Overview: Offshore Wind Energy Development off the Atlantic Coast

What is the Smart from the Start Initiative?

Offshore Atlantic winds contain an estimated 1,000 gigawatts of energy, about equivalent to the Nation's current electric generating capacity, if fully developed. A top priority of the Obama Administration is developing renewable domestic energy resources to strengthen the nation's security, generate new jobs for American workers and reduce carbon emissions. A major component of that strategy is to fully harness the economic and energy benefits of our nation's vast wind potential, including Outer Continental Shelf (OCS) Atlantic winds, by implementing a leasing and approval process that is efficient, thorough, and unburdened by unnecessary red tape.

The Department of the Interior's Bureau of Ocean Energy Management, Regulation and Enforcement (BOEMRE) is authorized to issue leases for renewable energy development on the OCS, and in 2009 finalized regulations governing the review and approval process for such development, including proposed offshore wind projects. Announced in November 2010 by Secretary Ken Salazar, the Smart from the Start Initiative is aimed at ensuring that this process is streamlined and facilitates environmentally responsible development. The initiative will do so by:

- Implementing a comprehensive, expedited leasing framework for Atlantic wind by: (i) identifying "wind energy areas" (WEAs) along the OCS that appear particularly well-suited for development; (ii) over the next six months, organizing, financing and implementing the gathering of information from key agencies regarding the environmental and geophysical attributes and other uses of these WEAs; and (iii) assembling that information in a publicly available format that potential investors and applicants can access and BOEMRE can use in evaluating lease sales in the WEAs.

- Simplifying the approval process for individual proposed projects and eliminating unnecessary regulatory requirements, including dispensing with a requirement to issue a duplicative second notice where there is no competitive interest in a lease area.

- Moving aggressively, on a parallel (but separate) track, to process applications to build offshore transmission line(s). The assessment of WEAs should assist in the siting and environmental reviews associated with potential offshore transmission line(s).

The objective is to accelerate responsible renewable wind energy development on the Atlantic OCS by using appropriate designated areas, coordinated environmental studies, large-scale planning and expedited approval processes.

How are WEAs identified?

For more than a year, BOEMRE has been actively engaged through interagency task forces to collect crucial baseline information about offshore areas that may be suitable for future wind projects. These task forces bring together the knowledge and perspectives of tribes, local and state governments, and other federal agencies, and they have been critical in identifying potential resource and user conflicts in offshore areas that might preclude offshore wind development.

Task forces have been established in nine of the thirteen states along the Atlantic coast: Delaware, Maine, Maryland, Massachusetts, New Jersey, New York, North Carolina, Rhode Island, and Virginia, and discussions are underway with additional states, such as Florida, Oregon, and South Carolina, about setting up task forces in those areas. Task force members represent a wide range of interests and include representatives from BOEMRE, FWS, NPS, NOAA, FAA, Coast Guard, Environmental Protection Agency, Army Corps of Engineers, Department of Defense, Department of Energy, relevant state agency representatives, and tribal government representatives. Based on the work that has been underway to date through these task forces, wind energy areas (WEAs) have been identified offshore of four states in the Mid-Atlantic: Delaware, Maryland, New Jersey, and Virginia.

Over the course of the next six months, BOEMRE will continue its interagency collaboration through both the state-based task forces as well as a senior level interagency working group convened by Secretary Salazar. The Atlantic Offshore Wind Interagency Working Group will gather additional information from key agencies regarding the environmental and geophysical attributes and other uses of the identified WEAs, assemble that information into a publicly available format, and use the information to further evaluate the suitability of the identified areas for future development.

Additionally, in 2010, BOEMRE began publishing Requests for Interest (RFIs) soliciting comments from the public about the potential suitability of certain offshore areas and determining developer interest in leasing particular areas for future development. These RFIs have been issued for areas offshore Delaware, Maryland, and Massachusetts, and RFIs (or a similar regulatory notice called a Call for Information and Nominations) will be issued very soon for New Jersey, Virginia, and other states. Comments received from the RFIs already issued have helped identify the WEAs announced today, and, moving forward, comments on these notices for other offshore areas may help further refine or modify WEAs.

Where are the WEAs being identified today?

BOEMRE, in consultation with other federal agencies and state renewable energy task forces, has identified the following Wind Energy Areas in which BOEMRE is proposing to begin the commercial lease issuance process and subsequent approval process of site assessment activities:

- Delaware: The area offshore Delaware is made up of 10 whole OCS blocks and 17 partial blocks. It is located between the incoming and outgoing shipping routes for Delaware Bay. The western edge is approximately 11 nautical miles east of Dewey Beach and the

eastern edge is approximately 23 nautical miles from Dewey Beach. The entire area is approximately 122 square nautical miles.

- Maryland: The area offshore Maryland is made up of 29 whole OCS blocks and 4 partial blocks. The western edge is approximately 10 nautical miles from the Ocean City, Maryland coast, and the eastern edge is approximately 27 nautical miles from the Ocean City, Maryland coast. The entire area is approximately 207 square nautical miles.

- New Jersey: The area offshore New Jersey contains approximately 43 whole OCS blocks and 34 partial blocks. The boundary begins 7 nautical miles from the shore and extends roughly 23 nautical miles seaward. It extends from southwest to northeast approximately 45 nautical miles between Avalon and Barnegat Light. The entire area is approximately 418 square nautical miles.

- Virginia: The area offshore Virginia is made up of 22 OCS lease blocks and 5 partial blocks. The western edge of the area is approximately 20 nautical miles from Virginia Beach, and the eastern edge is approximately 37 nautical miles from Virginia Beach. The entire area is approximately 165 square nautical miles.

A map of these areas is available on the BOEMRE website at: http://www.boemre.gov/offshore/RenewableEnergy/.

What will the Environmental Assessment launched by BOEMRE evaluate?

BOEMRE is issuing a Notice of Intent, to be published in the Federal Register, announcing that it will prepare an environmental assessment (EA) pursuant to the National Environmental Policy Act (NEPA) on the environmental effects of reasonably foreseeable site characterization surveys and site assessment activities that may be undertaken if BOEMRE issues a lease or leases in any or all of the identified WEAs offshore Delaware, Maryland, New Jersey, and Virginia. BOEMRE is initiating this scoping process to facilitate public involvement in the WEA evaluation process.

The Mid-Atlantic EA will analyze the potential environmental impacts of issuing renewable energy leases in the geographic areas offshore Delaware, Maryland, New Jersey, and Virginia (identified above), including associated site characterization activities, such as geophysical, geotechnical, archaeological, and biological surveys, that may take place on these leases. The EA will also analyze the potential environmental consequences associated with potential site assessment activities that may take place in these areas, such as the installation of meteorological towers and buoys. These activities would need to be approved in Site Assessment Plans, which are required under BOEMRE's renewable energy regulations.

The EA will not evaluate the potential environmental impacts associated with constructing and operating individual offshore wind projects. Pursuant to BOEMRE's new regulatory requirements, the holder of a lease must submit a construction and operations plan to be approved by the agency before any construction or operation could begin. Comprehensive NEPA review of each construction and operations plan will take place after such a plan is submitted and ensure full public review of any specific proposed project.

BOEMRE is seeking input on identifying the important issues and any additional alternatives to be analyzed in the EA evaluating the impacts of authorizing leases and approving site assessment plans in the Mid-Atlantic WEAs. Input is also requested on measures (e.g., limitations on activities based on technology, distance from shore, or timing) that would mitigate impacts to environmental resources and socioeconomic conditions that could result from leasing, site characterization, and site assessment activities in the WEAs described below. It may become appropriate to analyze one or more WEAs in separate EAs. Consultation with other Federal agencies, tribal governments, and affected States will be carried out during the EA process and will be completed before a final decision is made on whether any particular lease will be issued or Site Assessment Plan on any leasehold will be approved.

More detail on the EA process is in the Notice of Intent, which will be accessible on Tuesday, February 8 at http://www.boemre.gov/offshore/RenewableEnergy/.

When will BOEMRE identify WEAs for other OCS areas?

BOEMRE expects to identify WEAs on the OCS offshore North Atlantic states, including Massachusetts and Rhode Island in March 2011 and launch a similar NEPA process as outlined above at that time. In May 2011, BOEMRE will do the same for OCS areas offshore South Atlantic states, namely North Carolina. OCS areas offshore states such as Georgia, Maine, and New York may be included in those EAs or may warrant separate review processes undertaken later to allow for additional time to gather information about resource and user conflicts in those areas.

BOEMRE is committed to facilitating offshore wind development along all of the OCS, offshore both the Atlantic and Pacific coasts, in the shortest time period possible while meeting our statutory mandates, such as those associated with safety and environmental responsibility. We will continue to work closely with all states interested in moving forward in developing offshore renewable resources.

Will current lease holders be affected by this WEA initiative? How many companies currently hold leases for offshore OCS wind development? What types of leases do they hold?

In October 2010, BOEMRE issued the nation's first federal commercial offshore wind lease to Cape Wind Associates for an area offshore Massachusetts. Additionally, there are a number of

"interim policy" lease holders who have been engaged in site assessment activities off the shores of Delaware and New Jersey. These leases were issued pursuant to an interim policy in place prior to BOEMRE's finalization of its renewable energy regulations. Some developers have also submitted initial unsolicited proposals for potential projects on the OCS off the coasts of several states. In some of these cases, it is possible that site assessment work that has already taken place is sufficient to inform a detailed proposed construction and operation plan for an individual project, and BOEMRE may be able to begin reviewing individual project proposals as early as the fall of this year.

BOEMRE is committed to facilitating an expeditious review for all individual projects that ultimately results in a decision on construction as soon as possible. A full site-specific environmental impact statement will likely be required before any proposed wind energy project could be approved, but these types of reviews do not have to take many years to complete. As part of this initiative, the Department will commit to aggressive schedules for those reviews and the required dedication of staff and resources.

How does this WEA effort relate to the President's mandate for Coastal and Marine Spatial Planning?

In Executive Order 13547 (July 19, 2010), the President established a national policy of stewardship of the ocean, our coasts, and the Great Lakes. To implement that policy, the President directed all executive departments and agencies to participate in a process of comprehensive, adaptive, integrated, ecosystem-based, and transparent spatial planning, based on sound science, for analyzing current and anticipated uses of ocean, coastal, and Great Lakes areas. This "coastal and marine spatial planning" process identifies areas most suitable for various types or classes of activities in order to reduce conflicts among uses, reduce environmental impacts, facilitate compatible uses, and preserve critical ecosystem services to meet economic, environmental, security, and social objectives.

We anticipate that the results of the Smart from Start Initiative will prove valuable to the Regional Planning Bodies that are being established by the National Ocean Council. (See http://www.whitehouse.gov/administration/eop/oceans) For example, the environmental assessment of these offshore areas will play a crucial role in informing the Coastal and Marine Spatial Plans that the Regional Planning Bodies will establish. The Mid-Atlantic Regional Environmental Assessment of WEAs is being developed by using – and demonstrating the utility of -- many of the principles of coastal and marine spatial planning, such as comprehensive interagency coordination, and will provide information that can be referenced in future decision-making regarding wind power development.