

# PUBLIC SUBMISSION

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**Docket:** BOEM-2011-0005

Commercial Leasing for Wind Power on the Outer Continental Shelf (OCS) Offshore New Jersey –  
Call for Information and Nominations

**Comment On:** BOEM-2011-0005-0001

Commercial Leasing for Wind Power; Call for Information and Nominations Outer Continental Shelf  
Offshore New Jersey

**Document:** BOEM-2011-0005-DRAFT-0010

Comment from Erich Stephens, organization

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## Submitter Information

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**Organization:** OffshoreMW

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## General Comment

Please see uploaded letter.

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## Attachments

**BOEM-2011-0005-DRAFT-0010.1:** Comment from Erich Stephens, organization

# OffshoreMW

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6 June 2011

Mr. William Waskes, Project Coordinator  
Bureau of Ocean Energy Management, Regulation, and Enforcement  
Office of Offshore Alternative Energy Programs  
381 Elden Street  
Mail Stop 4090  
Herndon VA 20170

RE: Commercial Leasing for Wind Power on the Outer Continental Shelf Offshore New Jersey –  
Call for Information and Nominations (“the Call”).

Dear Mr. Waskes:

OffshoreMW has separately submitted a lease nomination in response to the Call. In this letter, we are responding as an interested party regarding an issue that is of general concern, regardless of how BOEMRE may act on our lease nomination, or any other.

The issue is in regard to potential unintended, negative consequences of separating the process for issuing transmission line right-of-ways (“ROWs”) from the process for issuing leases for wind generation projects offshore New Jersey. Our concern is that by separating the two processes, and evaluating ROW applications separately from the Call process, the principle of a comprehensive, “smart from the start” approach to making the best use of the wind resource offshore New Jersey will be undermined. In addition, there is a question of equitable and fair treatment of unsolicited proposals made by wind project developers, as opposed to those made by transmission developers.

Fortunately, there is a simple solution to this concern, which is for BOEMRE to not issue transmission ROWs through the Call area until after it has first issued leases for actual wind parks.

To be clear, our concern is not with offshore transmission per se, indeed we welcome such proposals and recognize that they could benefit offshore wind projects, including the one we have proposed. Nor do we have concern with issuing ROWs outside of the New Jersey Call area. Rather, our concern is one of timing and coordination between transmission projects and wind generation projects within the Call area.

From the general perspective of good policy, we believe it makes clear sense to delay issuing transmission ROWs in the Call area until after it is known where the generation resource the transmission is intended to serve will be located and who will be developing it, so that the transmission project and generation projects can better coordinate their joint efforts. In this letter we further detail our concerns, and provide three specific reasons why we believe it appropriate for BOEMRE to issue transmission ROWs in the Call area only after first issuing wind project leases.

#### The potential problems and lost opportunity

Constructing the intra-array cabling connecting the individual turbines of an offshore wind park is one of, if not the most, technically challenging aspects of constructing an offshore wind park. A single industry best-practice technique for the installation of intra-array cabling has not yet been established. Anything that could further complicate this cable installation would add risk and cost to a project in the Call area. Clearly having to cross over a transmission cable multiple times during the construction of intra-array cabling will add considerable risk and time to a wind park's construction.

Furthermore, a transmission line running through a wind turbine array construction area will also hinder the construction process by eliminating areas available for jacking-down and anchoring construction vessels. This is especially true considering that a safety buffer on the order of hundreds of feet on either side of the transmission cable will be prudent, so as to avoid an possibility of damaging the cable or impairing vessel safety.

Both of these problems –multiple cable crossings and limiting the area available for vessel activities– would obviously be compounded if a developer was unable to anticipate them in selecting the wind park site (that is, the developer plans a wind park in an area, only to be told after the fact that a transmission line will be running through the area). Prospective developers have now submitted lease nominations in response to this Call, and have likely assumed that there would not be a transmission cable running through the their nominated area, or perhaps even the Call area generally. If a ROW was at this point issued through the area it would, for the reasons discussed above, impact the ability to construct the project without unplanned risk and expense. The impacts might even be enough to limit the size of a project, depending on the relative locations of the two project's components, and the cost-benefit of crossing a transmission line with intra-array cables. Even if a particular generation developer anticipated a ROW from a particular transmission project, this would still be an issue if another generation developer ultimately won the lease for the area, or if another transmission project sought a ROW through the same area.

Meanwhile, issuing a transmission ROW prior to issuing the wind park leases would result in a lost opportunity for implementing a fully comprehensive offshore wind policy that is truly smart from the start, and best able to efficiently make use of the wind resource offshore New Jersey. Once the wind project developers have been identified through the lease issuing process, it would be a relatively simple matter for transmission developers to consult with the wind park developers on their plans, and thereby avoid crossing wind turbine array cabling with a transmission ROW. And even more importantly, once the wind project lease areas and their

developers are identified, any comprehensive transmission solutions could better serve those projects by ensuring that the ROW goes to points that make sense geographically, as well as better integrate with the projects in terms of schedule, electrical interconnection, etc.

Given this general problem, we suggest three specific reasons why delaying the issuance of transmission ROWs through the Call area until after issuing wind project leases is appropriate:

1) Better align ROW issuance procedures with the “Smart from the Start” policy

Secretary Salazar’s “Smart from the Start” initiative is intended to be a coordinated initiative to help capture the nation’s offshore wind resource by spurring the rapid and responsible development of projects. While moving forward with transmission projects independently of the wind projects would certainly move the transmission projects more rapidly through the leasing and permitting process, it is not at all clear that doing so would necessarily lead to coordinated and responsible development of the resource. Indeed, issuing transmission ROWs through the Call area, and creating the problems described above, could essentially degrade the value of the Call area and associated wind resource that BOEMRE is attempting to efficiently develop for the benefit of the nation.

2) Make greater use of the Task Force and Call for Information procedure

BOEMRE is to be commended for undertaking a detailed and comprehensive process, including extensive outreach to stakeholders through the New Jersey State Task Force, in designing the Call area. Thanks to this process, developers and other interested parties have a specific geographic area within which to focus their comments and make lease nominations. While the total area available for leasing has decreased upon consideration of other uses, presumably the ability to lease and permit a project within the remaining area has increased. The Call process will allow BOEMRE to further evaluate, given specific lease nominations and comments from interested parties, the value and desirability for moving forward with specific generation project leases in the Call area. Furthermore, wind project developers have been able to make use of a wealth of information about other uses, generated by the Task Force process, in designing proposed projects and nominating specific areas for leasing.

What the Call process does not contemplate, however, is that a new other use, which would significantly change the value of particular areas for wind project leasing, would be introduced after the Call process takes place. Should ROWs in the Call area be issued after the Call, but before leases are issued, it would be introducing an important factor that *should* have been considered in project planning, but was in fact not known until after developers’ plans were made and already acted on, as requested through the Call.

Said another way, it would be simply working at cross purposes, and contradict the purpose of the Call, to on the one hand request developers to propose wind generation projects in a very specific area, and on the other hand to then issue a transmission ROW through the very same area. This is especially true if there was no formal coordination between the two efforts, as is the case now.

### 3) Fairness to all who have submitted unsolicited applications

At least one unsolicited lease application for an offshore wind project (from ourselves) was submitted to BOEMRE prior to the Task Force process completing its work and the Call being issued. Presumably BOEMRE did not move forward on this unsolicited application because it was deemed better policy to examine the entire area comprehensively through the Task Force, and to solicit input from other developers and interested parties generally, before making any decisions on moving forward with lease applications. We understand this reasoning, and are generally supportive of this approach, as is consistent with our point #2, above.

However, it is our understanding that unsolicited transmission ROW applications, received after unsolicited applications for wind projects and located in the same Call area, are being moved forward through the regulatory process. This gives us cause for concern, since it is also our understanding that whoever “comes first” will hold the rights to the area, and those that follow would be subject to others’ rights, and have to negotiate with the ROW or lease holder to cross over the holding. In other words, even though we (and possibly others) submitted a lease proposal first, it seems we are being arbitrarily relegated to a secondary position behind a transmission ROW proposal. This would then put the burden of crossing any ROW on us, even though our generation proposal was made prior to the ROW proposal. If our understandings on this are correct, then the timing for issuing ROWs also becomes an issue of fairness and equity for all proposals brought before BOEMRE for various uses in the Call area.

#### A simple solution

While we have serious concerns about how and when transmission ROWs in the Call area are issued, we do not wish to see unnecessary delays or complications to efforts by transmission developers. Indeed, as noted above, we very much welcome the efforts of these developers, and anticipate that we may well make use of their projects ourselves at some point.

But this is an instance when modest delay is prudent and in everyone’s interests, so as to avoid further complications later. Our concern rather is that by moving ahead with transmission proposals without first deciding on the location and developers of the generation the transmission would serve, and without careful consideration of unintended consequences, additional and unnecessary risk and expense is being added to the development of the offshore wind resource, which of course is in no one’s interest.

By simply delaying the issuance of transmission ROWs in the Call area until after generation project leases have been awarded, all of the problems identified above can be avoided. Better still, transmission projects would then be able to better serve generation projects in the area, since it will then be known exactly where those generation projects are located, and transmission developers will know exactly who is developing the area, and so can meet with them to best plan and coordinate transmission solutions. Meanwhile, transmission developers could continue their planning in all regards aside from the ROW specifically in the limited Call area. For example, nothing in this approach would prevent transmission developers from developing plans for grid interconnection and cable landfalls (which, in any case, are arguably bigger challenges, and thus needing more lead time, than determining where exactly where in the Call area the cable goes).

We therefore respectfully urge BOEMRE to move forward expeditiously with the leasing procedure in the Call area for generation projects first, and issue these leases as quickly as possible. And only then, but with equal rapidity, should BOEMRE take up any transmission ROW proposals that cross into the Call area. To do otherwise would be to approach the identification of efficient transmission strategies backwards, and thereby create unnecessary problems for developing the nation's offshore wind resource.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Erich Stephens', with a long horizontal flourish extending to the right.

Erich Stephens  
Vice President