



United States Department of the Interior

BUREAU OF OCEAN ENERGY MANAGEMENT

WASHINGTON, DC 20240-0001

JUL 24 2015

Mr. James S. Gordon
Manager, EMI Cape, LLC
Manager and Member of Cape Wind Associates, LLC
20 Park Plaza, Suite 320
Boston, Massachusetts 02116

Dear Mr. Gordon:

The Bureau of Ocean Energy Management (BOEM) is responding to your February 26, 2015, letter requesting a two-year suspension of the operations term of Cape Wind Associates, LLC's (CWA) commercial lease (Renewable Energy Lease Number OCS-A 0478) pursuant to 30 C.F.R. § 585.416 and a suspension of CWA's obligation to pay rent during that same period pursuant to 30 C.F.R. § 585.420(b). BOEM is approving a two-year suspension of the operations term and denying CWA's request to suspend rental payments during this time period. This letter serves as a written suspension order pursuant to 30 C.F.R. § 585.418.

Lease Term Suspension Request

Approval of a two-year suspension of the operations term of CWA's commercial lease is hereby granted. BOEM has determined that such a suspension is warranted for the following reasons:

1. CWA has demonstrated good faith and due diligence in its efforts to meet the critical milestones outlined in its commercial lease and in BOEM's renewable energy regulations, including meeting all required financial obligations.
2. CWA has faced extensive legal challenges, some of which are still ongoing or under appeal—including litigation against BOEM. The history of the project demonstrates that the litigation has negatively impacted CWA's ability to timely obtain project financing and thus commence construction and operation of the project.
3. A two-year suspension of the operations term will assist CWA in fully enjoying the lease by helping to ensure ample time for project operations. Granting the two-year suspension of the operations term also will avoid further reductions to the length of time when the project is generating revenue, which could hinder CWA's ability to obtain the financing necessary to build the project.
4. It is in BOEM's interest to be flexible when circumstances warrant, as rigidity in all instances could create barriers to otherwise successful development. This is particularly true at the present juncture. The U.S. offshore wind industry is still in its early stages, and all developers face numerous uncertainties and impediments when trying to move forward with project proposals. OREP believes that the facts in this instance warrant flexibility.

Based on the foregoing, BOEM has determined that a two-year suspension of the operations term of CWA's commercial lease is necessary in order to ensure CWA's full enjoyment of the lease. BOEM has also determined that a two-year suspension of the operations term of the CWA lease is in BOEM's interest. Therefore, BOEM approves the suspension subject to the following conditions:

1. No offshore construction or installation activities related to Renewable Energy Lease Number OCS-A 0478 ("the Cape Wind Energy Project") may occur during the suspension period.
2. CWA must continue to submit a certification of compliance annually for the approved Construction and Operations Plan (COP), as required by 30 C.F.R. § 585.633(b).
3. During the suspension period and pursuant to 30 C.F.R. § 585.415(c), CWA must:
 - a. Respond to BOEM's requests for information in a timely manner, including providing project status updates;
 - b. Conduct studies that BOEM determines are necessary to support ongoing and/or future environmental reviews and consultations;
 - c. Participate in environmental consultations if BOEM determines CWA's participation is necessary or important; and
 - d. Participate in planning activities, meetings and phone calls if requested by BOEM.
4. The suspension of the operations term of CWA's commercial lease will not be construed to waive any liability or relieve CWA from complying with any applicable statute, regulation or lease provision, nor does it relieve CWA from any penalties, sanctions, or claims that would otherwise apply by statute, regulation, or operation of law.

Rental Payment Suspension Request

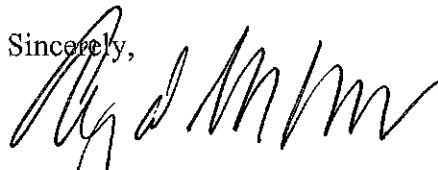
BOEM denies CWA's request to suspend rent payments during the suspension of the operations term for the following reasons:

1. CWA's continued obligation to make rent payments will compensate the United States for the opportunity costs related to the exclusive granting of the lease area to CWA.
2. CWA's continued obligation to make rent payments will serve as a holding cost to encourage ongoing due diligence in developing the lease.

The suspension of the operations term of the lease is effective as of the date of this letter and the suspension expires on July 24, 2017, at which time the operations term of the lease will again commence. CWA must continue to pay rent as specified in Addendum B(III)(a) of the lease.

This letter constitutes a final BOEM decision that may be appealed pursuant to 30 C.F.R. § 585.118, 30 C.F.R. Part 590, and 43 C.F.R. Part 4, Subpart E. If you have any questions regarding this matter, please contact Mr. James F. Bennett, Chief of the Office of Renewable Energy Programs, at (703) 787-1300.

Sincerely,

A handwritten signature in black ink, appearing to read 'A. Ross Hopper', written over the word 'Sincerely,'.

Abigail Ross Hopper
Director