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DEPARTMENT OF THE INTERIOR

Bureau of Ocean Energy Management

[Docket No. BOEM-2011-0023]

Commercial Renewable Energy Transmission on the Outer Continental Shelf (OCS) Offshore Mid-Atlantic States, Notice of Proposed Grant Area and Request for Competitive Interest (RFCI) in the Area of the Atlantic Wind Connection Proposal

AGENCY: Bureau of Ocean Energy Management, Department of the Interior

ACTION: Provide Public Notice of an Unsolicited Application for a Transmission Right-of-Way Grant Supporting Renewable Energy, Request for Submission of Indications of Competitive Interest, and Request for Public Comment

SUMMARY: The purpose of this public notice is to: (1) describe the Atlantic Wind Connection proposal submitted to BOEM; (2) solicit public input regarding the proposal, its potential environmental consequences, and the use of the area in which the proposal would be located; and (3) solicit submissions of indications of competitive interest for a right-of-way (ROW) grant for renewable energy purposes for the area identified in this notice.

On March 31, 2011, BOEM received an application from Atlantic Grid Holdings LLC (AGH) for a ROW grant on the OCS offshore New York, New Jersey, Delaware, Maryland, and Virginia. AGH's proposed project, Atlantic Wind Connection (AWC), would entail the construction and installation of a two-circuit, high-voltage direct current (HVDC) transmission line that would collect power generated by wind power generation facilities on the OCS and deliver it to the grid operated by PJM Interconnection LLC (PJM) and possibly also the New York Independent System Operator, LLC (NYISO). When the wind power generation facilities are not functioning at full capacity, the AWC

facilities would facilitate the transmission of conventionally-generated electricity between points on the onshore grid.

Development of each phase would not be open-ended. Any ROW grant or plan approval contemplated by this notice would contain requirements that development under the grant take place within prescribed timeframes, as described in the grant, pursuant to 30 CFR 585.652(b). If AGH were to fail to meet such timeframes, BOEM may reduce the size of, terminate, or cancel the grant pursuant to 30 §§ CFR 585.432-.437, or the terms of the grant itself. The application requests only a ROW grant—it does not request a lease for commercial wind generation.

This announcement invites the submission of indications of competitive interest for a ROW grant for the area requested by AGH to construct transmission facilities. BOEM will consider the responses to this public notice to determine whether competitive interest exists for the area requested by AGH , as required by 43 U.S.C. § 1337(p)(3). Parties wishing to obtain a ROW grant for the area requested by AGH should submit detailed and specific information as described in the section entitled, “Required Nomination Information.”

This announcement also requests that interested and affected parties comment and provide information about site conditions and multiple uses within the area identified in this notice that would be relevant to the proposed project or its impacts. The information that BOEM is requesting is described below in the section entitled, “Requested Information from Interested or Affected Parties.”

This notice is published pursuant to subsection 8(p) of the OCS Lands Act, which was added through the enactment of Section 388 of the Energy Policy Act of 2005

(EPAAct) (43 U.S.C. § 1337(p)(3)), as well as the implementing regulations at 30 CFR Part 585.

DATES: If you are submitting an indication of interest in acquiring a ROW grant for the area requested by AGH, your submission must be sent by mail, postmarked no later than [INSERT 60 DAYS FOLLOWING THE PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER] for your submission to be considered. If you are providing comments or other submissions of information, you may send them by mail, postmarked by this same date, or you may submit them through the Federal Rulemaking Portal at <http://www.regulations.gov>, also by this same date.

SUBMISSION PROCEDURES: This notice solicits: (1) submission of competitive interest in obtaining a ROW grant for renewable energy purposes for the area identified in this notice; and (2) public input related to the proposal, its potential environmental consequences, and the use of the area in which the proposal would be located. If you are submitting an indication of competitive interest for a ROW grant, please submit your nomination by mail to the following address: Bureau of Ocean Energy Management, Office of Renewable Energy Programs, 381 Elden Street, HM 1328, Herndon, Virginia 20170. Submissions must be postmarked by [INSERT 60 DAYS FOLLOWING THE PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER] to be considered by BOEM for the purposes of determining competitive interest. BOEM will list the parties that submit indications of competitive interest in the area requested by AWC, and describe the types of facilities proposed for the ROW, on the BOEM website after the 60-day comment period has closed.

If you wish to protect the confidentiality of your nominations or comments, clearly mark the relevant sections and request that BOEM treat them as confidential. Please label privileged or confidential information “Contains Confidential Information” and consider submitting such information as a separate attachment. Treatment of confidential information is addressed in the section of this notice entitled, “Privileged or Confidential Information.” BOEM will post all comments on regulations.gov unless labeled as confidential. Information that is not labeled as privileged or confidential will be regarded by BOEM as suitable for public release.

Comments and other submissions of information should be submitted as follows:

1. Comments may be submitted through the Federal eRulemaking Portal: <http://www.regulations.gov>. In the entry titled “Enter Keyword or ID,” enter BOEM-2011-0023, and then click “search.” Follow the instructions to submit public comments and view supporting and related materials available for this notice.
2. Alternatively, comments may be submitted by mail to the following address: Bureau of Ocean Energy Management, Office of Renewable Energy Programs, 381 Elden Street, HM 1328, Herndon, Virginia 20170.

FOR FURTHER INFORMATION CONTACT: Mr. Wright Frank, Energy Program Specialist, BOEM, Office of Renewable Energy Programs, 381 Elden Street, HM 1328, Herndon, Virginia 20170, (703) 787-1325.

SUPPLEMENTARY INFORMATION:

Purpose of the RFCI:

The OCS Lands Act requires BOEM to award leases, easements, and ROWs competitively, unless after public notice, BOEM determines there is no competitive

interest (43 U.S.C. § 1337(p)(3)). Responses to this public notice will allow BOEM to determine, pursuant to 30 CFR 585.306, whether or not there is competitive interest in acquiring the ROW area requested by AGH for the construction and installation of cables and associated facilities for the transmission of electricity from renewable energy projects. In addition, this notice provides an opportunity for interested stakeholders to comment on the AGH proposal, and any potential impacts the AWC project may have.

If, in response to this notice, BOEM receives one or more indications of competitive interest for offshore transmission development from qualified entities that compete with the proposed AWC ROW, it may decide to move forward with the ROW grant issuance process using competitive procedures pursuant to 30 CFR Part 585. However, if BOEM receives no competing nominations, BOEM may decide to move forward with the ROW grant issuance process using the non-competitive procedures contained in 30 CFR Part 585.

Should BOEM decide to issue a grant in the area, whether competitively or non-competitively, it will provide the public with additional opportunities to provide input pursuant to 30 CFR Part 585 and applicable law, such as the National Environmental Policy Act (NEPA).

Background:

Energy Policy Act of 2005 (EPAcT)

The EPAcT amended the OCS Lands Act by adding subsection 8(p), which authorizes the Secretary of the Interior to grant leases, easements, and ROWs on the OCS for activities that are not otherwise authorized by law and that produce or support production, transportation, or transmission of energy from sources other than oil or gas.

The EPO Act also required the issuance of regulations to carry out the new authority pertaining to renewable energy on the OCS. The Secretary delegated this authority to issue leases, easements, and ROWs, and to promulgate regulations, to the Director of BOEM. On April 29, 2009, BOEM promulgated renewable energy regulations, at 30 CFR Part 585, which can be found at:

<http://www.boem.gov/uploadedFiles/FinalRenewableEnergyRule.pdf>.

Executive Order 13547: Stewardship of the Ocean, Our Coasts, and the Great Lakes

In July 2010, the President signed an Executive Order (EO) establishing the National Ocean Council. The EO establishes a comprehensive, integrated national policy for the stewardship of the oceans, our coasts and the Great Lakes. Where BOEM actions affect the ocean, the EO requires BOEM to take such action as necessary to implement this policy, the stewardship principles and national priority objectives adopted by the EO, and guidance from the National Ocean Council.

BOEM appreciates the importance of coordinating its planning endeavors with other OCS users and regulators and intends to follow principles of coastal and marine spatial planning, and coordinate with the regional planning bodies as established by the National Ocean Council to inform its leasing processes. BOEM anticipates that continued coordination with the BOEM State Renewable Energy Task Forces will help inform comprehensive coastal and marine spatial planning efforts.

BOEM State Renewable Energy Intergovernmental Task Forces

BOEM has formed Renewable Energy Intergovernmental Task Forces to enhance coordination among relevant Federal agencies and potentially affected state, local and tribal

governments throughout the leasing and grant issuance processes. On June 1, 2011, BOEM held a teleconference and web conference with the New York, New Jersey, Delaware, Maryland, and Virginia Task Forces to discuss (1) the AWC proposal, (2) a draft of this Federal Register notice, and (3) the process that BOEM would use to process AGH's application. BOEM will continue to coordinate with these Task Forces as necessary and appropriate throughout the leasing and grant issuance process.

Determination of Competitive Interest

The first step in determining whether there is competitive interest under 30 CFR 585.307 will be the evaluation of indications of competitive interest for the ROW grant area requested by AGH to install cables and associated facilities for the transmission of electricity. At the conclusion of the comment period for this public notice, BOEM will review the submissions received, undertake a completeness review and qualifications review, and make a determination as to whether competitive interest exists.

Under BOEM's regulations at 30 CFR 585.302(b)(1), the rights accorded in a ROW grant do not prevent the issuance of other rights in the same area, provided that any subsequent ROW grant issued by BOEM in the area of a previously-issued ROW grant does not unreasonably interfere with activities approved under the previously-issued ROW grant. BOEM may find that competitive interest exists if it receives a proposal to acquire an OCS ROW grant that matches the proposed grant area.

In the event that BOEM determines that competitive interest exists, BOEM may decide to follow the process described in subpart B of BOEM's regulations at 30 CFR 585.220-.225 for the competitive issuance of leases.

If, after evaluating the responses to this notice, BOEM determines that there is no competitive interest in the proposed grant area, it may decide to proceed with the noncompetitive grant issuance process pursuant to 30 CFR 585.306(b), consulting with the applicable BOEM State Task Forces. BOEM would announce its finding in a Federal Register notice. Following that notice, BOEM would initiate National Historic Preservation Act (NHPA) Section 106 and Government-to-Government consultations. After BOEM has issued a Determination of No Competitive Interest, the applicant would be required to submit a General Activities Plan (GAP), as described in 30 CFR 585.306(b). Following the submission of a GAP, BOEM would initiate the National Environmental Policy Act (NEPA) process.

Whether following competitive or non-competitive procedures, BOEM will comply with the requirements of the NEPA, the Coastal Zone Management Act (CZMA), the Endangered Species Act (ESA), the NHPA, the Rivers and Harbors Act, the Clean Water Act, and other applicable Federal statutes prior to making a decision on whether or not to issue a grant and/or GAP approval, disapproval, or approval with modifications. In territorial waters, applicants will be responsible for compliance with additional Federal and state requirements. BOEM would coordinate and consult, as appropriate, with relevant Federal agencies, affected tribes, and affected state and local governments, in issuing a grant and developing grant terms and conditions.

Description of the Proposal

AGH proposes to build an offshore “backbone” electrical transmission system that would enable up to 7,000 megawatts (MW) of offshore wind turbine capacity to be delivered to the regional high-voltage grid controlled by PJM Interconnection, LLC.

AGH is considering several project design options, one of which would also entail interconnection into the NYISO. The transmission system would be constructed on the OCS off the coasts of New York, New Jersey, Delaware, Maryland, and Virginia. When wind power generation is not functioning at full capacity, AGH proposes that the AWC facilities would transmit conventionally-generated electricity between points on the onshore grid.

The AWC project is proposed as a single integrated system, although it would be constructed in five phases. It is anticipated that, if fully developed, the ROW grant corridor would extend approximately 820 statute miles. Full construction would take approximately 10 years. The phases of the proposed development are described below:

- Phase A: The offshore facilities from southern New Jersey to Delaware with a capacity of up to 2,000 megawatts (MW) (about 80 statute miles);
- Phase B: The offshore facilities from southern New Jersey to the northern New Jersey/New York metropolitan area with a capacity of up to 1,000 MW (about 110 statute miles);
- Phase C: The offshore facilities from Maryland to the northern New Jersey/New York metropolitan area with a capacity of up to 2,000 MW (about 290 statute miles);
- Phase D: The offshore facilities from Maryland to Virginia with a capacity of up to 1,000 MW (about 175 statute miles); and
- Phase E: The offshore facilities from Delaware to Virginia with a capacity of up to 1,000 MW (about 165 statute miles).

The phases of the AWC system are intended to align with what AGH anticipates to be the timing of offshore wind generation development. The AWC project does not include any proposals for offshore wind energy generation facilities.

The proposal includes two fully-built circuits (Circuit 1 and Circuit 2), each installed within a separate offshore corridor. The corridors are separated to lessen the risk that a single event, such as an anchor drag, could damage both circuits. From the northernmost point of the proposal to Virginia, circuit 1 would be installed closer to shore—generally between 4 and 15 statute miles offshore—than circuit 2. However, circuit 1 would cross Circuit 2 offshore Virginia and would lie further offshore than circuit 2 at the southernmost part of the route. Circuit 2 would be installed further offshore than circuit 1, in the 6 to 20 statute mile range from northern New Jersey to the crossing of the circuits offshore Virginia. AGH is requesting a ROW grant that would also allow for another possible path in which Circuits 1 and 2 would not cross offshore Virginia, remaining parallel throughout the route (See map referenced in “Map of the Area” section, below).

In addition to the cable, AGH anticipates that the AWC system would have up to nine offshore converter platforms, which would receive electricity via cable from offshore renewable energy generation facilities. These platforms would convert high-voltage alternating current into HVDC using voltage sourced converters. Each offshore converter platform would connect to one of the two proposed circuits. The circuits would connect to the onshore transmission grid at up to seven locations where AWC terrestrial converter stations would convert the HVDC current to HVAC and connect to the grid. Interconnection is contemplated at Larrabee, New Jersey; Cardiff, New Jersey; Indian

River, Delaware; and Piney Grove, Maryland. In Virginia, interconnections are planned at two of the following three potential interconnection points—one in Virginia Beach, and two more at Fentress, Virginia. In the northern New Jersey/New York metropolitan area, interconnection is planned at one of the following three interconnection points: Sewarren, New Jersey; Hudson, New Jersey; and Zone J on Long Island, New York. Each circuit of the project would contain three cables, two 320 kilovolt (kV) cables, and a fiber optic cable to provide communications and control capability. The two circuits together would require a total of four power cables, and two communication cables.

All cables would be buried to a depth that would likely be determined by factors such as the type of seafloor (hard bottom or soft bottom), the potential presence of sandwaves and sediment megaripples, and the marine uses that take place in a given cable area.

Description of the Area

The area under consideration is located on the OCS off the coasts of New York, New Jersey, Delaware, Maryland, and Virginia. A ROW grant is a corridor 200 feet in width centered on the cable or pipeline (30 CFR 585.301). The coordinates of the centerline for the ROW can be downloaded from the following URL:

<http://www.boem.gov/Renewable-Energy-Program/State-Activities/Regional-Proposals.aspx>.

The ROW grant area requested by AGH consists of this centerline and an area 100 feet to either side. This area may be adjusted based on the results of future surveys or new information obtained from stakeholder outreach and public input. We request public comments and indications of competitive interest in the actual ROW area

requested. The centerline of the ROW can be determined by interconnecting the points indicated by the centerline coordinates. Coordinates are provided in X, Y (eastings, northings) UTM Zone 18N, NAD 83 and geographic (longitude, latitude), NAD83. Coordinates for tentative offshore substation locations are also available from the web site indicated above.

Map of the Area

A map of the area proposed for a ROW grant can be found at the following URL: <http://www.boem.gov/Renewable-Energy-Program/State-Activities/Regional-Proposals.aspx>.

The application itself may also be downloaded from the website. A large scale map of the RFCI area showing boundaries of the area is available from BOEM at the following address: Bureau of Ocean Energy Management, Office of Renewable Energy Programs, 381 Elden Street, HM 1328, Herndon, Virginia 20170, Phone: (703) 787-1320, Fax: (703) 787-1708.

Required Nomination Information

If you intend to submit an indication of competitive interest for a ROW grant for the area identified in this notice for the purposes of transmitting electricity from renewable energy facilities to shore, you must provide the following:

(1) Documentation demonstrating that you are legally qualified to hold a ROW grant as set forth in 30 CFR 585.106-.107. Guidance and examples of the documentation appropriate for demonstrating your legal qualifications can be found in Chapter 2 and Appendix B of the BOEM Renewable Energy Framework Guide Book available at:

http://www.boemre.gov/offshore/renewableenergy/PDFs/REnGuidebook_03August2009_3.pdf

Legal qualification documents will be placed in an official file that may be made available for public review. If you wish that some part of your legal qualification documentation be kept confidential, clearly identify what should be kept confidential, and submit it under separate cover (*see* Protection of Privileged or Confidential Information Section, below).

(2) Documentation demonstrating that you are technically and financially qualified to hold a lease as set forth in 30 CFR 585.106-107, including documentation demonstrating that you are technically and financially capable of constructing, operating, maintaining, and decommissioning the facilities described in (4), below. Guidance regarding the documentation that you may submit to demonstrate your technical and financial qualifications can be found at:

<http://www.boemre.gov/offshore/RenewableEnergy/PDFs/QualificationGuidelines.pdf>.

(3) A statement that you wish to acquire a renewable energy ROW grant for the proposed grant area requested by AGH for the AWC project and a description of how your proposal would interfere with, or suffer interference from, the AWC proposed project. Any request for a ROW grant located outside of the proposed grant area should be submitted separately pursuant to BOEM's regulations at 30 CFR § 585.305.

(4) A description of your objectives, including:

- devices and infrastructure involved (if your project would require the use of offshore platforms, please indicate where those platforms would be located);
- anticipated capacity;

- how the project would support renewable energy facilities; and
- a statement that the proposed activity conforms with state and local energy planning requirements, initiatives or guidance, as applicable.

(5) A schedule of proposed activities, including those leading to commercial operations; and;

(6) Available and pertinent data and information concerning environmental conditions in the area, including any energy and resource data and information used to evaluate the area. Where applicable, spatial information should be submitted in a format compatible with ArcGIS 9.3 in a geographic coordinate system, (NAD 83).

Your complete nomination, including the items identified in (1) through (6) above, must be provided to BOEM in both paper and electronic formats. BOEM considers an Adobe PDF file stored on a compact disc (CD) to be an acceptable format for submitting an electronic copy.

It is critical that you provide a complete submission of competitive interest so that BOEM may consider your submission in a timely manner. If BOEM reviews your submission and determines that it is incomplete, BOEM will inform you of this determination in writing and describe the information that BOEM wishes you to provide in order for BOEM to deem your submission complete. You will be given 15 business days from the date of the letter to provide the information that BOEM found to be missing from your original submission. If you do not meet this deadline, or if BOEM determines your second submission is also insufficient, BOEM reserves the right to deem your submission invalid. In such a case, BOEM would not consider your submission.

Requested Information from Interested or Affected Parties

BOEM is also requesting from the public and other interested or affected parties specific and detailed comments regarding the following:

- (1) Geological and geophysical conditions (including bottom and shallow hazards) in the area described in this notice;
- (2) Known archaeological, historic, and/or cultural resource sites on the seabed in the area described in this notice;
- (3) Multiple uses of the area described in this notice, including navigation (in particular, commercial and vessel usage, recreation, and commercial and recreational fisheries);
- (4) Potential impacts to existing communication cables;
- (5) Department of Defense operational, training and testing activities (surface and subsurface) that occur in the area described in this notice that may be impacted by the proposed project;
- (6) Impacts to potential future uses of the area;
- (7) Advisable setback distance for other offshore structures, including other cables, renewable energy structures, oil and gas structures, etc.
- (8) The potential risk posed by anchors or other factors, and burial depths that would be required to mitigate such risks;
- (9) Other relevant environmental and socioeconomic information.

Protection of Privileged or Confidential Information

Freedom of Information Act

BOEM will protect privileged or confidential information that you submit as required by the Freedom of Information Act (FOIA). Exemption 4 of FOIA applies to

trade secrets and commercial or financial information that you submit that is privileged or confidential. If you wish to protect the confidentiality of such information, clearly mark it and request that BOEM treat it as confidential. BOEM will not disclose such information, subject to the requirements of FOIA. Please label privileged or confidential information, "Contains Confidential Information," and consider submitting such information as a separate attachment.

However, BOEM will not treat as confidential any aggregate summaries of such information or comments not containing such information. Additionally, BOEM will not treat as confidential: (1) the legal title of the nominating entity (for example, the name of your company); or (2) the geographic location of nominated facilities and the types of those facilities. Information that is not labeled as privileged or confidential will be regarded by BOEM as suitable for public release.

National Historic Preservation Act (16 U.S.C. 470w-3(a))

BOEM is required, after consultation with the Secretary, to withhold the location, character, or ownership of historic resources if it determines that disclosure may, among other things, risk harm to the historic resources or impede the use of a traditional religious site by practitioners. Tribal entities should designate information that falls under Section 304 of NHPA, 16 U.S.C. 470w-3, as confidential.

Tommy P. Beaudreau
Director, Bureau of Ocean Energy Management

November 30, 2011
Date