

**Department of Mines, Minerals and Energy (DMME)**  
**Offshore Wind Budget Items**

**Summary:**

- Offshore wind offers both a significant source of new energy and the potential for economic development investments in the development of offshore wind resources along the entire East Coast.
- The introduced budget contains two important budget amendments that will position Virginia to become a leader on offshore wind:
  - **\$40 million** to upgrade Portsmouth Marine Terminal at the Port of Virginia to enhance its offshore wind readiness.
  - **\$275,000** to create the Virginia Office for Offshore Wind at DMME.

**Background:**

Virginia's commitment to offshore wind (OSW) has positioned the Commonwealth on the leading edge of the U.S. East Coast build out. Dominion Energy intends to build at least 2,600 MW of offshore wind energy by 2026 off the coast of Virginia. This involves constructing approximately 220 wind turbines, able to power 650,000 homes at peak wind conditions. This effort supports Governor Northam's Executive Order 43, which establishes the goal that 30% of Virginia's electricity should be produced from renewable sources by 2030 and 100% should be from carbon-free sources by 2050.

The Port of Virginia is uniquely suited to become the hub for wind farm development along the entire East Coast due to its deep channel, no air-draft, available land, and quick ocean access. With a projected east coast build-out of 20,000 MW of installed capacity (2,000 to 3,500 wind turbines) over the next two decades, Virginia is well positioned to supply this market. Virginia also has the best-trained workforce to support offshore wind development due to its over 100 year history of constructing large-scale steel maritime vessels.

With these competitive advantages, the Commonwealth has been working to attract leading offshore wind developers and supply chain businesses while continuing to move forward with the full-scale development of the offshore wind resources that could serve Virginians.

**Impacted Stakeholders:**

Stakeholders include:

- Public agencies and institutions (Port of Virginia, Virginia Economic Development Partnership, Old Dominion University, Virginia Community College System);
- Trade associations (Virginia Maritime Association, Virginia Shipbuilding and Ship Repair Association);
- Economic development organizations (Hampton Roads Economic Development Alliance, Virginia Beach Economic Development, Norfolk Economic Development);
- Energy providers and developers (Dominion Energy, Orsted, Avangrid); and
- Environmental groups (Sierra Club, Chesapeake Climate Action Network)

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# BVGA 2017 Supply Chain Localization Probabilities for Steel Fabrications Total ~81,000 FTE for 8GW Buildout Scenario

Element		Subelement		FTE years 2016-2056	
		Low scenario (4GW)	High scenario (8GW)	Low scenario (4GW)	High scenario (8GW)
<b>Project development and management</b>				6,980	14,010
<b>Turbine supply</b>	Nacelle, rotor and assembly	24,700	49,580		
	Blades	9,000	18,170		
	Tower	3,000	6,140		
<b>Balance of plant</b>				18,400	36,860
	Foundation			5,000	10,110
	Array cables			13,200	26,440
	Export cable				
	Substation supply and operational infrastructure			18,900	37,980

## Probability of East Coast supply chain localization

■ Baseline 
 ■ High probability 
 ■ Medium probability 
 ■ Low probability