

## BUREAU OF OCEAN ENERGY MANAGEMENT CLEARS PATH FOR FIRST OFFSHORE WIND PROJECT ON WEST COAST

*Principle Power to use floating turbine design for project off the coast of Oregon*



Courtesy of Principle Power

The Bureau of Ocean Energy Management (BOEM) has announced it will allow Principle Power, Inc. to submit a formal plan to build a 30 MW pilot project using floating wind turbine technology offshore Coos Bay, Oregon.

“This pioneering project would demonstrate floating wind turbine technology capable of tapping the rich wind energy resources in deep waters offshore Oregon,” Secretary of the Interior Sally Jewell said during a February announcement. “As we look to broaden our nation’s energy portfolio, the innovative technology and its future application hold great promise along the West Coast and Hawaii.”

The West Coast holds an offshore

capability of more than 800 GW of wind energy potential, according to the National Renewable Energy Laboratory, which is equivalent to more than three quarters of the nation’s entire power generation capacity. Total U.S. deepwater wind energy resource potential is estimated to be nearly 2,000 GW.

Principle Power, which received \$4 million in Department of Energy funding for its advanced technology demonstration project, submitted an unsolicited request to BOEM for a commercial wind energy lease in May, 2013. As an initial step in the leasing process, in September, BOEM issued a Request for Interest (RFI) in the Federal Register to determine whether there were other develop-

ers interested in constructing wind facilities in the same area proposed by Principle Power, Inc. The RFI was also the first opportunity for public comment on site conditions and multiple uses within the proposed lease area. The public comment period closed on October 30, 2013.

“We are particularly grateful to Secretary Jewell for her interest in the WindFloat and this project, this determination represents another crucial milestone for the WindFloat Pacific project,” said Kevin Banister, vice president of business development and government affairs for Principle Power and the WindFloat Pacific project manager. “We look forward to continuing to work with BOEM, agencies and community

stakeholders as we prepare our plans for the project.”

BOEM received 18 responses to the RFI, none of which expressed a competitive interest in the area proposed by Principle Power, Inc. Accordingly, BOEM published a Determination of No Competitive Interest in the Federal Register. The majority of the comments submitted to BOEM discussed potential effects on commercial fisheries, which BOEM will consider during the course of evaluating the project.

Under the noncompetitive process for which Principle Power qualified, the company may now submit a plan for the proposed lease area to BOEM. BOEM will then complete a National Environmental Policy Act analysis, which includes opportunity for public comment, before making any final decision on lease issuance and plan approval.

BOEM has issued two non-competitive leases (Cape Wind in Nantucket Sound and an area off Delaware) and three competitive leases (two offshore Massachusetts-Rhode Island and another offshore Virginia). The competitive lease sales generated about \$5.4 million in high bids for about 277,550 acres on the U.S. Outer Continental Shelf. Additional competitive auctions for wind energy areas offshore Maryland, New Jersey and Massachusetts are expected in this year.

Principle Power will seek to site its project within a 15-square-mile proposed lease area. The project is designed to generate electricity from five floating “WindFloat” units, each equipped with a 6 MW offshore wind turbine. The turbines would be connected by electrical cables and have a single power cable transmitting the electricity to the mainland. The facility, sited in about 1,400 feet of water, would be the first offshore wind project proposed in federal waters off the West Coast and the first in the nation to use a floating structure to support offshore wind generation in the Outer Continental Shelf.

Further details of the lease request can be found on the BOEM website: [www.boem.gov/Renewable-Energy-Program/State-Activities/Oregon.aspx](http://www.boem.gov/Renewable-Energy-Program/State-Activities/Oregon.aspx)

Further information on the WindFloat Pacific project can be found at: [www.windfloatpacific.com](http://www.windfloatpacific.com). ↙

## HEADLINES

### **Cape Wind wins legal battle**

Cape Wind today again defeated the efforts of its opponents to block the country’s first offshore wind farm. In a significant decision, the U.S. Court of Appeals for the District of Columbia Circuit upheld the FAA’s approval of the Cape Wind project, rejecting every argument that had been advanced by the project’s opponents.

“The Alliance to Protect Nantucket Sound, the Town of Barnstable and their financial backer-coal billionaire Bill Koch- have failed yet again in their continuing campaign to use the courts to delay the financing of Cape Wind,” Cape Wind Communications Director Mark Rodgers said. “The court’s definitive decision is an important legal victory that brings America that much closer to launching its offshore wind industry, a keystone in America’s renewable energy future,” Rodgers continued.

This decision takes on even greater importance because this was the same court that had previously provided project opponents their sole and temporary relief, opponents have lost all 12 legal decisions in other courts.

On October 28, 2011 this Court had remanded the FAA’s third Determination of No Hazard back to the FAA to better explain the rationale for its decision. On February 9, 2012, the FAA issued a Public Notice of its reinstated project review, indicating its conclusion that “None of the turbines would have an adverse effect on the use of air navigation facilities or navigable airspace.” On August 15, 2012 the FAA issued its 4th DNH which project opponents challenged, the Alliance to Protect Nantucket Sound pronounced confidence their challenge would be successful – this is the case decided today in favor of the FAA and Cape Wind.

### **DONG Energy sells half of its interest in London Array 1**

DONG Energy has signed an agreement to sell half of its 50 percent share in the 630 MW offshore wind farm London Array 1 to La Caisse de dépôt et placement du Québec (La Caisse), for a total sum of GBP 644 million (approx. \$1.06 billion).

With this partnership divestment DONG Energy delivers on the fifth and final point in its financial action plan presented in February 2013 securing the foundation for the future growth in DONG Energy.

At completion of the transaction, La Caisse will enter the existing joint venture with a 25 per cent ownership share alongside DONG Energy (25 per cent), E.ON (30 per cent) and Masdar (20 per cent). DONG Energy will remain the service provider of O&M services to London Array.

DONG Energy and La Caisse have also agreed a long-term transfer agreement for the power production and green certificates arising from La Caisse’s share of London Array 1.

The transaction is subject to a number of customary conditions for a transaction of this nature, including transfer of project rights and operational performance of the wind park and approval by relevant authorities. The transaction is expected to be completed in the first half of 2014.