



February 14, 2012

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Submitted by Email [oswdemo@go.doe.gov](mailto:oswdemo@go.doe.gov)

Re: U.S. Offshore Wind: Advanced Technology Demonstration Projects  
Comments on Draft FOA No. DE-FOA-000410

Dear Mr. Hahn:

Clean Energy States Alliance (CESA) offers the following comments on the Draft Financial Assistance Funding Opportunity Announcement No. DE-FOA-0000410, entitled *U.S. Offshore Wind: Advanced Technology Demonstration Projects*. CESA is a national non-profit organization that works with states to advance renewable energy policy, programs, finance, and technology innovation. CESA is a membership organization, composed of the major state clean energy programs in the country. CESA also facilitates a collaborative of state officials, federal agencies, non-governmental organizations, industry representatives, and other offshore wind (OSW) stakeholders with the objective of accelerating the development of a robust OSW industry in the U.S. – the Offshore Wind Accelerator Project.

CESA's comments on the draft FOA are as follows:

1. To leverage the federal funding for Topic Areas 1 & 2, DOE should seek to identify states which are interested and able to provide matching funds to applicants for proposed projects submitted under the FOA. Establishing an immediate state/DOE joint funding approach for the FOA would leverage limited DOE funding with additional state funding, assist in ensuring state regulatory support for selected projects, and allow DOE to support more OSW pilot and technology demonstration projects within the FOA's funding budget. There are many states along the Atlantic Coast that would be interested in entering such a cost-sharing arrangement for OSW, because of the significant priority that states from Maine to Georgia are placing on deploying these projects and developing a related supply chain. For example, states such as Maryland, Massachusetts, and New York each have clean energy funds that could be readily used to provide financial support to OSW pilot and demonstration projects in association with this FOA – *if* there is a targeted DOE effort to invite state involvement.

DOE could use various options to implement this joint state funding strategy, including the following:

- DOE requests states to consider commitments (outreach to states could occur via CESA, NASEO, NGA, or directly from EERE itself) to provide matching funds to future awardees of the FOA within their state, and DOE lists the state commitments in the FOA.
- DOE requests that states consider issuing separate state solicitations for projects in state-adjacent waters that are eligible for the DOE-issued FOA. Under this scenario, interested states would determine which applicants will receive matching funds based on state-based criteria in the state RFP, with state funding provided only if the project is selected by DOE for the federal funding through the DOE-issued FOA. Successful applicants would receive a letter of intent from the state to include in the DOE application. (This was an approach used by the California Energy Commission for providing matching state funds towards ARRA-related DOE FOAs).
- DOE issues a “collaborative” FOA solicitation with interested states able to commit state matching funding, with DOE seeking to agree upon technical selection criteria with partnering states to govern the FOA. DOE then lists the participating states in the FOA and the cost shares that states will provide for projects awarded in their states or region. Participating states also could be given a role in the review of the DOE FOA applications in the grant review and award process, as members of an advisory selection committee or the merit review team.

Regardless of the actual mechanism employed, DOE’s active solicitation of interested states to provide cost share in association with the FOA would ensure (a) better coordination among states and DOE to advance “fast track” pilot projects and (b) more strategic technology demonstration projects that build upon existing state commercialization work (e.g., MIT research, University of Maine deepwater offshore wind activities, etc.). Moreover, states can move very quickly to commit funds to these topic areas within the FOA- issuance timeframe because of their existing policy, program, and funding commitments to deploying offshore wind and the states’ sense of urgency to seize the OSW opportunity now.

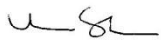
If useful, CESA is available to assist DOE in implementing any of these options with CESA’s strong connections with the leading state clean energy funds along the Atlantic Coast.

The merits and practicality of CESA’s recommendation are validated by the fact that the DOE Office of Electricity and Sandia National Lab are pursuing similar state/DOE cost-sharing partnerships with interested states for energy storage demonstration projects. The strong state interest in the energy storage co-funding effort with DOE is a strong indication of the value proposition of using a similar approach for the OSW technology accelerator FOA.

2. DOE should implement the FOA awards with use of a “technical services team” to assist awardees in the management and support of the projects receiving awards, rather than merely providing grants. Use of such a team will ensure and capture learning, identify and mitigate regulatory and other risks, help to solve project challenges as they arise, and monitor and evaluate the progress of projects. This type of team will be critical in managing the risks associated with pilot and demonstration projects that are being publicly funded. The team should be responsible for ensuring that projects meet funding objectives and progress rapidly within ambitious timeframes. This more “hands on” management approach by DOE, through use of a specially-selected technical team, will assist in accelerating the OSW industry.
  
3. DOE should use the awarded pilot projects as an important mechanism for contributing to the critical environmental data collection needs in order to fill the major information gaps related to the potential effects of OSW in the ocean environment. Specifically, as a condition of awards, pilot projects should be required to implement studies and/or monitoring to address priority research needs – in coordination with interested public and private research institutions and with public funding provided for the environmental research studies. Of particular value, the pilot projects should be used, in part, to identify and test impact reduction approaches, mitigation measures, and adaptive management strategies that are applicable to a broad range of future OSW projects. To that end, DOE should work with NOAA, BOEM, USFWS, and national universities to shape this FOA project-related environmental research to complement existing research programs being implemented by these agencies and entities.

Thank you for consideration of our comments.

Sincerely,



Mark Sinclair  
Executive Director

cc:

Chris Hart, DOE  
Jose Zayas, DOE  
Steve Chalk, DOE  
Raya Bakalov, DOI  
Jim Lanard, OWDC  
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