

## **Distribution of Funds Generated by Wind Projects Located in Coastal Avian Protection Zones (CAPZ)**

### ***Department of Environmental Quality (DEQ)***

The following provisions were developed cooperatively by Virginia's Coastal Zone Management (CZM) Program staff at DEQ and DEQ's renewable energy staff, in keeping with CZM's usual protocols and procedures. This information relates to 9 VAC 15-40-60 B 3 and 9 VAC 15-40-130 B 2 of DEQ's Small Renewable Energy Projects (Wind) Permit by Rule.

9VAC15-40-60 B 3 requires that the owner or operator of a wind project >5 MW in Coastal Avian Protection Zones (CAPZ) take certain mitigation actions for avian impacts. Suggested mitigation actions appear in agency guidance. Among the suggestions are financial contributions (1) to fund scientific research concerning avian impacts of wind projects in CAPZ or (2) to contribute toward habitat protection and management.

In addition, 9VAC15-40-130 B 2 requires the owner or operator to contribute \$1000/MW of rated capacity for wind projects <5 MW (but >500 kW) located in certain CAPZ. This money is to be paid into a fund designated by the department in support of scientific research investigating the impacts of wind projects in CAPZ on avian resources.

This white paper sets forth the fund to which these monies are to be contributed when DEQ requires the foregoing mitigation measures – that is, the Virginia CZM Program – and how the monies will be spent via CZM processes in support of research and habitat protection, as follows:

Funds are deposited to DEQ 5-digit project accounts managed by the Virginia CZM Program for Wind PBR coastal avian “research” or “habitat protection.” Two separate accounts will be maintained under Cost Code 207 to accommodate the two different types of mitigation payments required. The “research” fund will consist of contributions required by 9VAC15-40-130 B 2 or by a mitigation plan approved pursuant to 9VAC15-40-60. The “habitat protection” fund will consist of contributions required by a mitigation plan approved pursuant to 9VAC15-40-60.

- (1) Where appropriate and applicable, CZM staff will identify matching funds for the mitigation funds, or existing relevant research projects to which the mitigation funds could be added.
- (2) Once sufficient funds have accumulated, the Virginia CZM Program will issue a Request for Proposals to qualified applicants; e.g., state natural resource agencies, academics, and relevant NGO's.
- (3) The Virginia CZM Program will convene the interagency Coastal Policy Team or a committee thereof to review and select the best proposals.
- (4) The Virginia CZM Program will add these two new grant types to its Grants Database which will then be used to:
  - a. Generate contracts
  - b. Generate reporting forms
  - c. Record progress reports
  - d. Process payments
  - e. Amend budgets as needed
  - f. Issue extensions as needed
  - g. Record final reports and products
- (5) The Virginia CZM Program will create pages for the DEQ website that will include:
  - a. Explanation of the use of the mitigation funds and process for distributing them
  - b. Posting of the RFP and application deadlines
  - c. Posting of selected projects' scopes of work
  - d. Posting of progress reports
  - e. Posting of final products