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REACT Alliance AB 3 Scoping Comments

Additional submitted attachment is included below.

August 16, 2025

California Energy Commission
Docket 25-AB-03
Sent electronically to docket@energy.ca.gov

RE: Comments on AB3 Report Requirement on Offshore Wind Port Requirements; General Comments

Dear California Energy Commission:

REACT Alliance (Responsible Energy Adaptation for California's Transition) is a nonpartisan, grassroots coalition of local citizens dedicated to a singular cause. We are your neighbors, friends, and community members united to oppose the Central Coast Offshore Wind Energy Project, motivated not by political or corporate interests, but by our commitment to preserving our environment and way of life.

Unlike profit-driven entities, REACT Alliance was established to address the urgent need for transparent and unbiased information about offshore wind energy development. We directly engage with permitting and regulatory agencies to ensure community interests are prioritized and protected.

We're committed to a responsible, transparent approach to energy development. We are not anti-renewable. We are pro-accountability. We advocate for thoughtful, locally informed decision-making and smarter infrastructure investments that don't sacrifice our community and planet for the financial gains of others through rushed industrial development, corporate pressure, or regulatory capture.

REACT is writing to express its strong opposition to the continued implementation of California Assembly Bill 3 (AB3), also known as the California Offshore Wind

Advancement Act. While REACT understands the importance of transitioning to renewable energy sources, it believes that the projects that are being promoted by AB3 pose significant environmental, economic, and community concerns that must be addressed immediately.

On June 4 of this year, REACT Alliance, along with numerous signatories, sent a letter to Department of Transportation (DOT), Department of Interior (DOI), Department of Energy (DOE), the Environmental Protection Agency (EPA) and the White House in reference to the INFRA Grant that was awarded for the Humboldt Heavy Lift Terminal for offshore wind in California. After months of thorough research, REACT and our partners concluded that the grant was a misappropriation of DOT funds. We found that the nearly half-billion-dollar grant does not meet the legal criteria for INFRA grants and should be rescinded.

To be eligible under INFRA, a project within the boundaries of a freight rail, water (including ports), or intermodal facility must be a surface transportation infrastructure project necessary to facilitate direct intermodal interchange, transfer, or access into or out of the facility and must significantly improve freight movement on the National Highway Freight Network (NHFN).

Humboldt Bay is not a designated national multimodal freight network facility and is as such ineligible for any INFRA Grant funds. The Humboldt Grant project is intended as a heavy lift terminal for assembling and handling wind turbine components, specifically to support a future floating offshore wind industry.

Obviously, the project meets none of the INFRA guidelines for grant approval. Notwithstanding the previous observations of the ineligibility of the Humboldt project, there is a clear avenue and justification for this action in the determination that the grant is not in the "public interest." This is a broad statement and can be clearly demonstrated by the lack of viability of the floating offshore wind "industry", the failure of the proof of adequate funds to complete the funded project, and the failure to meet many of the milestones for the project including procuring an acceptable development partner and various other funding infractions.

Also, a Treasury Department decision handed down this week further threatens the financial viability of hundreds of “clean energy” projects by tightening tax credit guidelines. According to Heather O’Neill, president and CEO of the industry group Advanced Energy United, “These rules will make it more difficult and expensive to build and finance critical energy projects in the US”.

While REACT understands the importance of transitioning to renewable energy sources, we believe that the offshore wind proposals are risky, unrealistic and pose

significant environmental, economic, and community concerns that must be addressed. The offshore wind industry has suffered several economic and legal setbacks since the enactment of AB3 on October 7, 2023.

The economic drawbacks of implementing these projects cannot be overlooked. The cost of developing offshore wind energy infrastructure is substantial, and these expenses will be passed on to consumers. According to the U.S. Offshore Wind Power Economic Impact Assessment, the magnitude of economic benefits depends on three key inputs: annual offshore wind project capacity installations, domestic content of the components and services required to develop, build, and operate offshore wind projects, and the overall costs to develop offshore wind projects.

The corporations, investors and suppliers of the projects associated with the offshore wind leases off California's coast, detailed below, are not immune to these challenges.

HUMBOLDT BAY OFFSHORE WIND HEAVY LIFT MARINE TERMINAL PROJECT AND THE CANOPY OFFSHORE WIND FARM

RWE has been facing significant challenges in its offshore wind projects, particularly in the U.S. The company recently announced mass layoffs in its U.S. offshore wind division, including employees working on the Canopy Offshore Wind project planned for the Humboldt Wind Energy Area. These layoffs are a response to widespread market uncertainty and increased risk profiles, leading RWE to delay certain expenditures related to its U.S. offshore wind development projects. The company has laid off close to 100 people, including some California-based employees. Last week, RWE, the largest wind supplier in Britain, blamed the "drop in wind power" for rising energy bills. It said profits during the first half of this year plunged by more than a quarter to $2.5 billion compared with a year earlier, blaming low wind speeds.

Vineyard Offshore has also been impacted by market uncertainties, leading to significant layoffs. The company recently cut 50 U.S. and European positions, some of which were reassigned to other international projects. Additionally, the Vineyard Wind I project has faced multiple lawsuits claiming that the Bureau of Ocean Energy Management failed to adequately evaluate the project's potential impact on local fishermen and marine mammals, such as the endangered North American right whale.

Vineyard Wind, an offshore wind project in Massachusetts, is facing several legal challenges. There are four lawsuits challenging the federal environmental permit issued to Vineyard Wind, a 62-turbine facility planned for construction in the waters off Martha's Vineyard. These lawsuits allege that the Bureau of Ocean Energy

Management conducted an inadequate environmental review when it approved the project, failing to account for its impact on everything from fishermen to the critically endangered North American right whale.

The lawsuits have been brought by various groups, including landowners, fishing groups, and a prominent conservative think tank. The cases argue that the project will irreversibly damage the ocean, and that the government is relaxing endangered species requirements for offshore wind while imposing stringent regulations on other industries.

CENTRAL COAST OFFSHORE WIND ENERGY PROJECT

Ocean Winds

Ocean Winds, a joint venture owned by EDP Renewables and ENGIE, has faced several challenges and criticisms in its offshore wind projects. The company has been impacted by market uncertainties, leading to significant layoffs. Recently, Ocean Winds Corporation cut 50 U.S. and European positions, some of which were reassigned to other international projects. Additionally, the east coast Vineyard Wind I project, which Ocean Winds is involved in, has faced multiple lawsuits claiming that the Bureau of Ocean Energy Management failed to adequately evaluate the project's potential impact on local fishermen and marine mammals.

EDP Renewables

EDP's recurring net profit declined 57% year-on-year to EUR 221 million (USD 231.7m) in 2024. This decrease was due to reduced asset rotation gains and increased financial costs. Non-recurring items, including a US offshore impairment and the decision to halt investment in a 0.5 GW wind farm portfolio in Colombia, also influenced the results.

ENGIE

ENGIE is involved in offshore wind projects, especially in the Middle East and North Africa, but has faced challenges such as turbine reliability issues with Nordex turbines, operational difficulties at US wind farms, and public opposition over noise, wildlife impact, and visual concerns. The company also reports obstacles related to project development, permitting, and costs, mainly in the US and Europe. A moratorium on renewables in France could threaten almost $6 billion of ENGIE's planned projects (Bloomberg).

Reventus Power

Reventus Power, Canadian Pension Plan Investments’ global offshore wind platform, has faced several challenges and criticisms in its offshore wind projects. The company

has been impacted by market uncertainties, leading to significant layoffs. It cut headcount by one-fifth, amid a strategy shift to cope with a tough offshore wind investment market.

Invenergy/Even Keel Wind

Invenergy has also encountered issues with its turbine suppliers, leading to delays in its offshore wind projects. For instance, the company requested a delay from the New Jersey Board of Public Utilities for its proposed 2.4 GW offshore wind project near Long Beach Island due to challenges in finding a wind turbine supplier. Initially, Invenergy planned to use the Haliade-X 18 MW wind turbine, but GE Vernova announced it would not build the turbine Invenergy expected to use. Consequently, Invenergy is currently without a viable turbine supplier for the project.

It is interesting to note that US wind turbine blade maker TPI Composites has commenced 'reorganization bankruptcy' proceedings last week– a process that will allow the company to reorganize its debts while continuing to operate – amid "industry-wide pressures."

Equinor/Orsted

Equinor has also been affected by market uncertainties and policy shifts. The company booked a $955 million write-down on its U.S. offshore wind projects, blaming U.S. tariffs and the uncertainty of the U.S. regulatory environment under the current administration. The impairment is driven by regulatory changes, including the removal of investment tax credits and the suspension of future offshore wind leases in the U.S. The impact of increased tariffs, especially on steel, added nearly $300 million to project costs. These challenges have made large-scale offshore wind investments financially unviable.

In November 2023, **Ørsted** canceled its wind projects off the coast of New Jersey despite efforts to lower royalties, ease permitting, and provide generous wind subsidies. Shell disclosed a $996 million write-off related to the Atlantic Shores offshore wind farm, which it no longer sees as a fruitful investment. The company has also sold its stakes in projects across Massachusetts, South Korea, Ireland, and France. It has faced soaring inflation and logistical problems, leading to significant cost increases. Additionally, Orsted's financial struggles were exacerbated by the suspension of offshore wind leases under the current administration.

Last week, Standard & Poors (S&P) Global Ratings downgraded Orsted A/S’s debt to the lowest tier of investment grade, following the company's announcement of a $9 billion rights offering intended to strengthen its financial position. The rights issue also

prompted political responses in Denmark, as the government agreed to contribute half of the funds. According to S&P, Orsted faces challenges in completing wind farms on schedule and selling interests in key projects, particularly in the United States.

It's stock also declined last week, reducing its market value by more than $6.5 billion. S&P lowered the company's long-term issuer credit rating by one notch to BBB-, citing business difficulties such as issues with project refinancing and divesting 50% of the Sunrise wind project in the US.

These examples highlight the significant economic challenges faced by offshore wind industry companies due to regulatory changes, rising costs, and supply chain issues.

Then there is the predictable infighting and threats of litigation against and among these corporations. In July 2025, RWE attacked Orsted, Equinor and Iberdrola over double standards. RWE has charged Orsted, Equinor and Iberdrola with hypocrisy in an escalating row between the offshore wind heavyweights over wind projects that it claims could result in losses of almost $1.4 billion across several major projects.

In other news, a recent independent study found offshore wind farms are not currently cost effective, leading to cancellation of the project in Brunswick County, North Carolina. Originally meant to help lower the state's carbon footprint by 2030, shifting political priorities have delayed alternative energy goals. Duke Energy confirmed that wind farms are not financially feasible for them or customers at this time.

The Acquisition Request for Information (ARFI), issued Jan. 29, 2025, evaluated up to 2,400 megawatts of offshore wind potential by 2035. The non-binding process, overseen by Power Advisory, determined offshore wind is not a least-cost option currently. Local opposition was strong. Brunswick County Commissioner Marty Cooke expressed relief at its cancellation, citing concerns about expense, safety, effectiveness, and negative impacts on marine life and coastal views. Cooke also highlighted perceived dangers to shipping, fishing, and claims of increased whale deaths near existing wind turbines.

These examples highlight the economic challenges and uncertainties faced by RWE, Vineyard Offshore Wind, Reventus Power, Invenergy, Equinor and Orsted - in these offshore wind leasehold projects and associated infrastructure.

The negative environmental impacts associated with offshore wind and associated port infrastructure and cables, are contrary to its environmentally friendly label, offshore wind energy development involves significant carbon emissions associated with the extraction and processing of raw materials, and the construction and transportation of vast steel structures and extensive port facilities.

Each turbine also requires thousands of gallons of synthetic lubricants and the construction and ongoing operations requires a fleet of specialized vessels powered by large amounts of diesel fuel. In addition, offshore wind infrastructure relies on sulfur hexafluoride (SF_6), which is a greenhouse gas over 25,000 times more potent than CO_2, used in high-voltage electrical components. Offshore wind's "green" image conceals the reality: ecosystem destruction, marine life deaths, industrialized shorelines, and hidden emissions that stretch far beyond the ocean floor.

According to a 2024 report by the Bureau of Ocean Energy Management (BOEM), whales, dolphins and sea turtles can be harmed, and even killed, by offshore wind energy development. Very loud underwater noises from site surveys, construction, and operations can cause permanent hearing damage, making them vulnerable to ship strikes and other harms. Displacement from breeding and feeding areas poses another significant concern. The National Oceanic and Atmospheric Administration (NOAA) has granted Incidental Harassment Authorizations to wind energy companies, allowing them to injure and kill thousands of protected whales, dolphins and seals.

Green Oceans, a Rhode Island-based non-profit, is challenging the federal approval of several offshore wind projects, specifically the South Fork Wind and Revolution Wind projects off the coast of Rhode Island. The lawsuit alleges that the federal agencies involved, including the Bureau of Ocean Energy Management (BOEM) and the National Marine Fisheries Service (NMFS), violated environmental laws and regulations in their approval process. The group argues that the environmental impact assessments were inadequate, particularly concerning impacts on marine life and other ecological concerns.

In April 2025, a federal district court judge denied Revolution Wind's attempt to dismiss the Green Oceans' lawsuit. In addition, in July 2025, Green Oceans and Three Tribes Petitioned NOAA to Revoke Offshore Wind Companies' Authorizations That Harm 61% of the Critically Endangered North Atlantic Right Whales (NARW) While Building their Projects. NOAA is actively reviewing the petition. The petition also provides hard evidence connecting the construction of offshore wind projects and the deaths of endangered NARW, of which there are fewer than 350 left and demonstrates that the government's basis for allowing the LOAs relies on incomplete and flawed analysis.

Early in 2025, a French windfarm was forced to pause operations after killing 300+ protected birds. In 2023, a judge ordered another French turbine array to cease operations after Golden Eagles were killed. According to the British Times, over 1000 birds had been killed by turbines in France between 2019-2023. Meanwhile, both the

Humboldt Bay and Morro Bay Wind Energy Areas are located within the Pacific Flyway, a crucial corridor for millions of migrating birds.

The John Muir Trust, along with the Trust of Scotland, have expressed concerns about the potential negative impacts of offshore wind energy projects on marine life and ecosystems. They highlight that the construction and operation of these projects can disrupt marine habitats, leading to long-term ecological damage. Operational wind farms pose a risk to marine birds, which are susceptible to colliding with turbine blades.

Local industries such as fishing may suffer due to the disruption of marine ecosystems, leading to job losses and economic instability in coastal communities. The installation of turbines could significantly impact local fishing routes and breeding grounds, leading to reduced catches and economic losses for the fishing community. The impact on commercial and recreational fishing will be substantial, with the physical presence of turbines and their vast infrastructure limiting access to traditional fishing areas, disrupting the livelihoods of coastal communities dependent on marine resources. Even prior to the installation of turbines, fish are known to be vulnerable to harm from High Resolution Geophysical surveys needed to determine turbine and cable locations.

Additionally, the federal government has recently taken several actions that have slowed or halted offshore wind development in the U.S. On January 20, 2025, a Presidential Memorandum was issued, temporarily withdrawing all areas on the Outer Continental Shelf (OCS) from offshore wind leasing. This memorandum also initiated a comprehensive review of the federal government's leasing and permitting practices for wind projects.

Furthermore, the feasibility and efficiency of achieving the goals set by AB3 are questionable. The bill's requirement for in-state assembly and manufacturing of offshore wind energy projects may not be practical or cost-effective. California’s current rate of electricity stands at about $40/MWh, and experts caution that the price of floating offshore wind energy could soar to $145/MWh or more. This doesn’t even account for the billions needed to build out on-land infrastructure such as ports and transmission corridors that will need to be financed, at least partly, by the taxpayers. It is essential to consider whether the resources allocated to these projects could be better utilized in other renewable energy sources that may offer more immediate and reliable benefits.

California's transition to clean energy is being held up by several significant barriers, including the need for more transmission capacity. Transmission lines are crucial for moving power from generation sources to demand centers, but the current system isn’t keeping pace with the current needs of the grid. California needs to triple its transmission capacity by 2050 to meet its clean energy goals.

Connecting the Humboldt Wind Energy Areas to the grid would require 400 square miles of new transmission lines through forests, raising questions about tree removal. Alternatively, installing subsea high voltage DC cables from Humboldt to San Francisco could impact nearshore fisheries and habitats, with an estimated cost of $71 billion (NREL, 2023).

California Senate Bill 540, introduced by Senators Becker and Stern, notes that inadequate energy infrastructure is causing the state to waste significant amounts of green energy. This legislation is winding its way through the process pitting elected officials, community leaders, and environmental groups against each other. Its goal is to “create an expanded power market with other Western utilities to trade vast amounts of electricity. An expanded market could include climate-aligned states such as Oregon and Washington but potentially also coal-burning ones such as Wyoming, Utah and New Mexico.” (CalMatters 8/6/2025).

Lastly, it is imperative to involve local communities and stakeholders in the decisionmaking process. The voices of those directly affected by these projects must be heard and considered. Transparent and inclusive discussions are necessary to ensure that the interests and concerns of all parties are adequately addressed.

There has been no public communication to the public from our elected officials or the leaseholders involved in the Central Coast Offshore Wind project. We are not encouraged that there will be meaningful public input opportunities based on what is happening on the east coast.

The Nantucket offshore wind project, specifically the Vineyard Wind 1 project, has also faced significant challenges obtaining accountability from Vineyard Wind for repeated failures to uphold its obligations under the 2020 Community Benefit Agreement. Issues such as lack of transparency in communicating project failures, delays in activating promised light pollution controls, and the absence of emergency planning following the 2024 turbine blade failure have been cited. These challenges further emphasize the need for stringent oversight and accountability in offshore wind projects.

In conclusion, while the pursuit of renewable energy is commendable, it is vital to approach it with careful consideration of the potential environmental, economic, and community impacts. I urge you to reconsider the implementation of AB3 and explore alternative solutions that prioritize the well-being of our marine ecosystems, local economies, and communities.

Thank you for your attention to this matter.

Sincerely,

Patricia Boaz

Tricia Boaz, Director React Alliance