

MINUTES
VIRGINIA OFFSHORE WIND DEVELOPMENT AUTHORITY
THURSDAY, SEPTEMBER 29, 2016

PRIMARY LOCATION: State Capitol ~ House Room 1 ~ 1000 Bank Street ~ Richmond, VA 23219

REMOTE LOCATION: 1019 Haverhill-Ohio Furnace Road ~ Haverhill, Ohio 45636

CALL TO ORDER

DMME Division of Energy Director Al Christopher called the meeting to order at 10:15 a.m. He announced Chair Bob Matthias was unable to attend the meeting and that Vice Chair Joan Bondareff, who was traveling to Richmond via Amtrak, would be delayed and may not be able to make the meeting due to inclement weather. He asked Mary Doswell to preside over the meeting in their absence.

Primary Location

Members Present: Mary Doswell, Phillip Green, Art Moye, Ron Rosenberg
Members Absent: Bob Matthias, Joan Bondareff, Varun Nikore, Deborah Miller

VOWDA Staff Present: John Warren, Al Christopher, Ken Jurman, Evie Christopher,
Lynne Astroth, Barbara Simcoe, Eileen Carson, Robin Jones,
Mike Skiffington, Evan Helgesen, Chris McDonald, Paul
Kugelmann, George Hagerman, Jon Miles

Remote Location

Members Present: Brian Redmond
Public Attendance: None

APPROVAL OF MINUTES

Due to lack of quorum, the board did not vote on the minutes.

BUSINESS NETWORK FOR OFFSHORE WIND

Presenter: Ross Tyler

Due to inclement weather, Ross Tyler was unable to attend the meeting.

AMERICAN JOBS PROJECT REPORT ON VIRGINIA OFFSHORE WIND JOBS

Presenters: Mary Collins and Richard Hirsch

Mary Hirsh, of the American Jobs Initiative-Berkley Energy and Climate Institute, and Richard Hirsch, professor of History and Science & Technology Studies at Virginia Tech, presented an overview of the American Jobs Project Report that addressed the potential for job creation in the advanced energy sector, focusing on the offshore wind manufacturing and carbon fiber composite industries. Ms. Collins talked about Virginia's supply chain strengths and

opportunities and how the State can also be a training and innovation hub for the East Coast. The report recommendations included: (1) target foreign direct investments to recruit OEMs, (2) create an anchor company tax credit to recruit OEMs, (3) establish a port retooling strategy and infrastructure funds, (4) establish the North American Offshore Wind Training Academy, and (5) develop an offshore wind training certificate.

The report can be viewed at <http://americanjobsproject.us/wp-content/uploads/2016/04/VA-Full-Report-WEB-4.18.pdf>. A copy of the presentation will be available on the VOWDA website at <http://wind.jmu.edu/offshore/vowda>.

UPDATE VIRGINIA OFFSHORE WIND TECHNOLOGY ADVANCEMENT PROJECT (VOWTAP)

Presenter: Mary Doswell

Mary Doswell briefed the members on the status of VOWTAP. She reviewed the stakeholder process. Dominion updated the U.S. Department of Energy (DOE) on the project status and proposed that they file a Certificate of Public Convenience and Necessity (CPCN) with the State Corporation Commission (SCC), instead of the rate recovery filing, in order to move forward with the project. The CPCN filing looks at the merits of offshore wind for Virginia. Once the SCC ruled on the CPCN, then Dominion could move forward with the rate recovery filing. However, since this proposal would delay completion of VOWTAP, pushing it to 2019-2020, DOE decided to not continue the funding for the project. Now that Dominion has lost the \$50 million in funding, it is considering options to determine the next steps of the project. Ms. Doswell noted that VOWTAP is important and still a commitment. Dominion plans to get back to the stakeholders within the next two months to discuss the next steps and opportunities to continue VOWTAP. Other options Dominion is considering include: partners; continue with CPCN filing; offtake agreement to eliminate need for ratepayer recovery.

In response to questions regarding both the commercial and research leases:

- Dominion was awarded the commercial lease, which will continue as long as Dominion meets the required milestones. The Site Assessment Plan (SAP) was submitted in February 2016, which the Bureau of Ocean Energy Management (BOEM) is currently reviewing. With BOEM's approval of the SAP, Dominion then has 4.5 years from that approval date (2021) to complete the project. If Dominion doesn't meet the milestones in that timeframe, they could lose the lease and BOEM would auction the lease again.
- DMME is the lease holder for VOWTAP (research lease). In an agreement with DMME, Dominion was designated as the lease operator. BOEM doesn't have milestones/timeline for the research lease as it does for commercial lease. It's a 30-year lease with no default provisions.

VIRGINIA'S OFFSHORE WIND VALUE PROPOSITION

Presenters: George Hagerman and Jon Miles

George Hagerman (VA Tech) and Jon Miles (JMU) presented Virginia's offshore wind value proposition to participate in the emerging U.S. offshore wind supply chain. They reviewed Virginia's unique assets including research leases, developed port infrastructure, extensive shipbuilding capacity, industry-supported workforce training, and Trans-Atlantic Bridge. A copy of the presentation will be available on the VOWDA website at <http://wind.jmu.edu/offshore/vowda>.

VOWDA 2016 ANNUAL REPORT

Members agreed to postpone discussion of the annual report for another meeting where the majority of the members would be present.

PUBLIC COMMENTS

Eileen Levandoski, Assistant Director of the Virginia Chapter of the Sierra Club: She expressed the Sierra Club's concerns regarding VOWTAP and the commercial lease area. Since they are losing hope on VOWTAP, the Chapter will concentrate their lobbying efforts and grass roots outreach to the commercial lease area. They have been in contact with BOEM to find out what the public can do to be aware of the various project milestones and how the milestones are enforced in order to lobby to keep this on target.

Charles Nelson, Chairman of Waldemar S. Nelson & Company, Inc.: Mr. Nelson's engineering company, in New Orleans and Houston, is heavily invested in the offshore gas and oil industry. As Virginia moves forward with partnering with European companies, he encouraged the State to open the doors for also partnering with the Gulf Coast companies. A lot can be learned about building boats needed to support the offshore wind industry and building a regional training facility. Virginia should continue to learn from others and enlist their help.

ANNOUNCEMENTS

The next meeting is tentatively scheduled for October 20th with a backup date of October 18th. DMME staff will poll availability of members who were absent from meeting today.

ADJOURNMENT

The meeting adjourned at 12:15 p.m.