

TRI-STATE-AREA

New York State's First Offshore Wind Farm Gets Green Light

Construction on the \$740 million project on Long Island will start in 2020



Long Island Power Authority CEO Thomas Falcone says a 15-turbine offshore wind farm project near Montauk, N.Y., would produce enough electricity to power 50,000 homes on Long Island.

PHOTO: FRANK ELTMAN/ASSOCIATED PRESS

By Joseph De Avila

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UNIONDALE, N.Y.—The Long Island Power Authority completed an agreement Wednesday to build New York state's first offshore wind farm 30 miles east of Montauk, N.Y., the latest effort by the industry to gain traction in the U.S. market.

The authority, known as LIPA, signed a 20-year contract with Deepwater Wind LLC, a Rhode Island-based developer that began operating the first U.S. offshore wind farm off Block Island, R.I., in December.

Construction on the \$740 million project will start in 2020 and it aims to be operational by 2022, according to Jeff Grybowski, chief executive of Deepwater Wind, which is primarily owned by hedge fund D.E. Shaw Group.

“There is a huge offshore resource right off the coast of Long Island and it extends up and down the eastern seaboard,” Mr. Grybowski said. “We think thousands of megawatts will be built off the coast of the United States in the coming decades.”

Thomas Falcone, CEO of the Long Island Power Authority, said the 90 megawatt, 15-turbine offshore wind project would produce enough electricity to power 50,000 homes on Long Island. “It’s not the last project,” Mr. Falcone said. “And it won’t be the largest project.”

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Wind power off Long Island’s shores will help Governor Andrew Cuomo achieve his goal for half of New York’s power generation to originate from alternative sources by 2030.

This agreement will “continue our efforts to combat climate change and help preserve our environment for current and future generations of New Yorkers,” Mr. Cuomo said.

Norway’s Statoil AS A recently won a federal auction for \$42.5 million to lease a 79,000-acre site about 11.5 miles south of Long Island’s Jones Beach. Statoil is still awaiting final signoffs for that lease. Commercial fishermen have opposed that project, saying the federal government didn’t adequately analyze the impact would have on scallop and squid fishing grounds.

The offshore wind industry has been slow to take off in the U.S. compared with Europe where oil companies have invested heavily in numerous projects. But conditions holding the U.S. market back, including high infrastructure costs, have been improving, Long Island Power Authority officials said.

The U.S. introduced its federal regulatory process for offshore wind production about six years ago, which is one of the main reasons why the industry lags behind Europe, said Nancy Sopko, director of offshore wind and federal legislative affairs with the American Wind Energy Association. Europe has been building offshore wind farms since the 1990s, Ms. Sopko said.

The federal Bureau of Ocean Energy Management has awarded 11 offshore wind leases so far, including sites for Massachusetts, Delaware and Virginia. Massachusetts Gov. Charlie Baker, a Republican, signed a bill into law in 2016 that mandated the state to solicit long-term contracts to procure 1,600 megawatts of offshore wind power.

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Some opponents of offshore wind farms say the turbines pose risks to ocean life and can ruin oceanfront views. Many local residents opposed Deepwater Wind’s Block Island project, located 3 miles off the coast, saying they would be an eyesore.

The Montauk project doesn’t face the same pushback because of its distance from the coast. “Superman could not see it,” Mr. Falcone said.

Kit Kennedy, director of the energy and transportation program for Natural Resources Defense Council, an advocacy group, applauded the agreement between Deepwater Wind and the Long Island Power Authority.

“It’s that start of a new clean energy industry in New York and the ramping up of that industry in the U.S.,” Ms. Kennedy said.

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