRESSIONAL DELEGATION ON
OFFSHORE WIND POWER ACT FEDERAL LEGISLATION**

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



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1100 Bank Street
Richmond, Virginia 23219-3638
(804) 692-3200 FAX (804) 692-3237
<http://wind.jmu.edu/offshore/vowda/index.html>

November 6, 2013

The Honorable Frank R. Wolf
United States House of Representatives
233 Cannon House Office Building
Washington, D.C. 20515-4610

Dear Congressman Wolf:

Members of the Virginia Offshore Wind Development Authority (VOWDA) respectfully request your support for H.R. 924, the *Incentivizing Offshore Wind Power Act*, introduced February 28, 2013, by Representatives Bill Pascrell (D-NJ) and Frank LoBiondo (R-NJ). This proposed bill aims to provide to the offshore wind industry a stable but limited financial incentive by amending Section 48 of the tax code to extend the 30% investment tax credit (ITC) for the first three (3) gigawatts (GW) of offshore wind facilities placed in service.

Since we last wrote to request your support for the offshore wind industry, much has happened in Virginia. In early September, the U.S. Department of Interior's Bureau of Ocean Energy Management (BOEM) completed its auction to lease an area off the coast of Virginia as the site of the nation's second offshore wind energy lease sale. Dominion Virginia Power won the lease sale and is actively developing the lease area. This development has made it even more critical for Congress to extend the ITC for offshore wind. With its passage, Virginia is certain to become a landmark along the Atlantic Seaboard for offshore wind development bringing new jobs and a new supply chain industry with high-tech jobs.

We believe that the limited, focused and reasonable incentives in the *Incentivizing Offshore Wind Power Act* should be supported for several reasons:

- Offshore wind is uniquely appropriate for a limited, fiscally sensible subsidy, and this legislation is fiscally conservative and well targeted. Offshore wind needs initial support to help offset the higher costs of investing long-term in these projects.
- Offshore wind faces higher technological and construction risk than land-based wind. This is historically the type of technology deployment and demonstration that is appropriate for limited federal government financial support. It will give a new industry, with the potential for thousands of jobs, a chance to establish footing in the Commonwealth.

In summary, VOWDA believes that the proposed legislation could provide the additional, short-term incentive needed to attract significant commercial investment in Virginia's offshore wind industry and attendant jobs at the port, shipyards, and supplier base.

The Honorable Frank Wolf

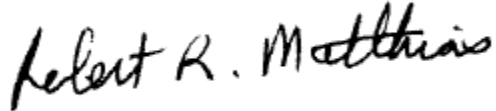
November 6, 2013

Page 2

As Congress continues its critical end-of-year budget negotiations for 2014, VOWDA recommends that you incorporate this proposed incentive in your deliberations, allowing Virginia to be a beacon for this renewable energy with high-growth jobs.

Thank you for your attention to this matter. Please contact Al Christopher at the Department of Mines, Minerals and Energy (al.christopher@dmme.virginia.gov or 804-692-3216) with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Robert R. Matthias". The signature is written in a cursive style with a large, prominent "R" at the beginning.

Robert Matthias
Chairman

c: Al Christopher, Division of Energy Director
Department of Mines, Minerals and Energy

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



Washington Building, 8th Floor
1100 Bank Street
Richmond, Virginia 23219-3638
(804) 692-3200 FAX (804) 692-3237
<http://www.dmme.virginia.gov/DE/vowda.shtml>

November 6, 2013

The Honorable Mark Warner
United States Senate
475 Russell Senate Office Building
Washington, DC 20510

The Honorable Timothy Kaine
United States Senate
B40C Dirksen Senate Office Building
Washington, DC 20510

Dear Senators Warner and Kaine:

Members of the Virginia Offshore Wind Development Authority (VOWDA) respectfully request your support for S.B. 401, the *Incentivizing Offshore Wind Power Act*, introduced February 28, 2013, by Representatives Bill Pascrell (D-NJ) and Frank LoBiondo (R-NJ). This proposed bill aims to provide to the offshore wind industry a stable but limited financial incentive by amending Section 48 of the tax code to extend the 30% investment tax credit (ITC) for the first three (3) gigawatts (GW) of offshore wind facilities placed in service.

Since we last wrote to request your support for the offshore wind industry, much has happened in Virginia. In early September, the U.S. Department of Interior's Bureau of Ocean Energy Management (BOEM) completed its auction to lease an area off the coast of Virginia as the site of the nation's second offshore wind energy lease sale. Dominion Virginia Power won the lease sale and is actively developing the lease area. This development has made it even more critical for Congress to extend the ITC for offshore wind. With its passage, Virginia is certain to become a landmark along the Atlantic Seaboard for offshore wind development bringing new jobs and a new supply chain industry with high-tech jobs.

We believe that the limited, focused and reasonable incentives in the *Incentivizing Offshore Wind Power Act* should be supported for several reasons:

- Offshore wind is uniquely appropriate for a limited, fiscally sensible subsidy, and this legislation is fiscally conservative and well targeted. Offshore wind needs initial support to help offset the higher costs of investing long-term in these projects.
- Offshore wind faces higher technological and construction risk than land-based wind. This is historically the type of technology deployment and demonstration that is appropriate for limited federal government financial support. It will give a new industry, with the potential for thousands of jobs, a chance to establish footing in the Commonwealth.

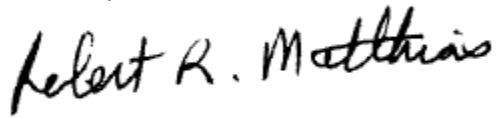
In summary, VOWDA believes that the proposed legislation could provide the additional, short-term incentive needed to attract significant commercial investment in Virginia's offshore wind industry and attendant jobs at the port, shipyards, and supplier base.

The Honorable Mark Warner
The Honorable Timothy Kaine
March 21, 2013
Page 2

As Congress continues its critical end-of-year budget negotiations for 2014, VOWDA recommends that you incorporate this proposed incentive in your deliberations, allowing Virginia to be a beacon for this renewable energy with high-growth jobs.

Thank you for your attention to this matter. Please contact Al Christopher at the Department of Mines, Minerals and Energy (al.christopher@dmme.virginia.gov or 804-692-3216) with any questions you may have.

Sincerely,

A handwritten signature in black ink that reads "Robert R. Matthias". The signature is written in a cursive style with a large, prominent "R" and "M".

Robert Matthias
Chairman

c: Al Christopher, Division of Energy Director
Department of Mines, Minerals and Energy

**VIRGINIA OFFSHORE WIND
DEVELOPMENT AUTHORITY**



APPENDIX E

**VOWDA LETTER AND RESOLUTION TO STATE CORPORATION
COMMISSION IN SUPPORT OF WIND POWER DEVELOPMENT AND
EXPEDITED APPROVAL OF FUTURE PETITION BY DOMINION TO RECOVER
RATEPAYERS' ELIGIBLE COSTS OF VOWTAP**

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY

Washington Building, 8th Floor
1100 Bank Street
Richmond, Virginia 23219-3638
(804) 692-3200 FAX (804) 692-3237
<http://wind.jmu.edu/offshore/vowda/index.html>

January 23, 2014

The Honorable James C. Dimitri
Chairman, Virginia State Corporation Commission
P.O. Box 1197
Richmond, Virginia 23218

Dear Chairman Dimitri:

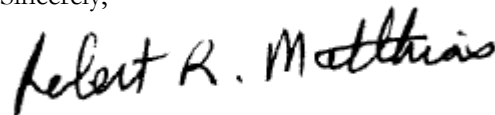
On behalf of the members of the Virginia Offshore Wind Development Authority, enclosed is a copy of a Resolution that was passed at the Authority's January 16, 2014 meeting. The resolution supports wind power development in the federal waters off the coast of Virginia and the expedited approval by the Virginia State Corporation Commission of an expected future petition by Dominion Virginia Power to recover from ratepayers eligible costs for the Virginia Offshore Wind Technology Advancement Project (VOWTAP).

In December 2012, VOWTAP was among seven projects selected nationally by the U.S. Department of Energy (DOE) to receive funding to support initial engineering, design, and permitting for proposed offshore wind demonstration facilities. The VOWTAP project will be installed approximately 27 miles off the coast of Virginia.

In May 2014 DOE will select up to three projects to receive significant additional funding for final design and construction of the demonstration facilities. If selected, the VOWTAP project will have until 2017 to become fully operational.

Offshore wind development will bring economic and social benefits to the Commonwealth of Virginia and its citizens. VOWDA supports legislation that advances the responsible development of Virginia's offshore wind power industry and associated supply chain. Should the VOWTAP proposal receive additional U.S DOE funding, VOWDA encourages an expedited approval by the Virginia State Corporation Commission such that Dominion Virginia Power can meet the 2017 deadline to complete this innovative project.

Sincerely,



Robert Matthias
Chairman

Enclosure

c: The Honorable Terry McAuliffe, Governor of Virginia
The Honorable Molly Ward, Secretary of Natural Resources
The Honorable Maurice Jones, Secretary of Commerce and Trade
Thomas F. Farrell, II, President and Chief Executive Officer, Dominion Resources Inc.



A Resolution

Supporting Wind Power Development in the Federal Waters Off the Coast of the Commonwealth of Virginia

January 16, 2014

WHEREAS, the purpose and mission of the Virginia Offshore Wind Development Authority (the Authority) is to promote responsible development of Virginia's offshore wind resources;

WHEREAS, the Commonwealth has invested significant resources in research to lower the costs and reduce the risks of developing offshore wind power;

WHEREAS, offshore wind power development could bring economic and social benefits to the Commonwealth of Virginia and its citizens, including a more diverse portfolio of power generation assets, renewable and clean energy, jobs and other economic benefits by attracting new manufacturing and supply chain businesses, enhancing development and expansion of existing manufacturers and businesses, and by maximizing use of Hampton Roads port facilities;

WHEREAS, investing in research and development of offshore wind power is in accord with several key goals of the Commonwealth's Energy Policy and Objectives, including:

- Minimizing the Commonwealth's long-term exposure to volatility and increases in energy prices through greater energy independence;
- Increasing Virginia's reliance on sources of energy that, compared to traditional energy resources, are less polluting of the Commonwealth's air and waters;
- Fostering economically developable alternative sources of energy that can be provided at market prices as vital components of a diversified portfolio of energy resources;
- Supporting research and development of, and promoting the use of, renewable energy sources;
- Ensuring that the combination of energy supplies and energy-saving systems are sufficient to support the demands of economic growth;
- Promoting the generation of electricity through technologies that do not contribute to greenhouse gases and global warming;

WHEREAS, Virginia House Joint Resolution No. 605 (2011):

- Expressed the support of the General Assembly for the development of offshore wind energy resources adjacent to the shores of the Commonwealth of Virginia and the establishment of a National Offshore Wind Technology Center¹ in Hampton Roads, Virginia;

¹ A federal funding opportunity for a National Offshore Wind Technology Center (NOWTC) that was anticipated at the time of passage of House Joint Resolution No. 605 in 2011 was not issued. Instead, the U.S. Department of Energy issued a funding opportunity for Advanced Technology Demonstration Projects and made seven awards, including an award to the Virginia Offshore Wind Technology Advancement Project (VOWTAP).

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



- Pledged to continue to advocate for the National Offshore Wind Technology Center² and support the Commonwealth's role as a leader in the offshore wind energy industry in the United States; and,
- Supported a goal of the development of 3,000 megawatts of offshore wind power by 2025;

WHEREAS, the Virginia State Corporation Commission shall consider the effect of proposed utility facilities on economic development within the Commonwealth, including but not limited to furtherance of the economic and job creation objectives of the Commonwealth Energy Policy;

WHEREAS, the purpose of the Virginia Offshore Wind Technology Advancement Project (VOWTAP) is to demonstrate technological innovations to lower the cost of future wind power generation in Virginia's Wind Energy Area, thereby providing social, environmental and economic benefits to electric ratepayers and all citizens; now, therefore, be it

RESOLVED, that the Authority supports state and federal legislation that advances the responsible development of Virginia's offshore wind power industry and associated supply chain; and, be it

RESOLVED FURTHER, that the Authority believes the VOWTAP is in the public interest and supports expedited approval by the Virginia State Corporation Commission of an expected future petition by Dominion Virginia Power to recover from ratepayers, eligible costs of the VOWTAP turbine technology demonstration project.

² Refer to Footnote 1.



APPENDIX F

**VOWDA COMMENTS TO BOEM ON NOTICE OF INTENT TO PREPARE AN
ENVIRONMENTAL ASSESSMENT FOR PROPOSED WIND ENERGY-RELATED
ACTIVITIES ON THE ATLANTIC OCS OFFSHORE VIRGINIA**

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



Washington Building, 8th Floor
1100 Bank Street
Richmond, Virginia 23219-3638
(804) 692-3200 FAX (804) 692-3237
<http://wind.jmu.edu/offshore/vowda/index.html>

April 14, 2014

Mr. Casey Reeves
Renewable Energy Program Specialist
Bureau of Ocean Energy Management,
Office of Renewable Energy Programs
381 Elden Street, HM-1328
Herndon, Virginia 20170

Subject: Notice of Intent to Prepare an Environmental Assessment for Proposed Wind Energy-Related Research Activities on the Atlantic Outer Continental Shelf Offshore Virginia and Notice of Public Scoping Meeting. [Docket No. BOEM-2014-0009]

Dear Mr. Reeves:

The Virginia Offshore Wind Development Authority (VOWDA) was created by 2010 legislation with a mission to facilitate, coordinate, and support development of the Virginia offshore wind energy industry, offshore wind energy projects, and supply chain vendors. VOWDA achieves this mission by:

- Supporting the collection of metocean and environmental data.
- Identifying regulatory and administrative barriers.
- Working with local, state, and federal government agencies to upgrade port and logistic facilities and sites.
- Ensuring development is compatible with other ocean uses and avian/marine wildlife.
- Recommending ways to encourage and expedite offshore wind industry development.

VOWDA supports the research project as an essential step for eventual construction and operation of Virginia's offshore wind energy industry and encourages appropriate and efficient regulatory oversight. VOWDA is mindful of the considerable environmental survey work already performed by the Virginia Offshore Wind Technology Advancement Project (VOWTAP) team and the sustained efforts that the Virginia Department of Mines, Minerals and Energy (DMME) has made to ensure minimal conflict with existing ocean uses. The location of Research Lease Number 2 (RL2) has been thoroughly vetted and is supported by many ocean stakeholders, including the maritime and military users of the ocean space off Virginia.

This is evident from the fact that in response to BOEM's "Public Notice of an Unsolicited Request for an OCS Research Lease, Request for Competitive Interest, and Request for Public Comment" on July 30, 2013, no public comments were submitted by any of the maritime or military users of the ocean space around RL2.

Mr. Casey Reeves
April 14, 2014
Page 2

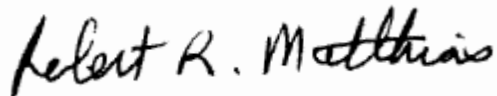
The DMME, who is the prospective lease holder for RL2, arranged a series of meetings in January 2013 to reach consensus among the maritime stakeholders, including industry and military users, and also federal regulatory agencies having jurisdiction on Virginia's Outer Continental Shelf, on the most suitable location of RL2. VOWDA understands that minutes from those meetings are included as Appendix C of the DMME RL 2 application submitted to BOEM on February 8, 2013.

On May 15, 2013, DMME arranged for an additional meeting that convened maritime industry representatives from the American Waterways Operators, the Port of Virginia, and the Virginia Pilot Association. The purpose of this meeting was to determine if there had been any maritime developments since January that warranted reconsideration of the RL2 location. The assembled maritime industry representatives confirmed that they had no objection to having two demonstration turbines located outside the commercial Wind Energy Area (WEA) as long as the turbines were located as close as practical to the western edge of the WEA.

A similar effort has been ongoing by the VOWTAP team and DMME to keep state and federal environmental regulatory agencies and stakeholders informed of current activities and plans for the turbine technology demonstration project.

VOWDA thanks BOEM for the opportunity to comment on the subject Environmental Assessment Notice of Intent and looks forward to continuing to work with the Bureau, the industry and developers, and the numerous other stakeholders to facilitate and accelerate the smart development of our offshore wind resources.

Sincerely,

A handwritten signature in black ink that reads "Robert R. Matthias". The signature is written in a cursive style with a large initial 'R'.

Robert R. Matthias
Chair

BOEM identify and mitigate impacts of offshore oil and gas exploration and development on Alaska Native communities.

Survey Instrument: The Social Indicators survey is voluntary and will be given to the head of each selected household in the study communities. The survey instrument was developed through collaborative discussions with key community members tasked to serve on the North Slope Management Board, specifically established to deal with this study.

Interview Methods: The interviews will be conducted in person in a setting most comfortable for the respondents. This personal method is more expensive and time consuming for the researchers, but these drawbacks are outweighed by improvements in the quality of information obtained and the rapport established between the surveyor and the person interviewed. Telephone interviews have not been successful on the North Slope. Each respondent will be paid an honorarium for taking part in the study. Responses are voluntary.

Frequency: One-time event.

Description of Respondents: Respondents are members of the Alaskan coastal communities in the North Slope Borough.

Estimated Reporting and

Recordkeeping Hour Burden: We estimate 1,001 respondents and expect each interview to last 1 hour for a total of 1,001 burden hours.

Estimated Reporting and

Recordkeeping Non-Hour Cost Burden: We have identified no non-hour paperwork cost burdens for this collection.

Public Disclosure Statement: The PRA (44 U.S.C. 3501, *et seq.*) provides that an agency may not conduct or sponsor a collection of information unless it displays a currently valid OMB control number. Until OMB approves a collection of information, you are not obligated to respond.

Comments: We invite comments on: (1) Whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (2) the accuracy of the agency's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, usefulness, and clarity of the information to be collected; and (4) ways to minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

We will summarize written responses to this notice and address them in our submission for OMB approval. As a result of your comments, we will make

any necessary adjustments to the burden in our submission to OMB.

Public Availability of Comments: Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comment to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: March 5, 2014.

Deanna Meyer-Pietruszka,
Chief, Office of Policy, Regulations, and Analysis.

[FR Doc. 2014-05605 Filed 3-13-14; 8:45 am]

BILLING CODE 4310-MR-P

DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[Docket No. BOEM-2014-0009]

Notice of Intent To Prepare an Environmental Assessment for Proposed Wind Energy-Related Research Activities on the Atlantic Outer Continental Shelf Offshore Virginia and Notice of Public Scoping Meeting MMAA104000

AGENCY: Bureau of Ocean Energy Management (BOEM), Interior.

ACTION: Notice of Intent.

SUMMARY: In compliance with the National Environmental Policy Act (NEPA) of 1969, as amended (42 U.S.C. 4231 *et seq.*), BOEM intends to prepare an Environmental Assessment (EA) to consider the reasonably foreseeable environmental consequences associated with the approval of wind energy-related research activities offshore Virginia as proposed by the Virginia Department of Mines, Minerals and Energy (DMME). BOEM is seeking public input regarding important environmental issues and the identification of reasonable alternatives that should be considered in the EA.

In addition to the request for written comments, BOEM is holding a public scoping meeting to solicit comments on the scope of the EA. The meeting will be held from 5:00 p.m.–8:00 p.m. EDT on Thursday, April 3, 2014, at the Virginia Aquarium and Marine Science Center, 717 General Booth Boulevard, Virginia Beach, Virginia 23451.

Authority: The Notice of Intent to prepare an EA is published pursuant to 43 CFR 46.305.

DATES: Comments should be submitted no later than April 14, 2014.

FOR FURTHER INFORMATION CONTACT: Michelle Morin, BOEM, Environment Branch for Renewable Energy, 381 Elden Street, HM 1328, Herndon, Virginia 20170-4817; (703) 787-1340 or michelle.morin@boem.gov.

SUPPLEMENTARY INFORMATION:

1. Background

On December 9, 2013, BOEM published a Determination of No Competitive Interest (78 FR 73882) for a research lease requested by DMME. BOEM may issue DMME a research lease. A lease issued to DMME would be considered under BOEM's Finding of No Significant Impact (FONSI) and EA for Lease Issuance and Site Assessment Activities on the Atlantic Outer Continental Shelf Offshore New Jersey, Delaware, Maryland and Virginia, which can be found at <http://www.boem.gov/Renewable-Energy-Program/Smart-From-The-Start/index.aspx>. DMME has submitted a Research Activities Plan (RAP) to BOEM. The RAP describes the proposed construction, operation, maintenance, and decommissioning of the Virginia Offshore Wind Technology Advancement Project (VOWTAP), and includes the results of site characterization studies, such as geophysical, geotechnical, archaeological, and biological surveys. The RAP can be found at the following URL: <http://www.boem.gov/Renewable-Energy-Program/State-Activities/Virginia.aspx>.

DMME's proposed project, VOWTAP, would consist of two 6-MW wind turbine generators (WTGs), a 34.5-kilovolt (kV) alternating current (AC) submarine cable interconnecting the WTGs (inter-array cable), a 34.5 kV AC submarine transmission cable (export cable), and a 34.5 kV underground cable (onshore interconnection cable) that would connect the VOWTAP with existing infrastructure located in the City of Virginia Beach. Interconnection with the existing infrastructure also would require an onshore switch cabinet, an underground fiber optic cable, and a new interconnection station to be located entirely within the boundaries of the Camp Pendleton State Military Reservation (Camp Pendleton), in the City of Virginia Beach.

The offshore components of the VOWTAP, including the WTGs and inter-array cable, would be located on the Outer Continental Shelf approximately 24 nautical miles offshore Virginia Beach, Virginia, while the export cable would traverse both

Federal and state submerged lands. The onshore components, including the onshore interconnection cable, fiber optic cable, switch cabinet, and interconnection station would be located entirely within the boundary of Camp Pendleton. Construction would be supported by construction staging area(s) and a construction port. Onshore support facilities would be located at existing waterfront industrial or commercial sites in the cities of Virginia Beach, Norfolk, and/or Newport News, Virginia.

2. Proposed Action and Scope of Analysis

The proposed action that will be the subject of the EA is the approval of the RAP. In addition to the no action alternative (disapproval of the RAP), other alternatives may be considered, such as exclusion of certain areas from project siting or modification of project activities. The EA will consider the reasonably foreseeable environmental consequences associated with the proposed project, including the impacts of the construction, operation, maintenance, and decommissioning of the WTGs and cables, including the impacts of noise, presence of structures, bottom disturbance, vessel traffic, and onshore activities.

This notice starts the scoping process for the EA and solicits information regarding important environmental issues and alternatives that should be considered in the EA. Additionally, BOEM will use the scoping process to identify and eliminate from study issues that are not significant or issues that have been analyzed by prior environmental reviews.

It is BOEM's intention to prepare an EA that informs all Federal decisions, including those by the Department of Energy and the U.S. Army Corps of Engineers, which are needed to determine whether and, if so, how the proposed action will proceed (40 CFR 1501.6).

BOEM will use responses to this notice and the EA public input process to satisfy the public involvement requirements of the National Historic Preservation Act (16 U.S.C. 470f), as provided in 36 CFR 800.2(d)(3), and is seeking information from the public on the identification of historic properties that might be impacted by VOWTAP. The analyses contained within the EA also will support compliance with other environmental statutes (e.g., Endangered Species Act, Magnuson-Stevens Fishery Conservation and Management Act, and Marine Mammal Protection Act).

3. Cooperating Agencies

BOEM invites Federal, state, and local government agencies, as well as tribal governments, to consider becoming cooperating agencies in the preparation of this EA. Council on Environmental Quality (CEQ) regulations implementing the procedural provisions of NEPA define cooperating agencies as those with "jurisdiction by law or special expertise" (40 CFR 1508.5). Potential cooperating agencies should consider their authority and capacity to assume the responsibilities of a cooperating agency and remember that an agency's role in the environmental analysis neither enlarges nor diminishes the final decisionmaking authority of any other agency involved in the NEPA process.

Upon request, BOEM will provide potential cooperating agencies with a draft Memorandum of Agreement that includes a schedule with critical action dates and milestones, mutual responsibilities, designated points of contact, and expectations for handling pre-decisional information. Agencies should also consider the "Factors for Determining Cooperating Agency Status" in Attachment 1 to CEQ's January 30, 2002, Memorandum for the Heads of Federal Agencies: Cooperating Agencies in Implementing the Procedural Requirements of the NEPA. A copy of this document is available at: <http://ceg.hss.doe.gov/nepa/regs/cooperating/cooperatingagenciesmemorandum.html> and at: <http://ceg.hss.doe.gov/nepa/regs/cooperating/cooperatingagencymemofactors.html>.

BOEM, as the lead agency, will not provide financial assistance to cooperating agencies. Even if an organization is not a cooperating agency, opportunities will exist to provide information and comments to BOEM during the normal public input phases of the NEPA/EA process.

4. Comments

Federal, State, local government agencies, tribal governments, and other interested parties are requested to send their written comments on the important issues to be considered in the EA by either of the following methods:

1. Federal eRulemaking Portal: <http://www.regulations.gov>. In the entry titled "Enter Keyword or ID," enter BOEM-2014-0009, and then click "search." Follow the instructions to submit public comments and view supporting and related materials available for this notice;
2. By U.S. Postal Service or other delivery service, send your comments and information to the following

address: Bureau of Ocean Energy Management, Office of Renewable Energy Programs, 381 Elden Street, HM 1328, Herndon, Virginia 20170-4817; or

3. In person at the EA public scoping meeting.

Before including your address, phone number, email address, or other personal identifying information in your comment, you should be aware that your entire comment—including your personal identifying information—may be made publicly available at any time. While you can ask us in your comments to withhold your personal identifying information from public review, we cannot guarantee that we will be able to do so.

Dated: March 3, 2014.

Tommy P. Beaudreau,
Director, Bureau of Ocean Energy Management.

[FR Doc. 2014-05683 Filed 3-13-14; 8:45 am]

BILLING CODE 4310-MR-P

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-866]

Certain Wireless Communications Equipment and Articles Therein; Commission Determination Not To Review an Initial Determination Granting a Joint Motion To Terminate the Investigation Based on a Settlement Agreement; Termination of Investigation

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined not to review the presiding administrative law judge's ("ALJ") initial determination ("ID") (Order No. 62) granting a joint motion to terminate the above-referenced investigation based on a settlement agreement. The investigation is terminated.

FOR FURTHER INFORMATION CONTACT: Megan M. Valentine, Office of the General Counsel, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 708-2301. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street SW., Washington, DC 20436, telephone (202) 205-2000. General information concerning the Commission

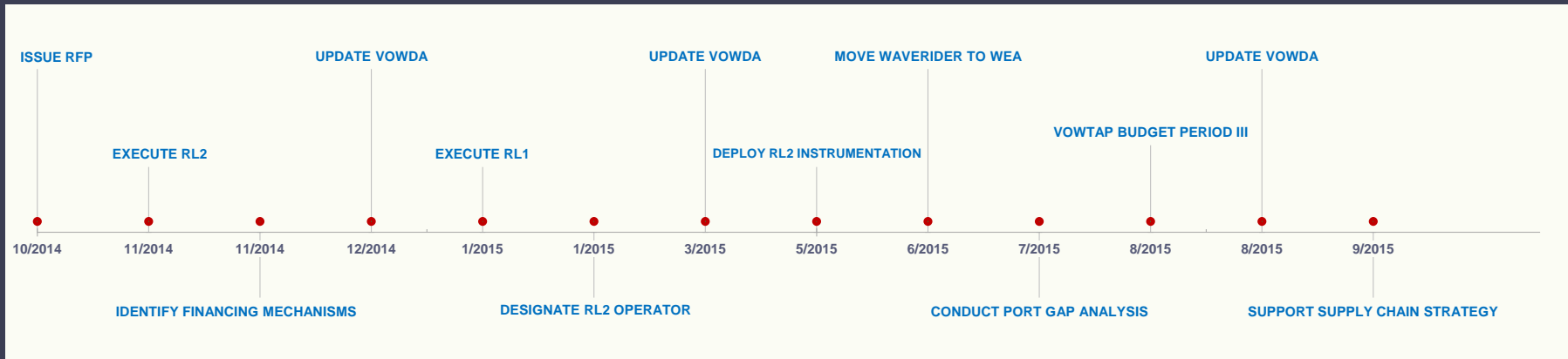


APPENDIX G

2014-2015 SUMMARY OF MILESTONES AND ACTIVITIES

2015 Offshore Wind Development

MILESTONES



Project Details

Date	Description
10/2014	DMME issuance of a RFI or RFP for ways to invest and leverage state funds for data collection and collaborations to give VA a competitive advantage. DMME received \$1 million in state general funds for FY15 of the biennium budget.
11/2014	Acceptance and implementation of DMME Research Lease 2 activities.
11/2014	Identifying available grants and other financing mechanisms to support offshore wind development, endorsing and possibly participating in federal grant applications and state efforts to support projects that improve the offshore wind value chain, reduce the delivered cost of power, and create jobs and other opportunities.
12/2014	Update VOWDA on maintaining and updating information on wind resource data, economics and environmental impacts, and information characterizing the state and federal regulatory framework for establishing a project off the coast of Virginia.
1/2015	Acceptance and implementation of DMME Research Lease 1 activities.
1/2015	Execute Designated Operator's Agreement for RL2.
3/2015	Update VOWDA on maintaining and updating information on wind resource data, economics and environmental impacts, and information characterizing the state and federal regulatory framework for establishing a project off the coast of Virginia.
5/2015	Deploy VOWTAP metocean instrumentation
6/2015	Reposition Waverider buoy to WEA
7/2015	Identification and promotion of specific Port and private assets and facilities unique to VA to support private developers and supply chain members involved in pre-construction, construction, operation and maintenance.
8/2015	Support VOWTAP's advancement through each future federal award budget period: Budget Period III, beginning in August 2015; Budget Period IV beginning in August 2016; and Budget Period V beginning in August 2017.
8/2015	Update VOWDA on supporting development of a strategic or ocean management plan for VA waters, that includes uses such as offshore wind, and participating in the Coastal and Marine Spatial Planning process for federal waters off the coast of VA.
9/2015	Supporting the Virginia Economic Development Partnership, VOW Coalition and other stakeholders to assess the sourcing and supply strategy for components, services, and vessels employed or being contemplated for other offshore wind farms in the U.S. and overseas by September 2015, and identifying how Virginia companies and resources can best be deployed to promote offshore wind development in Virginia.

