



Annual Report

November 1, 2022



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Dear Governor Youngkin and Members of the Virginia House of Delegates and Senate:

It is my pleasure to transmit the enclosed annual report from the Chair and members of the Virginia Offshore Wind Development Authority (VOWDA or Authority) with the report of our 2022 activities and recommendations for future and ongoing work.

To summarize, VOWDA has continued to be instrumental in helping the Commonwealth meet its goals to develop 5,200 MW of offshore wind and grow the industry value chain in Virginia and the region into a Central Atlantic hub that will support thousands of jobs. There will be challenges, such as controlling costs of energy to the ratepayers, but there are tremendous opportunities, including a wealth of federal funding to compete for and a burgeoning pipeline of new projects off the shores of Virginia and other Central Atlantic states.

We have conducted our work in close coordination with the Virginia Department of Energy, offshore wind lease holders Dominion Energy and Avangrid Renewables; Members of the House of Delegates and Senate; the Virginia Port Authority; the Virginia Maritime Association; the Hampton Roads Alliance; and the excellent university and college community of the Commonwealth of Virginia whose students will soon become the workers of the future on offshore wind both here and along the Atlantic Coast.

“We continue to endorse the Coastal Virginia Offshore Wind (CVOW) Commercial project with its proposed 2.6GW of offshore wind which puts the Commonwealth of Virginia on the path to grow its economy, add jobs, and meet its clean energy goals. We also continue to endorse the Kitty Hawk Offshore project, as well as future projects, off our coast.” The year 2022 was a critical time for the CVOW project as the Department of the Interior continued to coordinate review of the CVOW Construction and Operations Plan (COP) which was filed in late 2020. The draft Environmental Impact Statement (EIS) is on track to be issued in December 2022 which will support starting construction in 2024 and operations in 2026. In addition, the SCC hearing was completed, and the project was approved in August of this year. The two-turbine CVOW research project which became operational in 2020 continues to perform above expectations which is further proof of the significant wind resource in Virginia. VOWDA continues to do its part in addressing and resolving use conflicts and touting the benefits of offshore wind to all Virginians.

Thank you for your continued support of VOWDA which has played and will continue to play a critical role in bringing about a clean energy economy for the Commonwealth of Virginia.

Sincerely,

A handwritten signature in blue ink, appearing to read "Will Fediw".

Will Fediw, Chair
Enclosure



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EXECUTIVE SUMMARY

The Authority continues to work with and support the efforts by the Virginia Department of Energy (Virginia Energy), the Federal Bureau of Ocean Energy Management (BOEM), Dominion Energy, Avangrid Renewables, and other stakeholders to help accelerate offshore wind development projects in Virginia, address environmental and financial issues, and create port and supply chain economic opportunities.

The past year brought significant milestones to enhance Virginia's potential as the location of choice for investment in this flourishing industry:

❖ **CVOW Project:**

Dominion Energy submitted its petition to the State Corporation Commission (SCC) on November 5, 2021 for the CVOW Project, which consists of 176 14.7 MW Wind Turbine Generators ("WTGs") located in the Lease Area, as well as related Offshore wind energy power export facilities that will transport the generated electricity onshore to the cable landing location in Virginia Beach. The project as proposed would have a combined nominal capacity of 2,587 MW.

On October 28, 2022, Dominion Energy, the Office of the Attorney General, Walmart, the Sierra Club, and Appalachian Voices agreed to a stipulation that sets up cost-sharing responsibilities between Dominion's ratepayers and shareholders in the event of cost-overruns and provides a mechanism for evaluating operational performance and determining appropriate cost-allocation in the event of under-performance. The matter is currently pending before the Commission.

The SCC approved the CVOW project on August 5, 2022. Dominion Energy objected to the inclusion of a performance guarantee and the case was opened for reconsideration. The project as approved is expected to have a capital cost of \$9.8 billion and will likely be the largest capital investment and single largest project in the history of Dominion Energy Virginia. For residential customers over the projected 35-year lifetime of the project, Rider OSW is projected to result in an average monthly bill increase of \$4.72 and a peak monthly bill increase of \$14.22 in 2027.

❖ **Virginia Energy Plan:**

Governor Youngkin unveiled the quadrennial 2023 Virginia Energy Plan (VEP) on October 3, 2022. The VEP cites Virginia's leadership in offshore wind and supports the development of wind facilities off the Commonwealth's coastline. The plan also encourages Virginia to develop technologies and generating resources that could be complementary to offshore wind, such as energy storage and hydrogen facilities.

❖ **Inflation Reduction Act:**

The Inflation Reduction Act (IRA) was signed into law on August 16, 2022. It contains several provisions designed to facilitate offshore wind development in the US. The IRA appropriates \$100 million for convening stakeholders and conducting analyses related to interregional transmission development and development of transmission for offshore wind energy. The energy Investment Tax Credit (ITC) provision provides a tax credit for offshore wind projects that begin construction before January 1, 2026. The base ITC is 6% but can increase to 30% for facilities that meet certain wage and workforce development requirements. Projects meeting certain domestic content requirements could be eligible

for a bonus credit of 10%.

❖ Virginia Port Authority:

On January 26, 2022, it was announced that the Virginia Port Authority will receive a \$20 million grant from the Department of Transportation for improvements upgrading Portsmouth Marine Terminal into a staging area to support the CVOW Project. The funds came from the Department of Transportation's Port Infrastructure Development Program, a competitive discretionary grant program run by the Maritime Administration.

❖ Letters of Comment:

In June, in response to the BOEM Central Atlantic Call for Information and Nominations, Governor Youngkin's Office, VOWDA, and Virginia Energy submitted letters of comment in response to the BOEM Central Atlantic Call for Information and Nominations.

Based on activities and accomplishments in 2021-2022, the Authority makes the following recommendations for 2023 to further advance offshore wind development and related supply chain activities in Virginia. The recommendations are ranked in order of priority.

RECOMMENDATIONS

RECOMMENDATION 1: Continue to support the current CVOW Commercial and Kitty Hawk projects, and other future projects, through

- Holding public meetings
- Submitting comments on BOEM documents and reports
- Facilitating resolution of potential use conflicts with all stakeholders, and
- Working towards meeting the offshore wind goals of the Clean Economy Act.

RECOMMENDATION 2: Continue to work with all stakeholders to create a regional supply chain for the CVOW Commercial, Kitty Hawk Offshore, and future offshore wind projects. Collaborate with stakeholders including Dominion Energy, Avangrid Renewables, other East Coast developers, Siemens Gamesa, Virginia Economic Development Partnership, universities, the Virginia Port Authority, the Virginia Maritime Association, Virginia, and European manufacturers, and others to promote Virginia companies and Virginia job growth as contributors to an enhanced supply chain for offshore wind.

RECOMMENDATION 3: Actively solicit research and development opportunities and activities to reduce the cost and risk of developing offshore wind resources and the supply chain, including leveraging the

CVOW project and other uses within the Virginia Department of Energy's Offshore Wind Research Leases in conformance with existing agreements. Work with Virginia colleges and research universities and create a platform to promote the benefits of using other areas adjacent to the Research Lease for important wind research, e.g., impacts from hurricanes, and potential impacts on marine life and commercial fishing.

RECOMMENDATION 4: Continue to work to identify possible power offtakers in the Commonwealth and elsewhere, such as utilities, military installations, large data companies with clean energy commitments, and other major corporations.

RECOMMENDATION 5: Recognize and continue to support the tri-state SMART-POWER MOU between VA, NC, and MD to support workforce development and job creation in the mid-Atlantic region, bring clean energy to the tri-state electric grid, and bring positive benefits to disadvantaged coastal communities.

RECOMMENDATION 6: Promote the continued refinement and deconfliction of BOEM's Central Atlantic Lease Areas off the East Coast in consultation with the Department of the Interior and all interested Virginia stakeholders.

As required by § 45.2-1808 of the Code of Virginia, the Authority submits this tenth annual report to the Governor and the Chairpersons of the House Appropriations Committee, the Senate Finance Committee and the House and Senate Commerce and Labor Committees.

MISSION AND OBJECTIVES

The Virginia General Assembly created the Virginia Offshore Wind Development Authority (VOWDA or the Authority) in 2010 for the purposes of facilitating, coordinating, and supporting the development of the offshore wind energy industry, offshore wind energy projects, and related supply chain opportunities. The Code of Virginia § 45.2-1804 tasks the Authority to support Virginia offshore job creation and supply chain development in cooperation with relevant local, state, and federal agencies. A copy of the Authority's Mission Statement and Objectives can be found in *Appendix A*.

The Governor appoints the nine non-legislative citizen members. The Director of Virginia Energy serves as the Director of the Authority, and Virginia Energy serves as staff to the Authority. The list of VOWDA Members is included as *Appendix B*.

The legislation requires the Authority to provide an annual summary of the activities of the Authority and policy recommendations to the Governor, the Chairpersons of the House and Senate Commerce and Labor Committees and the Chairs of the House Appropriations and Senate

Finance Committees. For the 2021 VOWDA Annual Report, click here: [2021 VOWDA Annual Report](#).

OFFSHORE WIND DEVELOPMENTS AND ACTIVITIES

Virginia Offshore Wind Development Authority

To accomplish its goals and objectives, the Authority regularly updates and implements a comprehensive work plan. To improve communications and coordination regarding VOWDA's work tasks and other state activities to facilitate development of the offshore wind resource and supply chain, Virginia Department of Energy staff holds monthly calls with stakeholders listed in Objective 2 below.

In 2021-2022, VOWDA focused on the following five objectives. Members developed tasks to achieve these objectives, completing several activities this year that support offshore wind power development.

1. Accelerate the drive for resources and policies to ensure that the first phase of the commercial wind energy buildout will support initial generation of energy by 2024 and that additional phases will come online in 2025 and 2026 to fully develop up to 2,600 MW of wind energy off Virginia's shore in six years.
2. Develop a coordinated policy, economic development, and workforce development strategy to incentivize and thereby ensure offshore wind supply chain opportunities for Virginia. Collaborate with stakeholders, including Dominion Energy, Ørsted, Avangrid Renewables, Virginia Economic Development Partnership, universities, the Virginia Port Authority, the Virginia Maritime Association, Virginia, and European manufacturers, and others to promote Virginia companies as part of the supply chain for offshore wind.
3. Actively solicit research and development opportunities and activities to reduce the cost and risk of developing Virginia's offshore wind resources and supply chain, including leveraging the CVOW project and other uses of the Virginia Department of Energy's Research Lease in conformance with existing agreements.
4. Identify possible power offtakers for offshore wind energy in the Commonwealth and elsewhere, such as large data companies with clean energy commitments and Amazon's Eastern HQ2 scheduled to be constructed in Northern Virginia at National Landing.
5. Work towards a multi-state regional supply chain cluster in Mid and South Atlantic coastal states, offering the industry a larger pipeline of projects and a wide network of the best of what each state has to offer.

VOWDA heard presentations from various stakeholders and experts. Available presentations can be viewed on the Authority's webpage at: [VOWDA Presentations](#).

❖ Avangrid Renewables:

Avangrid provided an overview on the Kitty Hawk Project, which is broken into two separate projects. Kittyhawk North will have up to 69 turbines with a combined capacity of 800 MW. Commercial operations are expected to begin in the fourth quarter of 2026. Kittyhawk South will have 129+ turbines, with commercial operation in 2028.

❖ Department of Environmental Quality (DEQ):

The DEQ gave an overview of the MARCO Ocean Data Portal, which highlights over 6,000 data layers to characterize fishing communities, marine life, oceanography, coastal and ocean recreation, renewable energy, and national security. The DEQ is working on a five-year grant strategy for Virginia ocean plan siting work and aquaculture.

❖ Dominion Energy:

Dominion Energy updated the Authority on the status of the CVOW two-turbine demonstration project, noting the project's 2021 performance exceeded their original capacity factor forecast of 41.5 percent with an actual capacity factor of about 45 percent.

Dominion also indicated the Commercial Wind Area development schedule is on track.

❖ North Carolina Clean Energy Technology Center (NCCETC):

The NCCETC presented on the Center's activities and application for a Build Back Better Regional Challenge Grant.

❖ Old Dominion University (ODU) and Office of Open Seas Technology Hub:

Open Seas Technology Hub and ODU gave an overview and demonstration of the forthcoming WindSite tool. The project has been supported by the Department of Defense and is seeking funding to continue work into the next year. The project has gone through the DOD Clearinghouse to ensure all stakeholders in DOD are engaged. The tool currently integrates the MARCO data portal and is exploring the potential to integrate supply chain siting data layers, which will require additional funding.

❖ Ørsted:

Ørsted won the BOEM lease auction for an 800 MW project off the coast of Maryland. Skipjack Wind 2 will generate enough green electricity to power 250,000 homes in the Delmarva region. Ørsted will be using Virginia steel for fabrication of the offshore substation in Corpus Christi, Texas.

❖ Virginia Department of Energy:

Virginia Energy shared updates about the 2023 Virginia Energy Plan, which applies five principles to evaluate the current state of the energy economy: affordability, reliability, competition, innovation, and environmental stewardship. The Plan was released on October 3, 2022.

Virginia Energy submitted VOWDA's Letter of Comment on BOEM's Requests for Information on Commercial Leasing for Wind Power Development on the Central Atlantic Outer Continental Shelf in June 2022.

Virginia Energy received updates on the SMART-POWER MOU. The SMART-POWER team is working to attract supply chain members and catalog the state permitting and other regulations that apply to OSW development to clarify, streamline, and align state regulatory requirements to reduce administrative burdens.

❖ Virginia Maritime Association:

The Virginia Maritime Association (VMA) Offshore Wind Committee has over 80 member companies involved in the facilitation of the offshore wind supply chain within the Commonwealth, including the Hampton Roads Alliance. During the 2022 Regular Session of the General Assembly, the VMA helped champion grant funding to help businesses pivot to the wind industry. VMA also is working with BOEM and the Coast Guard on proposed vessel traffic fairways and Call Area deconfliction.



APPENDIX A

MISSION STATEMENT AND OBJECTIVES

Virginia Offshore Wind Development Authority

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 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 (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.

Virginia Offshore Wind Development Authority

Objectives

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

1. Direct and provide support to the Virginia Department of Energy (formerly the Department of Mines, Minerals and Energy) 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
2. Collect, monitor, and provide information regarding the delivered cost, rate impact, economic impact, and environmental 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 lessee's 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 VA.

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 VA 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. VA 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 VA 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 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 BOEM 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.



APPENDIX B

VOWDA MEMBERS

VOWDA MEMBERS

Will Fediw, Chair

Vice President, Industry & Government Affairs
Virginia Maritime Association

Chris Gullickson, Vice Chair

Director, Economic Development
Virginia Port Authority

James McArthur, Jr.

Virginia Commercial Space Flight Authority Representative
Vice Admiral, U.S. Navy (Retired)

Laura McKay

Manager
Virginia Coastal Zone Management Program

Ashley McLeod

Lead Offshore Wind Public Affairs
Avangrid Renewables

Kathleen P. Owens

Founder and President
Beach Development Group

Howard Shafferman

Founder
Haswell Group, LLC

Bryan K. Stephens

President and CEO
Hampton Roads Chamber

Eileen Woll

Offshore Energy Program Director
Sierra Club



APPENDIX C

Letters of Comment



COMMONWEALTH of VIRGINIA

Office of the Governor

P.O. Box 1475
Richmond, Virginia 23218

June 27, 2022

Bridgette Duplantis
Office of Leasing and Plans
Bureau of Energy Ocean Management (BOEM)
1201 Elmwood Boulevard
New Orleans, Louisiana, 70123

Re: Commonwealth of Virginia Comments on BOEM Commercial Leasing for Wind Power Development on the Central Atlantic Outer Continental Shelf

Dear Ms. Duplantis,

The Commonwealth is already a leader in the offshore wind industry, and the Youngkin Administration is focused on the economic development opportunities presented by this emerging sector in a way that is consistent with a common sense energy policy that promotes jobs for Virginia and its right-to-work philosophy. We are working to ensure that any offshore wind development is economically beneficial to the Commonwealth and developed in a manner that maximizes job creation and investment in Virginia, as well as balancing the critical interests of established maritime industries, the defense sector, and the natural environment.

The Governor supports and is fully committed to Virginia's current offshore wind development, and we believe offshore wind has an important role in Virginia's development of a diversified and common sense energy portfolio. The Commonwealth will continue to support any future offshore wind development that meets Virginia's economic needs and protects ratepayers from high energy costs.

BOEM's Central Atlantic Call Area includes critical areas off Virginia's coast and any future leasing or development of parts the Call Area must balance the competing interests of all stakeholders. The Commonwealth is home to a variety of these stakeholders who understand and value the opportunities with any future development, but also recognize the need to ensure other critical services, industries, and infrastructure are also considered at the local to regional scale.

For example, the commercial maritime industry, which comprises over ten percent of the Commonwealth's gross domestic product, relies on safe and reliable navigation fairways.

Virginia's ports and waterways are among the most nationally and economically significant in the United States. While supportive of the growth of the offshore wind industry and the opportunities for the Commonwealth to provide critical support to the offshore wind industry supply chain and become a key hub for future development, we must ensure any future leasing areas do not detrimentally impact or restrict maritime commerce or commercial navigation within the federal channels into the Chesapeake Bay, Hampton Roads, The Port of Virginia's facilities, Chesapeake Bay anchorages, the Atlantic Ocean shipping lanes and its port approaches as well as traditional and projected high-density maritime traffic routes.

Additionally, while the Commonwealth continues to work with BOEM to ensure the recognition and understanding of impacts to commercial and recreational fisheries in the Call Area, further understanding of these relationships will allow for informed decisions to avoid and minimize impacts to fisheries. While there is recognition that recreational fisheries could benefit from the habitat provided by future development, large portions of the Call Area do not currently reflect the potential millions of dollars of negative impact to Virginia's commercial fishing industries. Ensuring avoidance and minimization of impacts before considering mitigation is critical to the foundation for future offshore wind development for Virginia.

There are many other considerations that are critical such as the Commonwealth's growing state and national space and military operations that require unimpeded navigation and radar, the expansive tourism industry throughout the Hampton Roads and Virginia Beach areas, and critical natural heritage resources within the Call Area and throughout Virginia's coast where potential transmission line landing sites could be required.

In addition to balancing the interests of other key stakeholders, it is still vital that Virginia's ratepayers be protected from high energy costs and the amount of the Call Area necessary for offshore wind energy should reflect its appropriate role in a diversified and common sense energy portfolio. We recognize that development costs associated with the emerging industry are a risk, and unchecked costs are also likely to prove counterproductive to further development of the industry. Any offshore wind development within the Call Area would also need to consider interconnection into the Commonwealth and the role it plays in the reliability of our energy transmission infrastructure.

We appreciate the consideration and incorporation by BOEM of previous input, but further collaboration and coordination between the Commonwealth, BOEM, other states, and key stakeholders in Virginia during every step in this process moving forward will allow for a final Call Area and lease conditions that optimize the offshore wind development opportunities.

In addition to previously submitted comments by the Commonwealth and our key agencies and partners, we encourage consideration of detailed comments by several Commonwealth agencies and departments as BOEM identifies final areas for leasing and development. Doing this will ensure that the Commonwealth continues to be a leader in the offshore wind industry, and will ensure that any offshore wind development is part of a common sense energy policy that is economically beneficial to the Commonwealth and developed in a manner that maximizes job creation and investment in Virginia, as well as balancing the critical interests.

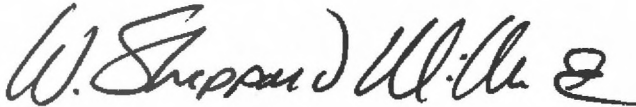
Sincerely,



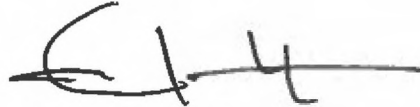
Travis Voyles
Acting Secretary of Natural and Historic
Resources



Caren Merrick
Secretary of Commerce and Trade



W. Sheppard Miller III
Secretary of Transportation



Craig Crenshaw
Secretary of Veterans and Defense Affairs



George "Bryan" Slater
Secretary of Labor

VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY



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<https://energy.virginia.gov/offshore-wind/Landing-page.shtml>

June 10, 2022

Bridgette Duplantis
Bureau of Ocean Energy Management
Office of Leasing and Plans
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123

Subject: Comments on Commercial Leasing for Wind Power Development on the Central Atlantic Outer Continental Shelf

Dear Ms. Duplantis,

In 2010, the Virginia Offshore Wind Development Authority (VOWDA) was established by the Virginia General Assembly 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, and
- Recommending ways to encourage and expedite offshore wind industry development

Development of additional Central Atlantic wind energy areas must balance competing interests of all stakeholders of the Commonwealth. For example, the commercial maritime industry comprises over 10% of Virginia's GDP, thus safe and reliable navigation fairways off of her coast must be preserved through the U.S. Coast Guard's Port Access Route Studies. Other important considerations include but are not limited to:

- Navigation and radar for U.S. Navy and U.S. Coast Guard vessels & aircraft,
- Safe, unimpeded access to the greater Port of Virginia,
- Subsea cable routing,

Bridgette Duplantis
Bureau of Ocean Energy Management
June 10, 2022
Page 2

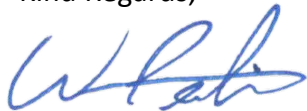
- Commercial and recreational fisheries,
- Marine wildlife,
- The NASA Wallops Island facility and Virginia's Commercial Space Program, and
- The Virginia coastal tourism industry

BOEM has a track record of having frequent and meaningful collaboration with relevant stakeholders and the public through the intergovernmental renewable energy task force process, and VOWDA encourages BOEM to continue this success through the Central Atlantic Intergovernmental Renewable Energy Task Force. This should continue to include stakeholder representatives such as Virginia's Tribal Nations, the Department of Defense, U.S. Coast Guard, the Port of Virginia, the Virginia Marine Resources Commission, and the Virginia Maritime Association.

As part of the Carolina Long Bay auction process, BOEM gathered feedback on best practices for coordinating with key stakeholders and then implemented a semi-annual reporting requirement for lessees based on stakeholder input. VOWDA recommends BOEM continue to build upon the Carolina Long Bay Final Sales Notice to ensure adequate input from regional stakeholders in the Central Atlantic.

In conclusion, VOWDA believes that the development of additional wind energy areas off the coast of Virginia can continue the tremendous economic opportunity started with earlier leasing rounds. As has been the case previously, development should be done in a manner that minimizes impacts to other existing ocean users, many of which greatly contribute to the Commonwealth's economy. As a political subdivision of the Commonwealth, VOWDA strongly encourages BOEM to continue to work with all relevant stakeholders in the responsible, timely refinement and leasing of the Central Atlantic Call Areas.

Kind Regards,



Will Fediw, Interim Chair
Virginia Offshore Wind Development Authority



COMMONWEALTH OF VIRGINIA

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June 28, 2022

Bridgette Duplantis
Bureau of Ocean Energy Management
Office of Leasing and Plans
1201 Elmwood Park Boulevard
New Orleans, LA 70123

**RE: Virginia Department of Energy Comments on BOEM's Requests for Information:
Commercial Leasing for Wind Power Development on the Central Atlantic Outer Continental Shelf**

Dear Ms. Duplantis,

On April 29, 2022, the Bureau of Ocean Energy Management (BOEM) issued a Requests for Information regarding commercial leasing for wind power development on the Central Atlantic Outer Continental Shelf. The Call Area identified includes areas that are off Virginia's coast and offshore wind facilities built within these areas would likely interconnect into the Commonwealth. The Virginia Department of Energy (Virginia Energy), in its capacity as a steward of responsible energy development in the Commonwealth, is submitting the following comments requesting that BOEM collaborate with the Commonwealth of Virginia to ensure that any wind facility development is economically beneficial to the Commonwealth and includes adequate protections for Virginia's other maritime interests and the natural environment.

While the Commonwealth has embraced the offshore wind industry, it is still vital that Virginia's ratepayers be protected from high energy costs. In addition to the economic burden high electric bills would place on citizens, unchecked costs are also likely to prove counterproductive to further development of the industry. Previous lease sales have demonstrated that BOEM can work with states to create lease provisions that meet each state's unique economic requirements. For example, the recent Carolina Bay auction included a bill credit for bidders who incorporated robust workforce training or supply chain development programs. Past auctions for Maryland and New Jersey leases included bill credit for bidders who met state-mandated wind energy prices or economic investment criteria through power purchase agreements (PPA) or Offshore Renewable Energy Certificate (OREC) agreements.

Virginia Energy strongly recommends that BOEM collaborate closely with the Commonwealth of Virginia to identify lease provisions that will satisfy the Commonwealth's requirement that wind developments off its coast must represent a net benefit that supports economic growth and protects captive ratepayers. Collaboration with BOEM will allow the Commonwealth to contribute to a final Call Area and lease conditions that optimize the offshore wind opportunity for the state.

BOEM should continue to have frequent and meaningful collaboration with the Central Atlantic Intergovernmental Renewable Energy Task Force and stakeholder representatives, including Virginia's Tribal Nations, the Department of Defense, the United States Coast Guard, the Port of Virginia, the Hampton Roads Alliance and the Virginia Maritime Association. As part of the Carolina Bay auction process, BOEM gathered feedback on best practices for coordinating with key stakeholders and then implemented a semi-annual reporting requirement for lessees based on stakeholder input. Virginia Energy regards a similar reporting requirement, amended with any additional input from regional stakeholders, to be an appropriate inclusion in the Central Atlantic leases.

Sincerely,

John Warren
Director, Virginia Energy