

AGENDA NOTE - HRPDC QUARTERLY COMMISSION MEETING

ITEM #8: OFFSHORE ENERGY DEVELOPMENT UPDATE

SUBJECT:

The Obama Administration recently announced the opening of Virginia offshore waters for development of oil and gas resources. In addition, the process of wind energy development in Virginia is moving forward.

BACKGROUND:

OFFSHORE OIL AND GAS DEVELOPMENT

Secretary of the Interior Ken Salazar has been quoted in the media saying that the first lease sale for oil and gas exploration in the Virginia offshore waters will take place in 2012. He has indicated, given the long dormant period in offshore energy research in the mid-Atlantic region, the transition from exploration to production will be slow to occur. He also stated that a revenue-sharing split that would bring Virginia royalty money from drilling would probably only occur as part of a broader energy and climate change bill.

OFFSHORE WIND ENERGY DEVELOPMENT

The first meeting of the Minerals Management Service (MMS) sponsored Virginia Task Force on Renewable Energy Uses of the Outer Continental Shelf was held in Virginia Beach on December 8, 2009. The MMS has scheduled the next meeting of the Task Force on April 27, 2010 from 10:00 – 3:00. The meeting will be held at Thomas Nelson Community College Williamsburg, VA Campus. A formal agenda for the meeting is not yet available but MMS indicates that the following topics will be covered:

DOD: The DOD will provide coordination among the Navy and other defense agencies to help refine the Request for Interest (RFI) area. Representatives from DOD and the Navy will be on the agenda to discuss the DOD point of view in regard to compatibility issues and possible mitigation strategies.

Draft RFI: MMS intends to provide the draft RFI at the meeting for review by the Task Force. The DOD presentation will give a better context from which to review the RFI. The MMS will discuss the Draft RFI and ask for Task Force comments. The Final RFI will be subsequently published in the Federal Register with a 60 day comment period.

Eric J. Walberg, Physical and Environmental Planning Administrator, will brief the Commission on the project.

RECOMMENDED ACTION

This update is being provided for informational purposes at this time. The HRPDC staff anticipates this matter coming before the Commission again for action in May or June.

STAFF COMMENTARY

It is expected that the Request for Interest (RFI) for offshore wind energy development will be issued in the next few weeks. Following the release of the RFI, the HRPDC will need to provide comments and recommendations on the lease area(s), process and timeline for activity to the MMS.