

DRAFT
VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY
Board Meeting
Tuckahoe Public Library
Henrico, Virginia
February 28, 2018 | 10:00am – 1:00pm

CALL TO ORDER

Chair Joan Bondareff called the meeting to order at 10:00 am.

VOWDA Members Present:

Joan Bondareff, Mary Doswell, Brian Redmond, Art Moye, Phillip Green, Deborah Miller

VOWDA Members Absent:

Bob Matthias, Ron Rosenberg

VOWDA Staff Present:

DMME: John Warren, Will Payne, Al Christopher, Ken Jurman, Eric Bateman, Lynne Astroth, Barbara Simcoe, Robin Jones, Evie Christopher

OAG: Paul Kugelman

APPROVAL OF PREVIOUS MEETING'S MINUTES

The Chair called for a motion to approve the November 8 meeting's minutes, which were previously distributed to members. The motion made by Deborah Miller and seconded by Phil Green carried unanimously.

PRESENTATIONS

Dominion Energy

Coastal Virginia Offshore Wind Project and Commercial Development

Katharine Bond and Steve Pietryk of Dominion Energy provided key milestones and status updates on commercial development and the Coastal Virginia Offshore Wind (CVOW) project. The presentation included research and commercial lease areas update, surveys and studies conducted that will inform future offshore wind development in the U.S., restrictions and compliance issues, proposed modifications, and next steps. The CVOW project is on track and the estimated commercial operation date is 2020, but could be 2021 depending on the weather and regulatory timeline.

Grid Transformation and Security Act of 2018 ~ Senate Bill 966

Katharine Bond reported that the proposed legislation declares 5,000 megawatts of renewable energy (includes both solar and wind) and the offshore wind demonstration project are in the public interest. It also includes that the project would not be eligible for

the customer cost recovery rider if Dominion does not proceed with construction of at least 250 MW of offshore wind by 2023.

A copy of Dominion's presentation is available on the VOWDA website at <http://wind.jmu.edu/offshore/vowda/>.

Port of Virginia

Virginia's unique maritime and workforce advantages are attracting the interest of the U.S. and European supply chain companies considering investments in local facilities that can serve the emerging mid-Atlantic offshore wind industry. Chris Gullickson, Economic Development Manager for the Virginia Port Authority, briefed the Authority on the Port's activities, focusing on its core business of moving ocean containers, and some of its other facilities that might be suited to play a role in supporting supply chain for offshore wind. The Port of Virginia is ready for the future and positioned to be the East Coast gateway for offshore wind. With 25% of U.S. Shipbuilders already in the Hampton Roads Harbor, Virginia has the available work force trainable for offshore wind. Other advantages include no overhead aerial obstructions, port depth of 50 feet with plans to deepen to 55 feet, and \$695 million investment to expand two of its container facilities.

A copy of this presentation is available on the VOWDA website at <http://wind.jmu.edu/offshore/vowda/>.

Noted was Northeast states, like Maryland, require investments as a condition for developers of the offshore wind projects. Mary Doswell said it is important for VOWDA to monitor closely East Coast activities, to follow developments/where investments are going, and to stay in touch with all parties to be prepared to take advantage of any opportunities for Virginia

Renewable Resource International (RRI) ~ U.S. Offshore Wind Energy Opportunity

Andy Geissbuehler, RRI managing partner, briefed VOWDA members on the Capitol Hill Congressional Briefing organized by the American Wind Energy Association, in cooperation with the Renewable Energy and Efficiency Caucus, held in Washington, D.C. on February 26. Andy attended and gave an update on the offshore wind opportunity for the U.S. As the markets advance to the mid-Atlantic, Andy said that a smart strategy for Virginia could be to initiate a supply base that could serve the Northeast. Once the industry comes to the Mid-Atlantic, Virginia would already have an established, cost effective supply chain.

A copy of his presentation is available on the VOWDA website at <http://wind.jmu.edu/offshore/vowda/>. At the request of the Chair, Andy will provide members copies of the other presentations from the congressional briefing.

VOWDA BUSINESS

2019-2024 National Outer Continental Shelf Oil and Gas Leasing Program

According to BOEM's draft proposed 2019-2024 offshore oil and gas leasing plan, any drilling off the Atlantic Seaboard would have to be coordinated with current and future offshore wind development. Dominion Energy reported that it has sought clarification from the federal government as to whether or not the areas being considered for oil and gas drilling activities could overlap with the approved Virginia offshore wind energy lease areas. The initial response that the same areas are compatible and would be considered could make it possible that the wind and oil industries compete for the same blocks, which could potentially affect CVOW and commercial development.

VOWDA members voted to file comments with BOEM on the draft proposed program to express key concerns about the impact on Virginia's offshore wind lease area and the CVOW project. Comments are due by March 9. DMME staff will draft a letter for the Chair's signature and submittal, and send it to members for review.

2018 Work Plan

Al Christopher updated members on the progress of the 2018 Work Plan tasks. Phil Green, VOWDA lead on Task 1 [*advocate for supportive state and federal regulatory changes, as well as legislative proposals*], reported the work group had its initial planning call with DMME staff. They identified subtask activities/deliverables and agreed to schedule semi-monthly calls. Phil engaged one of his employees to help facilitate some meetings with BOEM to discuss wind energy areas. Al will contact members beginning this week to schedule planning meetings for Tasks 2 – 5.

DMME has set up monthly calls with Dominion Energy 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.

DMME UPDATES

Al Christopher introduced Will Payne, DMME's new Chief Deputy.

Al briefly reviewed state legislation that could affect offshore wind including (1) electric utility regulation, grid modernization and energy efficiency covered by Katharine Bond during her presentation, and (2) carbon regulations the Air Pollution Control Board is considering to cut carbon emissions, similar to the Regional Greenhouse Gas Initiative, which would set a cap on carbon emissions from power plants. As a zero carbon source of generation, the cap could put a premium on offshore wind generation, which would help make offshore wind a more valuable resource.

DMME will attend the BOEM Offshore Wind and Maritime Knowledge Exchange in Baltimore next week, which will gather regulatory and industry decision makers who can inform the scope of the Offshore Wind Energy Supply Chain Development Work Plan that DMME is designing. This will be discussed in more detail with the VOWDA Work Plan work groups.

PUBLIC COMMENTS

Eileen Levandoski, Virginia Chapter of the Sierra Club: (1) She recommended the Authority point out in its comments to BOEM on the oil and gas leasing plan that DOD's 2015 report on the five-year plan prohibits 78% of the Virginia Cape from any offshore drilling activity. The remaining area that has no designated DOD conflicts is in the same area as offshore wind. (2) The Sierra Club, along with two other groups, submitted an offshore wind briefing paper to Governor Northam that recommends he proclaim Virginia's interest in developing 2,000 megawatts of offshore energy by 2030 and task DMME to develop a master plan. The Sierra Club is also developing a vision paper on why we can develop 2,000 watt by 2030.

Hayes Framme, Orsted: (1) Adding to the earlier discussion on legislation, Mr. Framme said Virginia legislature can and has included two enactment clauses in SB 966. The first clause is a statement that it is the objective of the General Assembly to see the 5,000 megawatts of solar and wind placed in service by 2028. While it does not compel anyone to act, it is meaningful from a policy standpoint. He thinks that it is, and should be used as, a strong signal from Virginia to the market that the Commonwealth is serious about seeing this installed. The second is a binding clause, which states in the absence of an emergency clause attached to a bill, the legislation passed and signed applies to any filing for offshore wind submitted before July 1, 2018. This is very important if the Dominion filing will happen before July 1. (2) Virginia is competing against states for offshore wind supply chain and development that have mandates. The legislation/enactment clauses, CVOW project, Port of Virginia assets, regulatory environment, etc. all work together to create a strong case for Virginia; however, it is not a case that will sell itself. He suggests that the Commonwealth of Virginia must be proactive and leverage/sell the value of Virginia for offshore wind. (3) He also mentioned that the Governor's Virginia Energy Plan is due October 1, 2018. It would be worthwhile for VOWDA to be thinking on how offshore wind plays in that strategic document.

NEXT MEETING DATE

With all scheduled business concluded, members agreed to convene again in April or May after Dominion Energy has filed with the SCC. The staff will select provisional dates and poll members for availability.

Joan recommended that VOWDA invite Orsted to present at a future meeting to share what they are doing in Virginia and other states.

FOIA-COIA TRAINING

Paul Kugleman provided FOIA-COIA training to members of VOWDA. Members can contact Mr. Kugleman if they have any questions or need advice on a FOIA or COIA issue.

ADJOURNMENT

Chair Bondareff adjourned the meeting at 1:00 p.m.