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Office of Renewable Energy Programs

John J. Suloway Vice President, Licensing, Acquisition and Project Development



June 20, 2012

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

RE: Long Island- New York City Offshore Wind Project

Amendment to Unsolicited Commercial Lease Application

Dear Ms. Bornholdt:

On September 8, 2011, on behalf of the Long Island - New York City Offshore Wind Collaborative¹ (the "Collaborative"), the New York Power Authority ("NYPA") submitted to the Bureau of Ocean Management ("BOEM") an unsolicited request for a commercial lease for an offshore wind project located on the Outer Continental Shelf ("OCS") off the State of New York approximately 13 nautical miles off the south shore of Long Island. Subsequently, NYPA provided documentation and information to satisfy BOEM's review of NYPA's legal, financial and technical qualifications to hold a renewable energy lease or grant. BOEM determined that NYPA met its legal qualification requirements (November 30, 2011) and its technical and financial qualifications requirements (March 21, 2012). On April 3, 2012, NYPA, LIPA and Con Edison attended, as observers, the BOEM-NY Renewable Energy Task Force meeting to discuss NYPA's commercial lease application with stakeholders comprising of federal, state, tribal and local governments.

NYPA's request for a commercial lease provided for one-quarter nautical mile (.25 nm) spacing between shipping lanes and any proposed wind turbines. On April 27, 2012, BOEM advised NYPA of United States Coast Guard ("USCG") guidance

¹ The Collaborative is currently comprised of the three largest electric utility power providers in the Long Island – New York City Region: (1) the Long Island Power Authority ("LIPA"); Consolidated Edison Company of New York Inc. ("Con Edison"), and (3) the New York Power Authority ("NYPA").

recommendations that one nautical mile (1-nm) is now the <u>minimum</u> distance that should be requested for the commercial lease. The 1-nm minimum buffer, as recommended by the USCG, will result in a substantial decrease in area available for commercial lease.

Accordingly, NYPA is amending its commercial lease application to include 74 additional OCS sub-blocks as follows:

- Block 6762: 5 sub blocks (K, L, N, O, P)
- Block 6763: 14 sub blocks (C, D, E, F, G, H, I, J, K, L, M, N, O, P)
- Block 6764: 10 sub blocks (A, E, F, G, H, I, J, K, M, N)
- Block 6811: 6 sub blocks (H, J, K, L, O, P)
- Block 6812: 16 sub blocks
- Block 6813: 12 sub blocks (A, B, C, D, E, F, G, H, I, J, M, N)
- Block 6814: 1 sub block (A)
- Block 6862: 9 sub blocks (A, B, C, D, E, F, G, H, K)
- Block 6863: 1 sub block (A)

Based on discussions between NYPA and BOEM staff, NYPA understands that due to the 1-nm minimum buffer, BOEM will be identifying sub-blocks that will no longer be available for commercial lease and that no substantial change in lease acreage is expected. BOEM has indicated that the balance or refund of any lease acquisition fees will be determined at lease issuance, should NYPA be awarded a non-competitive commercial lease.

As in previous correspondence, NYPA is submitting one paper copy and one electronic copy of this response on compact disk. Please contact Robin Shanen at (914) 287-3764 if you require any additional information or have questions.

Sincerely,

John J. Suloway Vice President

Licensing, Acquisition and Project Development

cc: New York Power Authority
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