



February 1, 2019

Attn: Luke Feinberg
United States Department of the Interior
Bureau of Ocean Energy Management
Office of Renewable Energy Programs
45600 Woodland Road
Sterling, VA 20166-9216

RE: Draft Wind Energy Areas for Commercial Leasing on the Outer Continental Shelf in the New York Bight

The American Wind Energy Association (AWEA)¹ and the New York Offshore Wind Alliance (NYOWA)² submit these comments in response to the Bureau of Ocean Energy Management's (BOEM) release of draft Wind Energy Areas (WEAs) for Commercial Leasing on the Outer Continental Shelf in the New York Bight (NY Bight). AWEA and NYOWA submitted comments to BOEM on July 31, 2018, in response to Docket ID: BOEM-2018-0004, providing our feedback on the Call for Information and Nomination about site conditions, resources, and

¹ AWEA is a national trade association representing a broad range of entities with a common interest in encouraging the expansion and facilitation of wind energy resources in the United States. AWEA members include wind turbine manufacturers, component suppliers, project developers, project owners and operators, financiers, researchers, renewable energy supporters, utilities, marketers, customers, and their advocates.

² NYOWA is a project of the Alliance for Clean Energy New York (ACE NY) and consists of a broad coalition of thirty partner organizations, whose collective mission is to promote policies that will lead to the responsible development of offshore wind in the Atlantic Ocean off the coast of New York State.

multiple uses in close proximity to, or within, the Call Areas identified in the NY Bight. AWEA and NYOWA appreciate the opportunity to submit these additional comments now that the draft WEAs have been released.

Importantly, in his 2020 Executive Budget and State of the State address, Governor Cuomo announced that New York State intends to increase its Clean Energy Standard (CES) to require that 70% of the state’s electrical generation would be met by renewable resources by 2030 and, to meet that standard, the state intends to increase its offshore wind energy goal to 9,000 megawatts (MW) by 2035³. New York’s new clean energy and offshore wind goals provide added impetus for BOEM to designate sufficient WEAs within the New York Bight to meet New York’s as well as New Jersey’s offshore wind targets. In light of these announcements, we encourage BOEM to take another look at its proposed WEAs in the New York Bight and adopt the New York State “Area for Consideration” to ensure that enough area is available for New York and New Jersey to meet their offshore wind goals and to allow the industry to take advantage of economies of scale. The following provides specific recommendations.

I. BOEM Should Make Available for Leasing WEAs that are Large Enough to Accommodate Utility-Scale Projects in Order to Achieve Economies of Scale

The size of the WEAs identified in the NY Bight are important. To achieve economies of scale, projects must be large enough to minimize development costs and to warrant investment in a new offshore wind industry and the associated supply chain. Economies of scale from large-scale lease areas, which can support larger projects, are necessary to drive cost reduction, optimize layout and attract a regional supply chain. Smaller lease areas will require multiple projects to achieve the same installed capacity levels and, therefore, will typically come at a significantly

³ New York’s goal was 2,400 MW by 2030.

higher cost; because the activities required for permitting, development, procurement, construction and operation will be compounded due to the multiple areas in which development will occur, it would erode the economies of scale enjoyed from a larger lease area than can support larger projects. In addition, as an increase in MW capacity of a project is heavily reliant on the size of a lease area, it is important that any offshore wind project installed off the coast of New York be sized appropriately in order to be cost-competitive with other sources of energy available in the state. For these reasons, we urge BOEM to make available for leasing WEAs in the NY Bight that can accommodate projects that are at least 800 MWs in size, as recommended by New York State in its “Area of Consideration” proposal submitted in October 2017.

II. Fairways North and South Are Not Likely to be Cost-Competitive

BOEM has identified relatively small primary and secondary areas within Fairways North and South that would only accommodate projects ranging from 50 MW to 260 MW. As noted above, small, discontinuous sites such as these would not be able to take advantage of economies of scale and would invariably involve higher costs for both wind turbine installation and maintenance.

III. Primary and Secondary Areas in Hudson North and South Should Be Substantially Expanded

The proposed Hudson North and South WEAs correspond closely with the “Area for Consideration” recommended by New York State. However, BOEM’s proposed primary and secondary areas would reduce the area available for leasing substantially and jeopardize achievement of New York’s and New Jersey’s combined offshore wind goal of 13,500 MW of offshore wind capacity. As noted in its November 28, 2018, presentation materials, BOEM calculates that if all the primary and secondary recommendations within the Draft NY Bight WEAs were designated, these areas could accommodate 9.6 MW of offshore wind capacity. As noted

above, Fairways North and South are unlikely to support cost-effective projects. Further, even if all of BOEM's primary and secondary recommendations remain intact, these areas will be insufficient to meet New York and New Jersey's targets. We strongly encourage BOEM to include all the areas within the Hudson North and South as recommended by New York State in its "Area of Consideration" to ensure that New York and New Jersey can meet their nation-leading offshore wind goals.

IV. BOEM Should Establish New WEAs and Begin the Leasing Process Expeditiously

Northeastern states are aggressively pursuing offshore wind as a clean, renewable, affordable source of energy. As noted above, New York and New Jersey alone have a collective goal of achieving 13,500 MW of offshore wind capacity by 2035 and 2030, respectively. In order to meet these goals, the states will need to issue regular solicitations and enter into contracts with winning bidders. To avoid unnecessary bottlenecks and ensure robust competition and competitive pricing, it is imperative that BOEM establish new WEAs in the New York Bight, of sufficient size and scale to be cost-competitive and begin the leasing process as expeditiously as possible.

V. Conclusion

AWEA and NYOWA appreciate the opportunity to provide these additional comments on BOEM's draft WEAs for Commercial Leasing on the Outer Continental Shelf in the NY Bight. AWEA and NYOWA and our collective members look forward to continuing to engage with BOEM on issues related to offshore wind development.

Sincerely,

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