

**MINUTES
VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY**

**PATRICK HENRY BUILDING CONFERENCE ROOM 3
RICHMOND, VIRGINIA**

**TUESDAY, MAY 3, 2011
10:00 A.M.**

CALL TO ORDER AND INTRODUCTIONS

Chairman Art Moye called the meeting to order and invited members, staff, and guests to introduce themselves.

Members Present: Art Moye, Joan Bondareff, Mary Doswell, Lisa Johnson, Bob Matthias, Brian Redmond, and Ron Ritter

Members Absent: Mark Bitterman

Staff Present: Carrie Cantrell, Deputy Secretary of Commerce and Trade; Conrad Spangler, Department of Mines, Minerals and Energy (DMME) Director; Cathie France, DMME Deputy Director for Energy Policy; Al Christopher, DMME Division of Energy Director; Ken Jurman, DMME Renewable Energy Manager; Kerri Nicholas, Assistant Attorney General

Guests Present: Robert Mitchell, CEO, Atlantic Wind Connection; Kevin Curtis, Director of Electronic Transmission Planning, Dominion Resources Services, Inc.

APPROVAL OF MINUTES

The Chairman called for a motion to approve the March 31, 2011, minutes as presented. *The motion to accept the minutes was made by Bob Matthias, seconded by Lisa Johnson, and passed unanimously.*

DISCUSSION AND ADOPTION OF GOALS AND OBJECTIVES

Presenters: Art Moye, VOWDA Chairman, and Cathie France, DMME Deputy Director for Energy Policy

Members provided a brief summary of their organization's background and what they want to see VOWDA accomplish. Discussion then followed on VOWDA's proposed goals and objectives:

- Mission Statement
- Objectives
 - Virginia Offshore Data

- Offshore Leasing, Permitting and Regulation
- Virginia Offshore Job Creation and Supply Chain Development
- Offshore Wind Project Siting and Development

The draft document was edited to include the changes and comments as discussed by members and staff. *Bob Matthias made a motion to accept the revised goals and objectives subject to final review. Ron Ritter seconded the motion and it passed unanimously.*

ATLANTIC WIND CONNECTION PRESENTATION

Presenter: Robert Mitchell, CEO, Atlantic Wind Connection

Bob Mitchell presented Atlantic Wind Connection's proposed plans to build a transmission "backbone" line from New Jersey to Virginia for offshore wind farms in the mid-Atlantic to allow for large-scale development of wind energy resources and lower costs for consumers. The project, led by Trans-Elect and sponsored by Google, Good Energies, and Marubeni Corporation, would interconnect the four Mid-Atlantic Wind Energy areas and be built in phases over a ten year period. When fully completed, the system would enable 6,000 megawatts of wind power to be developed. AWC recently filed an unsolicited right-of-way application with the BOEMRE and has been declared a qualified applicant. This project must also be reviewed by PJM Interconnection and accepted into its regional transmission expansion plan before construction could proceed. A copy of Mr. Mitchell's presentation, "Achieving Scale with a Transmission Backbone" is available.

DOMINION OFFSHORE WIND TRANSMISSION STUDY UPDATE

Presenter: Kevin Curtis, Director of Electronic Transmission Planning, Dominion Resources, Inc.

Kevin Curtis provided an update on Dominion Virginia Power's next phase of its transmission study that will focus on the potential development of a high-voltage transmission line from Virginia Beach out to the Atlantic Ocean that could reduce costs and support potential multiple offshore wind projects off of Virginia's coast. The preliminary scoping study, which will be completed by late 2011, will include technology solutions; reliability, operation and maintenance issues; power flow and grid reliability; configuration alternatives for trunk lines to shore; and offshore transmission infrastructure construction costs. This follows Dominion's study last year that indicated it is possible to interconnect large scale wind generation facilities up to a total installed capacity of 4,500 MW and that upgrades would be required as actual output of wind farms increased above 1500 MW. A copy of Mr. Curtis's presentation is available.

VOWDA RECOMMENDATIONS FOR ACTIONS TO FACILITATE TRANSMISSION OF POWER FROM OFFSHORE WIND ENERGY PROJECTS

Presenter: Cathie France, DMME Deputy Director for Energy Policy

Cathie France led the discussion on the draft VOWDA report of recommendations on facilitating transmission from offshore wind energy projects which included:

- The Dominion Virginia Power study performed at the request of the Department of Mines, Minerals and Energy in accordance with § 67-1206 B of the Code of Virginia to determine the potential interconnection options for multiple offshore wind facilities to the transmission grid.
- The proposed Dominion Virginia Power preliminary scoping study of an offshore transmission line to facilitate Virginia's offshore wind industry.
- The Atlantic Wind Connection right-of-way application with BOEMRE to support construction of an offshore transmission system that would interconnect the four Mid-Atlantic Wind Energy Areas.
- Virginia's pre-application submitted to U.S.DOE Funding Announcement for Offshore Wind Market Barrier Removal in response to Topic Area 4.2 for "Utility Interconnection and Integration Case Studies."

The Authority noted that when the General Assembly initially passed legislation requiring the review of all utility transmission studies and recommendation of actions, it was anticipated that the federal Call for Information would be issued and offshore wind projects known by May 31, 2011; therefore, it would be premature for the Authority to make any final recommendations. After further discussion, Cathie France was asked to revise the recommendations using the feedback received at today's meeting.

- Support and encourage studies being conducted by PJM, Dominion Virginia Power, and Atlantic Wind Connection.
- Explore use of U.S. Department of Energy federal loan guarantees and U.S. Department of Treasury § 1603 renewable energy grants.
- Monitor the progress of other states' offshore efforts and explore opportunities to eliminate duplication of efforts and ensure sustainable offshore wind projects and associated supply chain development.
- Explore finance opportunities for public-private partnerships through the Virginia Resources Authority.

Since the statute doesn't identify to whom this report should be sent, it was agreed the Authority would submit the final report to the Governor and chairmen of the House Appropriations Committee, the Senate Finance Committee, and the House and Senate Commerce and Labor Committees, as is required for the annual report.

Bob Matthias made a motion to formally approve the report subject to final review. Ron Ritter seconded the motion, which passed unanimously.

VOWDA WORK PLAN AND TIMELINE TO ACCOMPLISH GOALS AND OBJECTIVES

Presenters: Art Moye, VOWDA Chair, and Cathie France, DMME Deputy Director for Energy Policy

The 12-month VOWDA Work Plan will identify action items by objective and include a timeline for accomplishing each task. Due to time constraints, the members of the Authority will submit their comments and suggestions for Work Plan action items to Cathie France by May 17, who will consolidate ideas and distribute a draft plan for discussion at the next VOWDA meeting. It was agreed that Cathie and Chairman Art Moye will make assignments and determine what resources are needed to accomplish each task.

ANNOUNCEMENTS / UPDATES

Next Meeting: Tuesday, June 14, 10 a.m. Members can send any suggestions for agenda topics to Cathie France, Art Moye, and Joan Bondareff.

Virginia Call: Art Moye informed members that a meeting with BOEMRE, NOAA, and DOD is scheduled for May 17th in Norfolk to discuss the status of Virginia's Call Area.

Future Meetings: Bob Matthias recommended that the Authority invite Carol Wampler, Department of Environmental Quality, to talk about the permit process and areas available for wind development. Cathie France offered suggestions for future presenters, such as PJM, Virginia Resources Authority, and Gamesa-Huntington Ingalls.

PUBLIC COMMENTS

Matthew LaRocque, Manager of Regulatory and Legislative Affairs for MD, VA, NC, PJM Interconnection, told the Authority that PJM is going through a major revamp of its transmission planning process to include state processes and rules. The stakeholder process includes review of multiple scenarios and there are no preferred scenarios. PJM will make its final report by this fall. Mr. LaRocque offered to make a presentation on PJM updates to VOWDA at a future meeting.

Kevin Rasmussen, Phoenix Group, expressed appreciation of VOWDA's work and encouraged the Authority to recommend state legislation to provide state tax exempt bonds for clean energy. Carrie Cantrell informed the group that tax exempt bonds for clean energy projects are currently available through the Virginia Resources Authority.

Chelsea Harnish, Chesapeake Climate Action Network, announced that a new coalition, VA4 Wind, has been developed to spur offshore wind development off Virginia's coast. Member groups include the Chesapeake Climate Action Network,

the Sierra Club, Green Jobs Alliance, and Virginia Interfaith Power and Light. Members were provided a copy of the May 3, 2011, letter from the coalition concerning barriers in Virginia and offering input for consideration in the development of VOWDA's mission and objectives.

Eileen Levandoski, Sierra Club Virginia Chapter, invited VOWDA to attend the May 10th press conference, 10 a.m., at the Richmond Marriott to learn more about VA4Wind.

ADJOURNMENT

The meeting adjourned 2:45 p.m.