

# 2 wind farms' rebid OK

Sunrise Wind, Empire 1 sought higher prices

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New York State on Thursday announced that two offshore wind developers that had sought to redo their previously awarded contracts to account for higher costs have been “provisionally awarded” new contracts that nearly triple the anticipated bill impacts for average customers.

Both Sunrise Wind, by Denmark-based Orsted, and Empire Wind 1, by Norway-based Equinor, had sought higher prices for the energy from their projects to compensate for rising materials costs and interest rates.

Average customer bills would increase around 2%, or \$2.09 per month, under the new contracts during their 25-year term, the state said in announcing the awards. Previously the state had said the projects would hike bills about 73 cents per month. The all-in development costs of the projects, at \$150.15 per megawatt hour, was “on par with the latest market prices,” the state said.

The two projects, totaling more than 1,700 megawatts, will be the “largest power generation projects in New York state in over 35 years once they



A vessel such as this is used to lay a wind farm's power cable connection to land infrastructure.

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enter operation in 2026,” Gov. Kathy Hochul’s office said in announcing the new awards.

Sunrise Wind, which is expected to land its power cable at Smith Point, has already begun construction, with land-based infrastructure for a 17½-mile cable underway at a new substation in Holtsville.

Orsted announced that it will take over complete ownership of Sunrise Wind after partner Eversource announced its plan to divest itself of wind-energy assets last year, pending the signing of a state contract, acquisition agreements and approval of the project’s construc-

tion and operations plan. Eversource will retain a contract to lead the project’s land-based construction.

“Today marks the start of the incoming tide of benefits that will raise all boats across the island, increasing opportunities through workforce development efforts as well as improving economic conditions in our local communities,” said Billy Haugland, chief executive of the Haugland Group of Melville, which last year was awarded a \$200 million construction contract for the Sunrise Wind cable.

Brookhaven Town expects to

receive the bulk of a \$168.9 million benefits package negotiated with Orsted once the project starts producing energy in 2026, while offering more than \$90 million in tax breaks for cable construction and an operations center in East Setauket.

Equinor has parted company with its partner BP, and is developing the Empire projects on its own. Equinor withdrew a previously awarded state contract for Empire Wind 2 earlier this year. The project had faced opposition to a cable route through Long Beach.

Equinor, which called the Empire Wind 1 contract award “con-

## WHAT TO KNOW

- **New York State announced that two offshore wind** developers that had sought to redo their previously awarded contracts to account for higher costs have been “provisionally awarded” new contracts.
- **The developers of Sunrise Wind and Empire Wind 1** had sought higher prices for the energy from their projects to compensate for rising materials costs and interest rates.
- **Average customer bills would increase around 2%**, or \$2.09 per month, under the new contracts during their 25-year term, the state said.

ditional” and the contract “pending,” said a key component of the project remains the plan to transform the South Brooklyn Marine Terminal into Empire’s operations and maintenance facility, which is set to become “New York’s first purpose-built offshore wind staging and port facility” and a hub for offshore wind activities “for years to come.” Empire Wind 1 is expected to be completed in 2026.

“This is a promising new beginning for Empire Wind and we’re ready to get started,” Molly Morris, president of Equinor Renewables America, said in a statement.