

**MINUTES  
VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY**

**DEPARTMENT OF ENVIRONMENTAL QUALITY PIEDMONT REGIONAL OFFICE  
TRAINING ROOM  
GLEN ALLEN, VIRGINIA**

**THURSDAY, MARCH 31, 2011  
2:00 P.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:** Guy Chapman, Renewable Research & Program Development Director, Dominion Resources Services Inc.; Ted Boling, Counselor to Assistant Secretary for Land and Minerals Management, U.S. Department of Energy; Chris Hart, Offshore Wind Manager, U.S. Department of Energy; Bill Cofer, President, Virginia Pilot Association; Sally McNeilan, Business Development Manager, Furgo Atlantic; George Hagerman, Offshore Wind Research Director, Virginia Coastal Energy Research Consortium; Jonathan Miles, Virginia Center for Wind Energy Director, James Madison University; and Jerry Giles, Director of Finance & Technology, Energy & corporate Services Team Managing Director, Business Development Group, Virginia Economic Development Partnership.

**APPROVAL OF MINUTES**

The Chairman called for a motion to approve the March 3, 2011, minutes as presented. *The motion to accept the minutes was made by Joan Bondareff, seconded by Ron Ritter, and passed unanimously.*

## **COST COMPARISON OF OFFSHORE WIND GENERATION v. NEW GENERATION BY OTHER SOURCES**

**Presenter: Guy Chapman, Dominion Resources Services, Inc.**

Dominion Resources Services prepared a report for VOWDA that compared the cost of electricity from offshore wind to new power generation produced from relative technologies – coal, nuclear, biomass, solar. EIA’s Annual Energy Outlook 2011 indicates that 2011 offshore wind costs are 50 percent higher than last year. As European offshore wind projects move into deeper waters, the project costs have been steadily increasing. Guy Chapman reported that while offshore wind energy costs are higher now than other forms of new power generation, these costs should decline as the U.S. industry grows. A copy of his presentation is available.

## **CHESAPEAKE LIGHT TOWER UPDATE**

**Presenter: Bob Matthias, Assistant to the City Manager, City of Virginia Beach & VOWDA Member**

Bob Matthias reported that the engineering analysis to determine the feasibility of using the Chesapeake Light Tower (CLT) as a potential site for a weather tower to collect wind data should be completed by early April. If the City of Virginia Beach purchased the CLT, support would be required for the needed \$2 million in estimated structural repair costs and ongoing maintenance costs. The Virginia Beach City Council will re-evaluate its options once the report is completed.

## **DOI SMART FROM THE START WIND ENERGY PROGRAM AND DOE FINANCIAL INCENTIVES**

Ted Boling and Chris Hart provided an overview of the U. S. Department of Interior’s and U. S. Department of Energy’s coordinated strategy for advancing offshore wind development.

**Presenter: Ted Boling, Department of the Interior**

The Atlantic Wind Smart from the Start Initiative was developed to identify areas for wind energy leasing proposals; to streamline the process for siting, leasing and construction of new projects; and to facilitate environmentally responsible development. In February 2011, BOEMRE issued a Notice of Intent announcing that it will prepare a regional environmental assessment (EA) to analyze the potential impacts from leasing, site characterization, and site assessment in and around the identified wind energy areas. The Mid-Atlantic EA, which will be developed using many of the principles of coastal and marine spatial planning mandated by Executive Order issued by the President, should be ready sometime this summer. There are no plans at this time to prepare an Environmental Impact Statement on the leases. BOEMRE will develop guidance documents from the information gathered for

potential developers' use. Virginia's Call for Information and Nominations should be ready this spring.

**Presenter: Chris Hart, U.S. Department of Energy**

DOE is leading the national mobilization of resources for offshore wind development. The National Offshore Wind Strategy identifies the major challenges facing the deployment of offshore wind energy and outlines actions for overcoming those challenges by reducing the cost and reducing the timeline for deploying offshore wind systems. These two objectives will be addressed through three focus areas: technology development, market barrier removal, and advanced technology demonstration. In support of this Plan, DOE released three solicitations, representing \$50.5 million over five years, to develop breakthrough offshore wind technology and to reduce specific market barriers to its deployment.

Brian Redmond asked if the Chesapeake Light Tower fit in with any of the available DOE funding opportunities. Chris Hart said that the usage of the CLT as an offshore wind resource characterization asset could apply to the Removing Market Barriers grant. George Hagerman said that the VCERC submitted several solicitation proposals to DOE and tried to leverage this funding opportunity around the CLT. Mr. Hagerman will request permission to provide a list of Virginia's solicitation proposals [project title and brief proposal summary] to VOWDA.

More information on the DOI / DOE Offshore Wind Strategic Plan and Atlantic Wind Energy Wind Initiative materials can be found at:

[http://www1.eere.energy.gov/windandhrdo/pdfs/national\\_offshore\\_wind\\_strategy.pdf](http://www1.eere.energy.gov/windandhrdo/pdfs/national_offshore_wind_strategy.pdf)

<http://www.doi.gov/news/pressreleases/Salazar-Chu-Announce-Major-Offshore-Wind-Initiatives.cfm>

**NAVIGATION CONCERNS**

**Presenter: Captain Bill Cofer, Virginia Pilot Association**

Captain Cofer briefed VOWDA on the issues of offshore wind development and the needs of commercial navigation. Hampton Roads has a natural harbor with 50-foot channel depth and no height restrictions. With the opening of the Panama Canal in 2014, Virginia will have larger ships entering and departing its already busy port. Improvements are necessary to provide safer, wider, and deeper channels. We need to ensure that the proposed lease blocks don't interfere with current and future vessel traffic and navigation projects. These issues must be addressed now, in the beginning of the siting and leasing process. A copy of Captain Cofer's presentation is available.

## **VIRGINIA OFFSHORE WIND COALITION**

**Presenter: Sally McNeilan, Fugro Atlantic and VOW Coalition Board Member**

The VOW Coalition is a stakeholder organization established to promote the development of offshore wind energy in Virginia and the associated supply chain to bring new businesses and jobs to Virginia. The Coalition's main focus is supply chain development. It actively engages government and industry to make Virginia competitive with other states. In order to build an offshore wind supply chain, Virginia will need to create incentives and opportunities to develop offshore wind.

Ron Ritter mentioned that VOW developed a work book which provides helpful information and asked Ms. McNeilan to provide VOWDA with CD copies or an access link on VOW's website.

## **DMME CONTRACT FOR OFFSHORE WIND DEVELOPMENT SUPPORT – PROPOSAL FOR NOWTC**

**Presenter: George Hagerman, Virginia Coastal Energy Research Consortium**

George Hagerman briefed VOWDA on the plans and progress for the development of the proposed National Offshore Wind Technology Center in Hampton Roads. The VCERC Study determined the need for a full scale coastal turbine demonstration project to prove turbine reliability. This would be key to attracting investors. A demo project could also provide needed data and address Navy and Department of Defense issues. The DOE advance funding for a national offshore wind test center was delayed but NOWTC has applied for the current DOE solicitations, which could provide funding of \$5-\$7 million over a five year period. Private investors will be needed to provide the additional \$15-\$20 million per year and they are in process of preparing a business plan. The NOWTC is focusing on standing up sites and developing good stakeholder communication. While the lack of federal funding affects the timetable, NOWTC can start the process by getting sites ready and prepared to offer to private industry. A copy of his presentation is available.

## **VEDP PROPOSAL TO LEVERAGE RESOURCES AND MAXIMIZE ACCOMPLISHMENT**

**Jerry Giles, Virginia Economic Development Partnership**

Jerry Giles addressed VOWDA about the importance of leveraging the Commonwealth's resources in order to accomplish our goals for wind energy and supply chain development. There are currently multiple players in various stages of this process. His presentation included a chart that compared the mission and objectives of VOWDA, NOWTC, and the European For-Profit Test Center Model that noted the areas of overlap. We need to ask the question: Does it make sense that these three entities

do the same thing? He suggested that VOWDA use this chart as a template for developing its goals and objectives.

## **VOWDA GOALS AND OBJECTIVES**

Chairman Art Moyer asked members to review the VOWDA 2011 Objectives draft document and to re-evaluate them in light of the discussion at today's meeting. A lot of good information was provided that members can consider when defining VOWDA's role and what needs to be done going forward. Members are to send their comments / changes to Cathie France by Friday, April 22, who will compile and distribute for discussion at the next meeting.

## **LEGISLATIVE DELIVERABLES—FUNDING**

**Presenter: Carrie Cantrell, Deputy Secretary of Commerce and Trade**

The language of the budget item to provide \$500,000 funding to VOWDA specified that the money was to be used to assist in securing the location of the proposed national offshore wind technology center. Since the federal DOE funding for this cost-sharing proposal is no longer available, this negatively impacts any allocation to VOWDA. The 2012 legislative process begins in July 2011 and requests can be submitted for consideration in next year's budget.

## **NEW BUSINESS**

**Dominion Press Release – Additional Study on Offshore Wind Transmission (Mary Doswell):** Dominion Virginia Power announced today [3-31-11] that it is initiating a study of what it would take to build a high-voltage underwater transmission line from Virginia Beach into the Atlantic Ocean to support potentially multiple offshore wind farms. Dominion plans to complete the study this year, evaluating options to best support multiple offshore wind projects off the coast of Virginia. They would work with PJM Interconnection through its Regional Transmission Expansion Planning process.

**VOWDA Recommendations on Transmission Report:** VOWDA's recommendations on Dominion's Power Transmission Study and any other studies are due by May 31, 2011. *Joan Bondareff made a motion for VOWDA staff to develop a draft set of recommendations for members' review at its next meeting. Ron Ritter seconded the motion and it passed unanimously.*

**Next Meeting:** Tuesday, May 3, 10 a.m.

## **PUBLIC COMMENTS**

Neal Rondorf, of Science Applications International, provided his perspective on the collaboration for growing the offshore wind industry. Federal agencies look for large scale solutions to move the U.S. wind industry forward. To attract federal funding and private capital, the various entities must work together, and not compete for the same work, in order to provide an integrated solution.

Tim Wilkins, of Paliria Energy Inc., provided his insights on offshore wind cost trends. Virginia needs to put together a framework to offer developers; provide commercial assessments to draw development into the market. To become cost competitive, we need to find ways to get the cost below what exists in today's market. Mr. Wilkins contributed to the VCERC report on the economic potential for developing offshore wind and the industry required to support this development.

## **ADJOURNMENT**

The meeting adjourned 4:55 p.m.