The Honorable Robert F. McDonnell
Governor of Virginia
Office of the Governor
Patrick Henry Building, 3rd Floor
1111 East Broad Street
Richmond, VA 23219

Dear Governor McDonnell:

The Virginia Offshore Wind Development Authority (VOWDA) thanks you for the FY13 appropriation of $500,000 to promote offshore wind development in the Commonwealth and we respectfully request that you support additional funding in FY14 to lower economic, environmental and technical barriers to development. An additional investment by the Commonwealth will provide a further economic incentive to attract the large amount of private capital needed to develop a utility scale wind farm off the coast of Virginia and will enable Virginia to preserve and promote its strong position as a preferred Mid-Atlantic location for offshore wind project and supply chain development.

Our principal recommendation and consensus, as reflected in VOWDA’s 2012 Annual Report is to “support industry requests to provide state funding to match federal, private capital and other investments in the design, permitting, and installation of buoys, structures, and equipment that will facilitate the collection of met-ocean data / or pre-construction development costs and construction of met towers.” The Virginia Offshore Wind Coalition (VOW), the industry coalition for offshore wind development, has made just such a request. Your Authority asks that you give this industry proposal every consideration as you work with the Virginia General Assembly to allocate scarce public resources to the priorities of the Commonwealth. The funding requested by VOW does not replace the significant amount of private capital that will be invested in Virginia’s offshore wind industry. Rather, it will be expended to reduce uncertainty and therefore lower the risk premium required by the private capital that will be invested in Virginia’s offshore wind industry. Reducing the cost of capital for constructing an offshore wind farm will benefit Virginia’s consumers by lowering the cost of energy generated from Virginia’s offshore wind resource.
The appropriation of Commonwealth funds to this industry will enable us to compete with other states along the Atlantic Seaboard who are looking for primacy in this nascent but important industry. For instance, other states, including New Jersey and Delaware, also seek the jobs and other economic benefits associated with this renewable energy industry and have begun to offer matching funds and other incentives to attract developers to their states. They appreciate, as we do, that the best way to get offshore wind off the ground is to help the private sector reduce the costs of this renewable energy. With an infusion of Commonwealth funds, we will be able to partner with the private sector to reduce the costs of acquiring data to quantify the offshore wind resource, which is critical to attracting the high-risk private sector capital that will need to be deployed to further the development of an offshore wind project in Virginia. We believe the resource off the coast of Virginia is abundant and now we look forward to working with industry to prove it. This development will also promote the port and shipping industry because both will be needed to stage and support offshore wind farms.

In conclusion, VOWDA requests your support for additional funding in FY2014 to help accelerate the momentum that the FY2013 funding has helped to create. In this way, we can truly make Virginia a leader in renewable energy and maritime jobs.

Sincerely,

Robert Matthias
Chairman

Attachment

c: Richard D. Brown
   Carrie Roth
   Maureen Matsen
   Cathie France
   Toni Walker