

Dominion Virginia Power
An operating segment of
Dominion Resources, Inc.
120 Tredegar Street, Richmond, VA 23219



RECEIVED

May 1, 2014

MAY 1 2014

Ms. Maureen Bornholdt
Director - Office of Renewable Energy Programs
Bureau of Ocean Energy Management
381 Elden Street, HM 1328
Herndon, Virginia 20170

**Office of Renewable
Energy Programs**

Re: Dominion Virginia Power; Commercial Lease of Submerged Lands for Renewable Energy Development on the Outer Continental Shelf, OCS-A 0483 – First Semi-Annual Progress Report Submittal

Dear Ms. Bornholdt:

Virginia Electric and Power Company, d/b/a Dominion Virginia Power ("Dominion"), is pleased to submit this first Semi-Annual Progress Report ("Report") as required by its Commercial Lease of Submerged Lands for Renewable Energy Development on the Outer Continental Shelf (OCS-A 0483) ("Lease") effective November 1, 2013. As required by Addendum C, paragraph 2.2.1 of the Lease, this Report covers the period November 1, 2013 - May 1, 2014 ("Reporting Period").

Dominion undertook the following activities during the Reporting Period, which are described in more detail below:

- Participated in a meeting with the Bureau of Ocean Energy Management ("BOEM") on January 9, 2014, to discuss Dominion's proposed phased development approach of the Lease;
- Made second 6-month payment of \$169,199 on April 30, 2014;
- Submitted a Site Assessment Plan ("SAP") under the Lease on May 1, 2014; and
- Planned for the advancement of two geotechnical borings as part of a research effort in partnership with the Virginia Department of Mines, Minerals, and Energy ("DMME").

Activities During the Reporting Period

Planning a Phased Development Approach

Dominion believes a prudent and reasonable approach for commercial offshore wind development in the approximately 112,799 acres included within the Lease is to develop the large project in smaller phases. Dominion presented a defined phased development approach for the Lease to BOEM in a meeting on January 9, 2014, which we summarized in a follow-up letter dated February 4, 2014. A response from BOEM is pending.

Second 6-Month Payment

As required in Addendum B of the Lease, Dominion made a payment of \$169,199 on April 30, 2014.

SAP Submittal

On May 1, 2014, Dominion submitted a SAP describing the environmental monitoring equipment to be deployed in the Lease area. As required in 30 CFR § 585.235(a)(1), Dominion submitted the SAP six months after the November 1, 2013 Effective Date of the Lease. Dominion looks forward to BOEM's comments on, and eventual approval of, the SAP.

Geotechnical Investigation in Partnership with DMME

On March 26, 2013, the Virginia DMME announced four awards to advance research in offshore wind energy development, including an award to Dominion to share the cost for geotechnical surveys to support early site characterization efforts. Specifically, the Commonwealth of Virginia legislatively appropriated funds *"to leverage private and federal funding for increased data gathering to give Virginia an advantage over competing states in attracting the offshore wind industry to Virginia."* Geotechnical information of this type is currently lacking on the OCS in the vicinity of the Lease area. On April 28, 2014, Dominion submitted to BOEM for review a geotechnical investigation survey plan for advancing two deep borings within the Lease area.

The objective of this initial geotechnical survey work is to provide a general understanding of geologic conditions in the OCS and not to directly support commercial development. Dominion will conduct a full geophysical and geotechnical campaign to support the future filing of a Construction and Operations Plan ("COP") in November 2018. However, this early work is expected to help inform overall development of the COP.

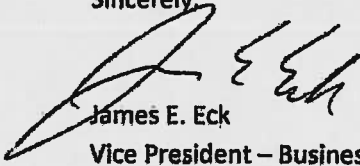
Next Steps

Dominion will continue to develop the Commercial Offshore Wind Project over the next six months. Anticipated activities to be included in the second Semi-Annual Progress Report to be filed on November 1, 2014 are:

- Receive feedback from BOEM regarding Dominion's February 4, 2014 phased development letter;
- Geotechnical investigation in partnership with DMME update – June 2014;
- Update on SAP activities; and
- Submittal of a Construction and Operations Plan Survey Plan ("COP Survey Plan") by the deadline defined in the Lease – November 1, 2014.

Please contact Robert Hare at robert.p.hare@dom.com or (804) 819-2963 if you have any questions or require additional information. Thank you in advance for your time and assistance.

Sincerely

A handwritten signature in black ink, appearing to read 'J. Eck', written over the printed name 'James E. Eck'.

James E. Eck

Vice President – Business Development
Dominion Virginia Power

Cc: Mary Doswell
Robert Hare
Corey Chamberlain