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RWER Comments on AB525 Offshore Wind Planning Goal

Additional submitted attachment is included below.



March 11, 2022

California Energy Commission
715 P Street
Sacramento, California 95814

Re: Docket No. 17-MISC-01

To Whom It May Concern:

RWE Renewables Americas, LLC (“RWE Renewables”) respectfully submits these comments in response to the California Energy Commission’s (“CEC”) activities informing the development of the draft offshore wind planning goals. As a member company, RWE Renewables generally supports the American Clean Power Association of California and Offshore Wind California’s comments as filed in this docket and we provide some specific comments below.

RWE Renewable, including its global affiliates, is one of the world's leading renewable energy companies. With around 3,500 employees, the company has onshore and offshore wind farms, photovoltaic plants and battery storage facilities with a combined capacity of approximately 9 gigawatts (“GW”). In the United States, RWE Renewables is a leader in utility scale clean energy investment with almost 5 GW of installed capacity and recently RWE Renewables secured the largest lease area in the New York Bight offshore lease auction. RWE Renewables is driving the expansion of renewable energy in more than 15 countries on four continents. With an extensive investment and growth strategy, the company will expand its powerful, green generation capacity to 50 GW internationally by 2030. RWE is investing €50 billion gross for this purpose in this decade. Beyond this, the company plans to further grow in wind and solar power. The focus is on the Americas, the core markets in Europe and the Asia-Pacific region.

RWE Renewables applauds the State of California, including the CEC and other state and federal agencies, for the commitment to transitioning to a clean energy

economy. The State of California has been a national leader in establishing clean energy policies that require renewable energy and zero carbon resources supply 100 percent of electric retail sales to end-use customers by 2045. In furtherance of these ambitious requirements and to meet the climate change challenge, offshore wind will play an important role as highlighted by the 2021 SB100 Joint Agency Report found that at least 10 GW of offshore wind is needed and that diversity in energy resources and technologies will lower overall costs. Offshore wind in California is also needed to complement the high solar penetration on the grid and to eliminate our reliance on fossil fuels as a matter of energy independence and to reduce costs. The need to accelerate the development of domestic clean energy resources, like offshore wind, has become more evident considering economic sanctions in response to the tragic events in the Ukraine that is resulting in higher gas prices.

In 2021, the California Legislature passed AB525 that requires, among other things, the CEC to “evaluate and quantify the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits and shall establish an offshore wind planning goal” by June 1, 2022. While this is a planning target and not a procurement mandate that would create an offshore wind route to market, it is still an important step intended to send a clear market signal that offshore wind is needed to meet the state’s ambitious decarbonization goals. The term “maximum feasible capacity” is not defined in AB525, however the plain language indicates that the CEC should be setting the target as high as possible in order to achieve the enumerated benefits.

In setting the offshore wind goal, RWE Renewables recommends that the CEC “go big” in order accelerate decarbonization and to send a clear market signal, especially before the Bureau of Ocean Energy Management (“BOEM”) lease auction later this year, that there is demand in California for offshore wind. A big offshore wind goal will be a step towards attracting supply chain manufacturing investments in California that will be the catalyst for port re-investment and workforce development and job creation throughout the state. Economies of scale will also reduce the costs of floating offshore wind in California that will benefit ratepayers while simultaneously providing environmental and health benefits. RWE Renewables acknowledges that the CEC is only tasked with setting an offshore wind planning goal by June 1, 2022,

but ultimately, the offshore wind industry will need a clear procurement mechanism to actually create a floating offshore wind market in California that will allow the state to reap the numerous reliability, ratepayer, employment, and decarbonization benefits associated with deployment of this technology at scale like we are seeing on the East Coast.

Finally, RWE Renewables recommends that the State of California and BOEM continue to work closely together to timely identify new call areas to ensure that supply and demand remain in balance preventing any delay in achieving both the state and the federal government's offshore wind and decarbonizations goals.

Sincerely,

Kate McKeever

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