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BlueLIft LLC comments on AB 3 scoping document

Additional submitted attachment is included below.

BLUELIFT
Driving California's Offshore Energy Transition

August 18, 2025

California Energy Commission
Docket Unit, MS-4
715 P Street
Sacramento, California 95814

Docket No. 25-AB-03

Comments on AB 3 Scoping Document: Offshore Wind Seaport Readiness Plan

The following comments are offered on behalf of BlueLift LLC, a company that is seeking to develop a multi-purpose, modular dock facility at Port of Los Angeles.

The CEC's remit described in the AB 3 scoping document is based primarily on the AB 525 Strategic Plan, adopted in June 2024, and the AB 525 Port Readiness Plan, released in July 2023. But since those plans were issued, dramatic changes have occurred in the economic realities and regulatory situation for California offshore wind. The Strategic Plan's target of 5 GW of offshore wind by 2030 has become flatly unattainable, and its goal of 25 GW by 2045 appears unrealistic. While the scoping document's narrow remit does not recognize these changed circumstances, we believe that because the Offshore Wind Seaport Readiness Plan will effectively provide a road map for major expenditure of state funds in the coming years, it should take note of several elephants in the room, as follows:

Elephant 1: Economic changes. The offshore wind sector is facing structural difficulties from increasing costs for supply chain inputs and financing,[1] and from lower assumptions regarding capacity value.[2] These changes are likely to significantly increase the projected costs, which will affect the Department of Water Resources' evaluation of project bids as it considers submitting offshore wind power purchasing agreements under AB 1373. DWR's willingness (or lack thereof) to buy significantly over-market offshore wind power, with uncertain capacity factors and multi-billion-dollar transmission lines yet to be built, will have a fundamental impact on the CPUC's willingness to approve those contracts – and thus on the ability of the state's five offshore wind leaseholders to develop their projects.[3] Given these increased economic risks, the AB 3 ports plan should incorporate a thorough re-evaluation of offshore wind ports goals and timelines.

Elephant 2: Partisanship. In just the past two years, the offshore wind policy situation has become completely transformed by partisan politics. While Republicans used to support offshore wind as part of an "all of the above" energy strategy, those days have vanished entirely. Given President Trump's absolute dominance of the GOP, hopes have faded that the party's leaders will undergo a sudden change of heart after he leaves office. Any future Republican president and/or majority in the House or Senate in the foreseeable future is likely to be hostile to offshore wind.

What does this mean for California AB 3 ports planning? Our state's offshore wind strategy now depends almost entirely on a partisan hope: a complete Democratic victory in the federal 2028 elections, creating a Democratic trifecta in the White House and both houses of Congress. Only then could new federal offshore wind port grant programs be authorized alongside the easing of federal regulatory barriers. Without such a trifecta, there will be no multi-billion-dollar federal grants for offshore wind ports, and/or federal regulatory barriers will continue to prevent wind project development. California's investment plan for offshore wind ports must not simply whistle past the graveyard and ignore these realities.

(White) Elephant 3: California cannot go it alone. Any plan to plunge ahead with hundreds of millions of dollars in Proposition 4 state grants for offshore wind ports – and even a second bond measure for billions more, as some have suggested – would be a recklessly speculative gamble until and unless there is unambiguous, sustained federal support for offshore wind. Each port project will depend on economic viability calculations based on occupancy, revenues, and a guaranteed pipeline of offshore projects. It might be tempting for California policymakers and port agencies to boast that we can do it all without federal aid, but that would confuse political desire with economic reality. California already has suffered significant reputational damage with its struggles to execute one expensive mega-project: high-speed rail. We cannot afford to try and fail at another. As noted recently in the best-selling book *Abundance*, by Ezra Klein and Derek Thompson, Democrats nationally have paid a steep political price by failing to deliver on their ambitious promises for clean energy infrastructure and economic transformation. California must not make this same mistake on offshore wind. The AB 3 ports study must lay out an achievable plan that only expends funds when such investments make economic sense. We need to deliver what we promise, and promise only what we can deliver.

Elephant 4: The limitations of conventional pier design. Both Humboldt and Long Beach face significant challenges for environmental permitting, as well as the abovementioned funding problems. Local O&M port plans also are likely to incur regulatory delays and opposition. These challenges are caused in part by a reliance on conventional designs for permanent pier construction, including bay fill and pile driving.

All these factors demand consideration of alternative, less-costly approaches to port infrastructure. While not highlighted in the AB 3 scoping document, significant attention should be given to innovative port technologies that adapt to smaller, lower-cost, more flexible port strategies. We urge the AB 3 Offshore Wind Seaport Readiness Plan to fully

analyze the potential of modular, floating dock infrastructure as an alternative to conventional pier construction.

Currently, the marine infrastructure marketplace offers two leading options for floating docks: the Tugdock design for steel-framed air bag structures, and the Sperra-Bardex design for concrete structures. BlueLift's plans incorporate the Tugdock design, and this letter is not the place to litigate the differences with our honorable competitors. But the AB 3 plan should thoroughly analyze both these technologies and their respective suitability for California's port strategy. Particular attention should be given to several key factors: the degree to which each is truly modular, with ease of construction, assembly, and deployment; their respective costs; environmental permitting factors; and potential adaptability to multiple sites in California.

Thank you for considering our input.

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[1] Many sources including these: Offshore Wind Market Report: 2024 Edition (U.S. DOE Wind Market Reports, Aug 2024), https://www.energy.gov/eere/wind/wind-market-reports-2024-edition; https://about.bnef.com/insights/clean-energy/soaring-costs-stress-us-offshore-wind-companies-ruin-margins/; Offshore Wind: Overcoming the Challenges (McKinsey, July 2024), https://www.mckinsey.com/industries/electric-power-and-natural-gas/our-insights/offshore-wind-strategies-for-uncertain-times; Ørsted Books EUR 1.6 Billion Impairment from Increased Costs, Sunrise Wind Delays in US (OffshoreWind.biz, January 21, 2025), https://www.offshorewind.biz/2025/01/21/orsted-books-eur-1-6-billion-impairment-from-increased-costs-sunrise-wind-delays-in-us/.

[2] Figure 37 of the CPUC staff's February 2025 "Inputs and Assumptions" document, https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2024-2026-irp-cycle-events-and-materials/draft-2025-inputs-and-assumptions-document.pdf, which will support the CPUC's next Integrated Resource Planning cycle and subsequently adopted resource portfolio, shows capacity value for offshore wind projects that is on par with in-state onshore wind energy, and substantially lower than out-of-state onshore wind projects. This is a marked decline from the assumptions contained in the October 2023 "Inputs & Assumptions" (see Figure 35), https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/integrated-resource-plan-and-long-term-procurement-plan-irp-ltpp/2023-irp-cycle-events-and-materials/inputs-assumptions-2022-2023_final_document_10052023.pdf, which showed substantially higher values for offshore wind than for onshore wind.

[3] The CPUC has not agreed to accept all offshore wind contracts proposed by DWR. The Commission will periodically update its needs assessment for investments in offshore wind and other long lead-time resources and has reserved the right to reject contract pricing that is not attractive from a ratepayer perspective at the time of the offers. Decision 24-08-064 (August 22, 2024) at p. 35, https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M539/K202/539202613.PDF.