

MINUTES
VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY
STATE CORPORATION COMMISSION
TYLER BUILDING – COURT ROOM 2
1300 EAST MAIN STREET
RICHMOND, VA

WEDNESDAY, NOVEMBER 13, 2013

Call to Order

Chair Bob Matthias called the meeting to order at 10:15 a.m.

Members Present: Joan Bondareff, Mary Doswell, John Jester, Bob Matthias, Art Moye, Ron Ritter

Members Absent: Brian Redmond

Staff Present: Conrad Spangler, DMME Director; Al Christopher, DMME Energy Division Director; Ken Jurman, DMME Renewable Energy Manager; Lynne Astroth, DMME Energy Project Coordinator; Matt Gooch, Assistant Attorney General; Rick Thomas, Timmons Group; George Hagerman, Virginia Tech Advanced Research Institute, Susan Sorlie, Virginia Tech Advanced Research Institute.

Staff Absent: Carrie Roth, Deputy Secretary of Commerce and Trade; Evie Christopher, Administrative Staff Assistant.

APPROVAL OF MINUTES

The Chair called for a motion to approve the October 15, 2013 minutes as presented. The motion to accept the minutes, by Ron Ritter seconded by Bob Matthias, passed unanimously.

COMMERCIAL LEASE: *Dominion Virginia Power*

Presenter: Mary Doswell, Dominion Virginia Power

Mary Doswell provided the Commercial Offshore Wind Development update highlighting Dominion's winning bid of \$1.6 million for development rights in the Virginia Wind Energy Area (WEA). The auction lasted one day and consisted of six rounds. In addition to Dominion Virginia Power, the only other participant in the sale was Apex Virginia Offshore Wind, LLC. The Virginia WEA will support up to 2,000 MW of wind power.

Dominion received the executed lease in October, and the lease became effective on November 1, 2013. Bob Matthias requested the lease document be placed on the VOWDA website. Staff agreed to request that James Madison University (the VOWDA website manager) include the lease agreement, currently posted on the Bureau of Ocean Energy Management (BOEM) site, on the VOWDA website.

Dominion's schedule of key near-term project deliverables includes:

- Submit first lease payment (six months of rent) within 45-calendar days of lease receipt.
- Submit Site Assessment Plan by April 22, 2014 (six months from lease issuance/execution).
- Submit Semi-Annual Progress Report during the five-year lease assessment term by May 1, 2014 (six months from lease effective date).
- Submit Construction & Operations Survey Plan by November 1, 2014 (12 months after lease effective date).
- Lease kickoff meeting in early December at BOEM's Northern Virginia office to discuss lease requirements, milestones, Site Assessment Plan and Construction & Operations Survey Plan.

VOWTAP: *Dominion Virginia Power*

Presenter: Mary Doswell, Dominion Virginia Power

Mary Doswell gave an update on the Virginia Offshore Wind Technology Advancement Project (VOWTAP). Current plans are 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 Wind Energy Area. The turbines will be oriented in a north/south configuration to test wake effects.

Of the original seven competitors for the Department of Energy (DOE) Round Two funding, six projects remain: four projects with fixed foundations and two projects with floating foundations. StatOil withdrew their Maine project citing uncertainty about state regulations and the potential for project delays. The six remaining projects are competing for three, Round Two grants in the down-select. It is likely DOE will want to test both fixed and floating technologies. VOWTAP is the only project in federal waters, and also tied specifically to a BOEM wind energy area.

Dominion will submit the final down-select report to DOE on February 13, 2014, and will make a presentation to DOE in April. DOE will make final down-select decisions in May 2014.

The Dominion/VOWTAP website is in the process of being updated and Molly Plautz with Dominion will provide a link for the Board and Staff.

Joan Bondareff recommended that VOWDA support Dominion's cost recovery filing to the State Corporation Commission (SCC) for approvals required to support the VOWTAP project (assuming it

is approved by DOE). Staff was asked to draft a Resolution from VOWDA supporting the filing and any necessary legislation to encourage the SCC to support the filing. Joan was asked to do an initial review of the resolution. A motion, made by Bob Matthias and seconded by Art Moye, was passed. Mary Doswell abstained.

See the full PowerPoint presentation on the VOWDA website at:

<http://wind.jmu.edu/offshore/vowda>

VOLUNTARY RIGHT WHALE AGREEMENT: *National Resources Defense Council / National Wildlife Federation*

Presenter: Chelsea Harnish, Policy and Campaigns Manager, Virginia Conservation Network

Call In: Michael Jasny - Senior Policy Analyst ~ National Resources Defense Council

The North Atlantic Right Whales and Offshore Wind Site Assessment & Characterization Agreement for the Mid-Atlantic is the result of a collaborative effort between offshore wind developers and environmental Non-governmental organizations with input from scientific experts. The goal of this 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.

Per Michael Jasny, the developers that participated in drafting the agreement were Deepwater Wind, NRG, and EMI. In addition, the UK-based developer RES participated early in the process, but more in an advisory capacity so that the European experience was taken into account.

DeepWater Wind signed the agreement, which is specifically for site assessment and characterization and is voluntary and not enforceable. When asked if Dominion will sign this agreement, Mary Doswell replied that Dominion will investigate further if VOWTAP is awarded follow-on funding by DOE.

See the full PowerPoint presentation on the VOWDA website at:

<http://wind.jmu.edu/offshore/vowda>

VIRGINIA DATA COLLECTION AND ANALYSIS: *Cornell University Bioacoustics Research Program*

Presenter: Aaron Rice, Director, Bioacoustics Research Program ~ Cornell Laboratory of Ornithology

Also in attendance: Brian Cusimano, Sales Manager, Bioacoustics Research Program ~ Cornell Laboratory of Ornithology

Bioacoustics, a Research Unit within Cornell, works with State and Federal agencies, the Military and Industry and has a goal to use best available data to achieve effective industry operations while balancing environmental needs and uncertainties.

Aaron Rice discussed work off the coast of Virginia. The Bioacoustics Research Unit installed five recorders off the coast of Virginia Beach June 3, 2012 through June 2013. He discussed the

advantages of Passive Acoustic Monitoring, such as its ability to detect and identify multiple vocally active species and other environmental sounds using non-invasive methods. He noted that passive monitoring will not detect non-vocalizing species, that there are many unknown calls and that it's challenging to analyze and curate large data sets.

The Virginia Acoustic Survey has provided new understanding of right whale occurrences. Cornell is currently working on two years of Virginia data and is collecting data at other Atlantic coast sites. These long term surveys can reduce data gaps, further reduce risk to developers and help minimize environmental impacts.

Cornell Bioacoustics Lab's PowerPoint presentation is available on the VOWDA website at: <http://wind.jmu.edu/offshore/vowda/index.html>

UPDATES

- **2014 Work Plan** –Changes to the Work Plan were highlighted by Al Christopher. Board/Staff will take Work Plan home for review and further comment at a later date.

- **Briefing on RFI and RFP for \$1 million in state funds**
Al Christopher, DMME, Director of Energy
Ken Jurman, DMME, Renewable Energy Manager

The agency received 21 responses to its public Request for Information seeking recommendations on how to leverage \$1 million in state funding with additional private and federal funding to position Virginia with a competitive advantage in attracting the offshore wind industry. The RFI responses will help to tailor an RFP expected to be issued in early December. Private companies and federal and state agencies from Virginia, California, New Jersey, the U.K. and Norway offered a broad range of recommendations.

Ken Jurman compiled a matrix broken down by broad subject areas. Areas of recommendations included: polling to gauge public acceptance and rate payer appetite for rate increases, development of centralized web portals similar to the European "4C" Offshore web portal (www.4coffshore.com), additional cost analyses, legal research on issues such as the Jones Act, and additional port and supply chain studies.

Bob Matthias noted that polling Virginians might not be too costly.

DMME's goal is to develop an RFP that leverages federal and private matching contributions and to publish it in time to collect responses and enter into agreements to implement the best proposal(s).

- **VOW Coalition request for additional funding**
Al Christopher reviewed the Virginia Port Authority letter to Governor McDonnell in support of the funding request by the Virginia Offshore Wind Coalition (VOW). The letter supports the VOW request for:

- \$2.8 million to look at offshore industry supply chain needs and assessment of Virginia's port capabilities;
 - \$500,000 for development and implementation of Virginia offshore wind marketing activities; and
 - \$500,000 for workforce development.
- **Research Leases**
 Al Christopher advised that he is expecting lease offers at any time and is still working with BOEM to clarify logistics and other issues. A meeting will be scheduled to discuss further.
- **Regional Ocean Survey**
- DMME and BOEM will meet on November 21, 2013, in Herndon, Virginia, to review the findings of the Fugro G&G study funded by DMME, BOEM and Fugro. The final report on the G&G Survey is pending final review and comments from BOEM.
 - Fugro will be on the next agenda to provide an update.

VOWDA 2014 MEETINGS AND AGENDA ITEMS

- Next meeting date is tentatively scheduled for January 16, 2014 at the SCC.
- Agenda items / presentations for 2014 meetings: Staff will work from the current list of presenters and pick the timeliest and most appropriate presenters, based on VOWDA's ranked list, for the upcoming meetings.

PUBLIC COMMENTS

None

ANNOUNCEMENTS

Bob Matthias was contacted by Environment America who is having a media event on Monday, December 2, 2013 in Hampton Roads to promote clean energy in Virginia. They are also having a conference call on the 29th and Bob will get the information from it and share it with the staff. Chelsea Harnish advised that they are releasing a report on offshore energy.

ADJOURNMENT

Meeting adjourned at 12:35 p.m.