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OCT 31 2014

Office of Renewable
Energy Programs

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Program Manager
Office of Renewable Energy Programs
Bureau of Ocean Energy Management
381 Elden Street, HM 1328
Herndon, Virginia 20170

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

Dear Program Manager:

Virginia Electric and Power Company, d/b/a Dominion Virginia Power (Dominion), is pleased to submit this second Semi-Annual Progress Report (the Report) as required by its Commercial Lease of Submerged Lands for Renewable Energy Development on the Outer Continental Shelf (OCS-A 0483; the Lease) effective November 1, 2013. Although Dominion's Site Assessment Term of the Lease has not commenced, as discussed with the Bureau of Ocean Energy Management (BOEM) in an email dated June 2, 2014, Dominion established a schedule to submit a Semi-Annual Progress Report (per Lease Stipulation 2.2.1) on or around May 1 and November 1 of each year starting in 2014. This Report covers the period between May 2, 2014 and October 31, 2014 (the Reporting Period).

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

- Contracted with GAI Consulting, Ramboll, and Ensemble Wind to provide Dominion with engineering and meteorological support;
- Received BOEM approval of Dominion's proposed phased development strategy in a letter dated July 30, 2014;
- Participated in two project meetings with BOEM on August 4, 2014 and September 11, 2014;
- Developed, in coordination with BOEM, a Site Assessment Plan (SAP) update strategy for Q4 2014;
- Conducted an interagency kick-off meeting on October 16, 2014;
- Submitted the COP Survey Plan on October 31, 2014, as required by Lease Stipulation 2.1.1.2; and
- Made annual rent payment on October 30, 2014.

Activities during the Reporting Period

Procured Engineering Support Services

In August 2014, Dominion contracted with GAI Consulting, Ramboll, and Ensemble Wind to support the commercial offshore wind development. This team is providing Dominion with engineering and meteorological services, including pre-front end engineering and design (pre-FEED) studies, geotechnical survey planning for the COP Survey Plan, and identification of the Phase I Wind Farm Area within the Lease, among other activities.

Approval of Phased Development Approach

Dominion presented a defined phased development approach within the Lease in a meeting with BOEM on January 9, 2014, and summarized in a follow-up letter to BOEM submitted on February 4, 2014. In a letter dated July 30, 2014, BOEM approved Dominion's phased development approach. The COP Survey Plan submitted October 31, 2014 (see below) incorporates the phased development approach.

Project Meetings

Dominion participated in two project meetings with BOEM during the Reporting Period. The first was on August 4, 2014 to discuss Dominion's development progress and the recent approval of the phased development approach. The second meeting on September 11, 2014, was to discuss Dominion's COP Survey Plan filing. At both meetings, Dominion and BOEM discussed the development approach and upcoming filings in order to align expectations for both parties.

SAP Update Strategy

Dominion submitted a Site Assessment Plan (SAP) describing the environmental monitoring equipment that will be deployed in the Lease area on May 1, 2014. After discussing the SAP submittal with BOEM in the September 11, 2014 meeting, Dominion will update and resubmit the SAP in Q4 2014 to reflect only the deployment of equipment taking place prior to 2020. This change will allow BOEM to consider and approve equipment to be deployed during the Site Assessment Term of the Lease separately from monitoring equipment that is anticipated for deployment during the Operations Term of the Lease (on or around 2022), which will be added to Dominion's COP, expected in Q1 2019.

Interagency Kick-Off Meeting

On October 16, 2014, Dominion hosted a project kick-off meeting at Dominion's offices in Glen Allen, Virginia. Dominion invited federal, state, and tribal representatives from regulatory agencies and interested consulting parties, and 17 representatives attended. The kick-off meeting was an opportunity to introduce Dominion's commercial offshore wind development plans, to understand the next steps with regard to filings and surveys, and to listen to early concerns related to potential project impacts.

COP Survey Plan Submittal

On October 31, 2014, as required by Lease Stipulation 2.1.1.2 Dominion submitted a COP Survey Plan for BOEM review.

Annual Rent Payment

As required in Addendum B of the Lease, Dominion made a payment of \$338,397 on October 30, 2014 for the period of November 2014 through October 2015.

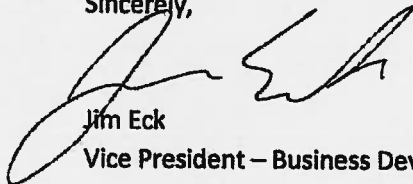
Next Steps

Dominion will continue to develop the Phase I Wind Farm Area of the Commercial Offshore Wind Project in the next six months. Anticipated activities to be included in the third Semi-Annual Progress Report to be filed on May 1, 2015:

- Submittal of an updated SAP in Q4 2014;
- Responses to any comments received from BOEM or other agencies on the COP Survey Plan;
- Continued pre-FEED efforts; and
- Preparation for additional stakeholder outreach beyond federal, state, and tribal representatives.

Thank you for BOEM's continued time and assistance as we move forward with offshore wind development. Please contact Robert Hare at robert.p.hare@dom.com or (804) 819-2963 if you have any questions or require additional information.

Sincerely,



Jim Eck
Vice President – Business Development

Cc Mary Doswell
Robert Hare
Corey Chamberlain

