

Press Release

Interior Initiates Process for First “Smart from the Start” Lease for Commercial Wind Power Offshore Delaware

Determines No Competitive Interest for Area Proposed by NRG Bluewater Wind Delaware

Continued

Carol Riggs, Delaware Department of Natural Resources

WASHINGTON – Secretary of the Interior Ken Salazar and Director of Regulation and Enforcement (BOEMRE) Michael R. Bromwich today announced the decision to initiate the process to offer the first commercial wind lease under the “Smart from the Start” program, off the coast of Delaware. The decision follows a determination that there is no competitive interest in commercial wind energy development in this area of the Outer Continental Shelf. The decision is based on competitive bidding.

“This is a significant milestone for our nation’s energy future,” said Secretary Salazar. “It is a move toward a non-competitive lease agreement with NRG Bluewater Wind Delaware for development. This is another major step forward in tapping the enormous potential of our coastal coast.”

Salazar added that several steps remain before a lease can be issued, including consultation with other federal, state, local and tribal organizations. A leaseholder developer will be required to submit a detailed construction and operational plan, undergo an environmental review and public comment before any final decision is made.

“We have been working closely with Governor Jack Markell and his team on this initiative as they seek to meet Delaware’s renewable energy goals,” said Secretary Salazar. “We are working closely with the state, local communities, and affected parties to ensure a successful outcome.”

Gov. Markell highlighted the economic opportunity presented by the expansion of offshore wind, saying it is encouraging to see the federal government putting some of its efforts in Delaware. “The decision recognizes the longer-term economic benefits of offshore wind. The Bluewater Wind project could provide Delaware and that the offshore wind industry.”

“NRG Bluewater Wind’s progression through the federal leasing process demonstrates the environmental and economic benefits of offshore wind, Delaware’s leadership in facilitating progress on offshore wind has been critical in realizing the potential for Delaware off our own shores a reality.”

Bluewater Wind Delaware, LLC has proposed a phased wind turbine development in Delaware. The company has an agreement with Delaware officials to sell the power to a utility, Delmarva.

To ascertain competitive interest, BOEMRE published a Request for Information regarding wind energy development in federal waters offshore Delaware from a qualified organization to the April 2010 RFI --Bluewater Wind Development and a second Federal Register notice in January 2011 to determine whether a lease was proposed by Bluewater Wind. The bureau did not receive any additional comments submitted in response to these notices, go to:

<http://www.boemre.gov/offshore/RenewableEnergy/stateactivities.htm#>

In response to concerns raised in these comments, BOEMRE will collaborate to quantify the amount and location of vessel activity in the proposed lease area, assess the effects of wind energy facilities and infrastructure on marine vessel traffic, and conduct an Environmental Policy Act (NEPA) review of potential effects associated with construction and site characterization activities, the bureau will consider potential effects of activities within the proposed lease area prior to issuing the commercial lease. The NEPA analysis will cover the potential impacts to these resources from installation, operations, and decommissioning activities; these activities are detailed in the construction and operation plan submitted after the commercial lease is issued.

BOEMRE will soon publish the decision to move forward with the noncompetitive lease in the Federal Register as a Determination of No Competitive Interest (DNCI), as required by the regulations.

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