

MINUTES
VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY
VIRGINIA STATE CAPITOL ~ HOUSE ROOM 3
1000 BANK STREET
RICHMOND, VIRGINIA
THURSDAY, APRIL 23, 2015

CALL TO ORDER

Chair Bob Matthias called the meeting to order at 10:30 a.m. Members, staff, and guests introduced themselves.

Members Present: Joan Bondareff, Mary Doswell, Phillip Green, Bob Matthias, Brian Redmond, Ron Rosenberg

Members Absent: John Broderick, Deborah Miller, Art Moye

VOWDA Staff Present: Conrad Spangler, Al Christopher, Ken Jurman, Barbara Simcoe, Robin Jones, Borna Kazerooni, Evie Christopher, George Hagerman, Paul Kugelman

APPROVAL OF MINUTES

The Chair called for a motion to approve the January 28, 2015, minutes as presented. The motion to accept the minutes, made by Joan Bondareff and seconded by Mary Doswell, passed unanimously.

U.S. OFFSHORE WIND STATUS UPDATE

Presenter: Brian Redmond, Paragon Asset Group

Brian Redmond and other VOWDA members (Mary Doswell, Joan Bondareff) attended the 6th annual Offshore Wind Power USA Leaders Congress held in Boston, Massachusetts, February 24-25, 2015. Mr. Redmond gave a presentation to members on the status of offshore wind development in the United States that included some of the industry's bright spots, barriers to overcome, and the U.S. commitment required to accelerate the growth of offshore wind. His presentation will be available on VOWDA's website at <http://wind.jmu.edu/offshore/vowda/index.html>.

VIRGINIA OFFSHORE WIND TECHNOLOGY ADVANCEMENT PROJECT UPDATE

Presenter: Mary Doswell, Dominion Resources Inc.

Mary Doswell reported that Dominion received one responsive bid to the Request for Proposals it issued for an engineering, procurement and construction provider to manage the construction of the two 6 MW test turbines off the coast of Virginia Beach (VOWTAP). The bid was nearly twice the amount of Dominion's initial estimate of \$230 million and is open-ended due to the unknowns surrounding the project. Due to the high cost concerns, Dominion will delay its planned July 2015 State Corporation Commission (SCC) filing and seek other ways to reduce the cost and risk to an acceptable level. Dominion will apply to the Department of Energy for an extension to the 2017 deadline for the selected offshore wind advanced technology demonstration project, VOWTAP, to be installed and operating.

Dominion recommends the formation of a stakeholders group, using a professional facilitator, with the intent to find a solution to continue the project and file with the SCC. Following the discussion, Joan Bondareff's motion, seconded by Ron Rosenberg, to endorse the stakeholders' process passed unanimously.

"I move that Dominion Power, in partnership with VOWDA and DMME, convene a forum (or fora) of interested stakeholders to discuss options for reducing the cost of the VOWTAP project, while taking into account both the risk and benefits of the project, with the intent of seeking approval by the State Corporation Commission. The forum (or fora) may include, but is not limited to, representatives of the offshore wind industry, other utilities, U.S. suppliers and shipyards, and investment firms as well as representatives from the relevant state and federal departments who may be interested in the successful completion of the VOWTAP project. After the forum (or fora) are concluded, Dominion should report the results back to VOWDA at their earliest convenience but no later than the fall meeting of VOWDA."

It is expected that the stakeholders group will convene in late June or early July.

VIRGINIA OFFSHORE WIND PORT READINESS STUDY

Presenter: George Hagerman, Virginia Tech Advanced Research Institute

George Hagerman presented an overview of the Virginia Offshore Wind Port Readiness Study that was conducted by BVG Associates to evaluate the general readiness of Virginia's port terminals and to develop on-shore site build-out scenarios for producing and staging various specific offshore wind components. A copy of the final report, which will be released in July 2015, will be made available on the VOWDA website. Mr. Hagerman's presentation will be available on the VOWDA website at <http://wind.jmu.edu/offshore/vowda/index.html>.

VOWDA WORK PLAN UPDATES

Item 2, VOWDA's role in the VOWTAP stakeholder process: Discussion points were prepared by Brian Redmond and Art Moye that identify premises and VOWDA actions to support the advancement of offshore wind in Virginia.

Item 3.01, Support the extension of the federal Tax Credits: Joan Bondareff will draft a VOWDA letter for members' review to send to the Virginia congressional delegation in support of the Production Tax Credit extension.

DMME UPDATES

Presenter: Al Christopher, DMME Division of Energy Director

Al Christopher presented an update of DMME FY 2015 offshore wind activities.

- The Research Lease 2 agreement with BOEM was issued March 24, 2015. This is the first Virginia wind energy research lease issued in federal offshore waters.
- DMME has two cost share offshore wind research projects: (1) The Collaborative Fisheries Planning for Virginia's Offshore Wind Energy Area was awarded to the Virginia Department of Environmental Quality and is due in March 2016. (2) The Virginia Ocean Geophysical Survey

Phase II analyses are due June 30, 2015, [deadline for state funds to be spent]. The federal deadline for the final report to be submitted is December 31, 2015.

- DMME, with the assistance of Fugro Consultants LLC, completed an analysis of Virginia's readiness for offshore oil and gas exploration and production. Members were provided the web link to the complete study [http://dmme.virginia.gov/dgmr/offshore_o&g.shtml].
- Senate Bill 1462, which proposed to convert VOWDA to the Virginia Offshore Energy Development Authority and broaden its focus to include facilitating, coordinating, and supporting the development of the offshore oil and gas industry and offshore oil and gas projects, was stricken by the patron. DMME will convene and lead a stakeholders' study group. The group's recommendations are due to Senator Wagner by September 1, 2015.
- DMME is developing comments to the U.S. Bureau of Ocean Energy Management (BOEM) regarding several geological and geophysical (G&G) permits on Virginia's Atlantic Outer Continental Shelf to inform BOEM of VOWTAP construction activities that may conflict with G&G survey activities.

PUBLIC COMMENTS

None

VOWDA FUTURE MEETINGS AND TOPICS

The next meeting is scheduled for Wednesday, September 9, 2015, location to be announced later.

Chuck Decuir, Chairman of the Virginia Offshore Wind Coalition (VOW), was unable to attend the meeting but provided members with a written update of recent activities. A copy of the VOW report will be available on the VOWDA website at <http://wind.jmu.edu/offshore/vowda/index.html>. VOWDA will invite Mr. Decuir to present an update at its next meeting.

ADJOURNMENT

The meeting adjourned at 12:40 p.m.