

DOCKETED

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UAW AB 3 Scoping Comment

Additional submitted attachment is included below.



August 18, 2025

Chair David Hochschild
California Energy Commission
715 P Street
Sacramento, CA 95814

Submitted Electronically

Re: Staff Workshop on Assembly Bill 3: Scoping Reports on Offshore Wind Seaports, Workforce, and Supply Chain

Dear Chair Hochschild:

On behalf of UAW Region 6, representing over 100,000 active and retired members on the West Coast and more than one million members nationwide, we appreciate the opportunity to comment on the California Energy Commission's (CEC) AB 3 Offshore Wind Scoping Plan. We recognize offshore wind's vital role in achieving California's ambitious decarbonization goals and commend the CEC for laying the groundwork for this emerging industry.

The UAW is one of the fastest-growing industrial unions in the country, with deep experience in building high-quality jobs across the auto, aerospace, agricultural implement, and other advanced manufacturing supply chains for over 80 years. Our members manufacture batteries, assemble vehicles, produce parts, build engines, perform logistics and maintenance work, and conduct research and development for zero-emission vehicles and related technologies. We are committed to ensuring the clean energy transition creates durable, high-road jobs that benefit workers and working class communities.

Strengthening Market Structure Policy

After reviewing the scoping document, we find a significant gap in the proposed framework for offshore wind (OSW) market structure policy. California's competitive advantages—its innovation ecosystem, robust research and development infrastructure, and large energy market—are not yet fully leveraged in the current plan. The state must

use its diverse policy tools to strategically shape the growth of the OSW industry, ensuring it is not only competitive but also equitable and resilient.

We encourage the CEC to refer to international research literature and experts in the OSW policy space and in the broader industrial policy literature to address the following:

- Expanding the market structure analysis to explore how California can actively shape OSW development through diverse ownership, financing, and procurement models, labor standards, and supply chain localization strategies.
- Examining multiple funding and financing mechanisms, including state-backed financing, to address the current lack of federal support for OSW projects.
- Incorporating lessons from both East Coast and international OSW port financing case studies, particularly from regions where California’s leaseholders have prior development experience.

Public Financing, Procurement, and Ownership Models

Offshore wind’s exceptionally high upfront costs and large minimum efficient scale make it a strong candidate for public financing (including pension investment, direct equity stakes, state-backed loans, etc.), joint public–private ventures, and even direct public ownership. These approaches can extend project timelines, reduce financing costs, and keep more economic value in-state. Golden State Wind—a joint venture involving both global OSW developers and a publicly owned Canadian pension fund—demonstrates the viability of such models.

California should also leverage public procurement as a powerful market-shaping tool. By aligning procurement policy, such as through the US Employment Plan or like policies, with industrial and workforce development goals, the state can set high labor and environmental standards, aggregate purchasing power, and reduce risk in this capital-intensive industry. Strategies such as advance market commitments, procurement clubs, and leveraged procurement can help counterbalance market concentration and foster domestic manufacturing capacity.

The federal government has already demonstrated creative procurement tools in other sectors, such as the Department of Defense’s “contract-for-difference” agreements for critical minerals. California can adapt similar models to support OSW components, port infrastructure, and grid-related manufacturing.

Investing in Workforce, Supply Chains, and Communities

Sustainable OSW projects alone will not automatically attract upstream or downstream manufacturing. Since 2021, no manufacturer has announced OSW component production in California, despite \$4.5 billion in domestic investment nationally. To change this, the state must integrate industrial policy with workforce development and community benefits.

The existing port Memorandum of Understanding with the State Lands Commission includes provisions for tribal consultation, community benefit programs, joint labor–management training, and in-state supply chain development. These commitments must be expanded and enforced to ensure OSW investment delivers tangible, equitable benefits for California workers and communities.

The UAW stands ready to collaborate with the CEC to ensure California’s OSW strategy meets the state’s climate goals while establishing a durable, equitable, and high-road industry. With the right market structure, financing tools, procurement strategies, and labor standards, California can lead the nation in building a just and prosperous clean energy future.

Sincerely,

Rebekkah Dilts

International Representative, UAW Region 6