

Great Lakes Offshore Wind MOU Executed To Promote Orderly Evaluation of Proposals

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On March 30, 2012, 10 Federal agencies and the governors of Illinois, Michigan, Minnesota, New York and Pennsylvania signed a new Memorandum of Understanding (MOU) to develop a roadmap within 15 months that would describe the regulatory review process and data needed to “inform efficient review” of proposed offshore facilities in the Great Lakes. The intent is to establish common priorities and to develop a blueprint to streamline the regulatory review of proposed projects without sacrificing environmental and safety standards.

According to the U.S. Department of Energy (DOE), the Great Lakes' region is home to the largest offshore wind potential of any U.S. waters – 742.5 GW, or one-fifth of all potential wind energy in the United States. Each gigawatt of offshore wind power installed could produce electricity for 300,000 homes.

While there have been few proposed offshore wind developments in the Great Lakes, interest in Great Lakes offshore wind development has risen in the past several years, as has the opposition to offshore development in the region. Some recent examples of the increased interest and opposition are as follows:

- A Cleveland consortium has announced plans for a 5-20 MW offshore wind demonstration project in Lake Erie about seven miles north of Cleveland, and appears to have good local support for its project.
- Conversely, a Norwegian-based company led a group that proposed a 1000 MW offshore wind project to be located in Lake Michigan waters two to four miles off Ludington, Michigan, but that project has stalled, in part because of voracious local opposition.

Development of offshore wind projects in the U.S. Great Lakes waters may be more complicated than offshore wind development in U.S. coastal waters for two reasons:

First, the bottomlands of the Great Lakes are owned by each state within its respective boundary. Because both Federal and State regulatory authorities have jurisdiction, any proposals to develop offshore wind projects in the Great Lakes will require decisions by a number of Federal and State entities. State ownership of the bottomlands means that the states will have independent authority under their own laws to determine whether to approve specific projects. In addition, an offshore wind developer will need a U.S. Army Corps of Engineers permit to erect wind turbines, and will face the review of its plans by 10 Federal agencies.

Second, because the Great Lakes are freshwater, they freeze over in the winter and offshore technology to address ice has not been fully developed, although there is a pilot offshore wind project in a lake in northern Sweden. The University of Michigan, among other universities, is conducting two DOE-funded studies to explore the effect of ice loading on offshore wind turbines and their foundations.

The MOU represents a solid step forward in addressing the first issue. Depending on the extent to which the Federal agencies and participating states develop a coherent roadmap for regulatory approvals and actually collaborate with one another in the review of proposed offshore projects, the regulatory approval processes should become less cumbersome to navigate and perhaps less costly for developers of offshore wind projects. The one thing the MOU does not do is eliminate any of the State or Federal approvals that would be necessary for an offshore wind project.

It should be noted that Indiana, Ohio and Wisconsin declined the invitation to sign the MOU, but Obama administration officials have indicated that these states could become parties at a later date.

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