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Vineyard Offshore POPD comment letter

Additional submitted attachment is included below.

May 22, 2026

California Energy Commission

Proposition 4 Offshore Wind Port Development Program

715 P St., Sacramento, CA 95814

Submitted via: docket@energy.ca.gov | Docket No. 26-POPD-01

RE: Comment Letter in Response to Proposition 4 Offshore Wind Port Development (POPD) Introductory Workshop

Dear Chair Hochschild and Commissioners:

Vineyard Offshore (VO) respectfully submits these comments in response to the California Energy Commission's (CEC) March 17, 2026, Introductory Workshop on the Proposition 4 Offshore Wind Port Development (POPD) Program. Vineyard Offshore is a leading U.S. offshore wind developer with deep expertise in both fixed-bottom and floating offshore wind technologies. With an active lease area (OCS – P 0562) in federal waters off the coast of Humboldt County, CA.

Vineyard Offshore recommends the CEC incorporate the following criteria into the design of its Proposition 4 Offshore Wind Port Development (POPD) Program:

1. **Size and Scope.** Incremental investments spread across multiple staging and integration ports risk potentially exhausting funding without achieving a single deployment ready port. When evaluating project proposals, the CEC should prioritize projects that demonstrate sufficient scale to credibly serve as a Staging and integration¹ (S&I) hub for California's offshore wind pipeline and offer a plan for maximum beneficial use of Prop 4 funds. Investing in a right-size port reduces upfront exposure and project risk ensuring the facility is neither too small to meet developer needs nor so large that resources are stretched beyond what is required by the industry.
2. **Geographic Proximity.** The CEC should consider the location of potential port sites in relation to California's five lease areas. The CEC should prioritize S&I ports that can most readily serve all lease areas. Port investment that is geographically

¹ Staging and integration sites are sites where offshore wind components are received, staged, and stored and where floating turbine systems are assembled. See *Assembly Bill 525 Offshore Wind Energy Strategic Plan Volume II* at 134

proximate to the lease areas reduces construction risk, tow-out distance and times, operational costs, and vessel emissions, and maximizes the impact of every public dollar spent.

3. **Community Interest:** The CEC should consider the extent to which port applicants demonstrate community interest. Projects with community interest and support are more likely to be successful in the long run, helping to ensure that public funds will be put to their best use.
4. **Community and Regional Benefits:** The CEC should account for the benefits that will be unlocked through Prop 4 POPD funds. A targeted investment in a staging and integration port can help unlock a broad array of offshore wind-related benefits, such as economic development, workforce development, environmental benefits, and grid benefits.

Question 1: How should POPD Funding be allocated to Ports?

a. Which activities and funding ranges are needed to advance port readiness?

Funding should be directed toward core pre-construction activities necessary to advance S&I port development for floating offshore wind. These foundational investments are critical to de-risk projects, attract further investments and ensure the port is shovel ready for construction and the next round of CEC POPD funding. These pre-development activities include land acquisition for mitigation, engineering design, permitting, environmental review, and site preparation such as grading, ground improvement, and utility upgrades.

Given the scale and integrated nature of these activities, and the importance of de-risking the S&I port to attract a private port developer, the CEC should avoid distributing funding across multiple ports in a manner that dilutes impact. Instead, the State should prioritize concentrating the full POPD funding allocation into a single port capable of achieving near-term deployment readiness with the first tranche of POPD funds. Spreading funds across multiple sites risks producing facilities that fall short of developer requirements, while exhausting available funding without delivering a single operational S&I port.

b. How should CEC prioritize projects, as specified in the Climate Bond?

The Climate Bond directs the CEC to prioritize projects that can show matching funds or that are located at staging and integration ports that have released a notice of preparation

pursuant to the California Environmental Quality Act (CEQA) process on or before February 29, 2024.² Thus, the CEC should prioritize S&I port projects that meet either of these criteria. In addition, the CEC should prioritize S&I projects that demonstrate a clear, executable path to construction shovel readiness and near-term deployment. Port projects that have initiated environmental review under CEQA (e.g., submitted a Notice of Preparation), secured site control, and can demonstrate that proposed funding will directly advance port development to construction readiness should be prioritized.

CEC should focus on maximizing public value and minimizing project risk by selecting projects where the scale of public investment is proportional to measurable outcomes in offshore wind deployment (including alignment with state planning targets established under AB 525), economic development (alignment with AB 3), and where funding is clearly tied to advancing shovel readiness rather than prolonging early-stage development. This is consistent with the Climate Bond's emphasis on proactive State investment to improve infrastructure resilience and prevent the worst impacts of climate change, especially in regions of California that are particularly vulnerable to climate impacts and have experienced underinvestment.³

Additionally, the CEC should evaluate the extent to which projects present potential conflicts with existing industries (such as shipping) to help evaluate project viability and development timelines. Heightened conflict with existing industry activities may increase project timelines and costs, which should be avoided to the extent possible.

Further, the CEC should consider the geographic proximity of the port to offshore wind lease areas. Proximity to OSW lease areas will lower OSW project development costs, which ultimately maximize taxpayer dollars and reduce future ratepayer impacts. The State should leverage Prop 4 funds to advance port infrastructure that is best positioned to support development of future OSW lease areas off the coast of California or regionally along the West Coast.

Taken together, prioritization should emphasize readiness, feasibility, alignment with broader state planning, and the ability to translate public investment into near-term project execution, ensuring that Climate Bond funds are used as efficiently as possible to support future offshore wind development in California.

² SB-867 Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024

Section 94540

³ See <https://bondaccountability.resources.ca.gov/Home/PropFourPriorities>;
<https://bondaccountability.resources.ca.gov/Home/Prop4FAQ>

c. How can this funding be used to leverage additional investments?

Funding should be deployed as a targeted state investment to unlock significantly larger pools of private and public investment by reducing early-stage project risk and advancing ports to a level of readiness that supports near-term offshore wind deployment.

Targeted investments in mitigation, land acquisition, pre-development, and site preparation can remove key contingencies related to permitting, site control, and constructability, factors that often constrain future investment decisions. The more a project is de-risked through state investment, the more likely it is to attract private capital, as developers, lenders, and supply chain partners gain confidence in project viability and timelines.

A critical component of this de-risking is clarity around eligible uses of funding for mitigation activities. Mitigation is often a gating requirement for port development, yet uncertainty around what mitigation-related costs are eligible for POPD funding can limit the ability of applicants to fully advance projects to shovel readiness. Providing clearer guidance on how funding can be applied to mitigation (environmental and land acquisitions) would give applicants a more actionable starting point and increase the likelihood that projects can progress to a stage that attracts private investment.

Additionally, the CEC should consider ways in which the POPD funds can unlock other public financing or funding. For example, the CEC should consider whether an award of POPD funds would be more likely to attract future grants. Similarly, the CEC should consider whether POPD funds can be used to unlock state financing mechanisms such as loan guarantee programs, revenue backstops, or other sources of State support that may help to de-risk port projects and attract private investors.

d. Are there port activities or upgrades that compliment offshore wind port development and are consistent with the Climate Bond?

There are many activities and upgrades related to port development that are consistent with the intent of the Proposition 4 Climate Bond. Investments that integrate sea-level rise adaptation and shoreline stabilization into offshore wind port development is one example. Resilience focused upgrades also protect surrounding communities, ecosystems, and regional infrastructure. Additional complementary investments, such as electrification, grid upgrades, and marshalling infrastructure, can be designed with resilience in mind.

Remediation of legacy contamination at port sites targeted for offshore wind redevelopment advances the Bond's clean air and coastal resilience purposes. Where a

port site carries legacy industrial contamination, cleanup delivers measurable environmental and public health benefits to surrounding communities, which qualify as disadvantaged or severely disadvantaged communities under the Bond's equity framework. All while reducing greenfield pressure elsewhere and modernizing a developed shoreline.

Question 3: What Could Impact the Success of POPD Projects?

The success of POPD-funded projects will depend on a combination of scale, timing, market alignment, community support, and integration with broader state planning efforts. Ports must be developed at a scale sufficient to support floating offshore wind staging and integration requirements, but not at a scale that exceeds industry needs and leads to unsustainable project costs.

Community acceptance and partnerships are also critical as projects that have secured durable support are less likely to face permitting delays, legal challenges, or opposition that could impede progress.

Conclusion

Vineyard Offshore appreciates the California Energy Commission's thoughtful and inclusive process for designing the POPD solicitation, and we thank the Commission for the opportunity to provide these comments. We are grateful for the Commission's continued commitment to advancing port development to support the construction of offshore wind. We look forward to continued engagement with the CEC as the solicitation is developed and welcome the opportunity to serve as a resource throughout the process.

Sincerely,



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