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News Release

Salazar Signs First U.S. Offshore Commercial Wind Energy Lease with Cape Wind Associates, LLC

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ATLANTIC CITY, NJ — Secretary of the Interior Ken Salazar and Cape Wind Associates, LLC today signed the nation's first lease for commercial wind energy development on the Outer Continental Shelf (OCS).

“This is the beginning of a new era for our Nation in offshore energy production,” Secretary Salazar said in a speech to the American Wind Energy Association in Atlantic City, New Jersey, where he signed the lease. “Responsibly developing this clean, renewable, domestic resource will stimulate investment in cutting-edge technology, create good, solid jobs for American workers, and promote our nation's competitiveness, security, and prosperity.”

“This is an important milestone in the development of offshore wind energy,” said Bureau of Ocean Energy Management, Regulation and Enforcement (BOEM) Director Michael R. Bromwich, whose agency is responsible for reviewing proposed renewable energy projects on the OCS. “This is the first chapter of what we hope will be a continuing story of offshore renewable energy development that will allow us to expand the nation's energy resource portfolio. As we move forward, we hope to expedite the process of reviewing and approving such applications.”

The area offered in the lease is comprised of 25 square miles on the OCS in Nantucket Sound offshore Massachusetts. The 130 planned wind turbines could generate a maximum electric output of 468 megawatts with an average anticipated output of 182 megawatts. At average expected production, Cape Wind could produce enough energy to power more than 200,000 homes in Massachusetts. The site of the project on Horseshoe Shoals lies outside shipping channels, ferry routes and flight paths but is adjacent to power-consuming coastal communities.

The Cape Wind energy project would be the first wind farm on the OCS, potentially generating enough power to meet 75 percent of the electricity demand for Cape Cod, Martha's Vineyard and Nantucket Island combined.

The 28-year lease for the area off the coast of Cape Cod, Mass. will cost the company \$88,278 in annual rent prior to production, and a 2 to 7 percent operating fee during production. The fee is based on revenues from selling the offshore wind energy in regional markets.

On April 28, 2010, Secretary Salazar signed the Record of Decision for the Cape Wind project, which paved the way for BOEM's decision to issue a commercial wind lease to Cape Wind Associates, LLC, a subsidiary of Energy Management Inc. The Record of Decision reflects the commitments that the company must satisfy to ensure that the company's lease activities are conducted in a manner that prevents or minimizes impacts on environmental or cultural resources.

The project site is about 5 miles from the mainland shoreline, 13 miles from Nantucket Island, and 9 miles from Martha's Vineyard. One-fifth of the offshore wind energy potential of the East Coast is located off the New England coast, and Nantucket Sound receives strong, steady Atlantic winds year round. The project includes a 66.5-mile buried submarine transmission cable system, an electric service platform and two 115-kilovolt lines connecting to the mainland power grid.

More information on the project can be found at:

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

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