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NRDC Comments on AB525 Offshore Wind Planning Goals

Please find attached NRDC Comments on AB525 Offshore Wind Planning Goals.

Additional submitted attachment is included below.

March 11, 2022

California Energy Commission

Re: Docket # 17-MISC-01 – Assembly Bill 525 Strategic Plan for Offshore Wind Energy Planning Goals

The Natural Resources Defense Council (NRDC) is a non-profit membership organization with more than 125,000 California members who have an interest in receiving reliable and affordable energy services while reducing their environmental impact and combatting climate change.

NRDC, along with a coalition of ENGOs, labor organizations, and developers, supported AB 525 because we support responsibly developed offshore wind energy. Offshore wind power offers California a great opportunity to fight climate change, reduce air pollution, and improve reliability.

NRDC respectfully submits these comments on the Workshop on Assembly Bill 525 Strategic Plan for Offshore Wind Energy Planning Goals held on March 3, 2022. We appreciate the California Energy Commission's (CEC) work thus far to begin compliance with AB 525, its dedicated stakeholder outreach, and its close collaboration with other key agencies.

The most pressing issue regarding AB 525 is the evaluation and quantification of “the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits.” The CEC shall, on or before June 1, 2022, “establish megawatt offshore wind planning goals for 2030 and 2045.”

While setting the megawatt planning goals for 2030 and 2045 is a crucial step, it is equally important to establish how these goals should be achieved. Here we present recommendations for developing the offshore wind planning goals to help elevate the cost-effective, reliable, affordable, and equitable clean energy transition California needs. We believe these recommendations will help ensure that the ambitious timeline AB 525 mandates does not interfere with a thorough and rigorous process to implement it.

1. The CEC should rely on comprehensive cost-effectiveness analysis

California should not develop offshore wind at any cost; rather, the state must have offshore wind goals that are feasible and can be achieved in a cost-effective manner. To do that, the CEC should determine (i) the technical potential of offshore wind in California – i.e., the total amount of offshore wind that can be developed given ocean area and wind availability; (ii) the economic potential – i.e., the costs and benefits to develop the maximum amount of offshore wind according to the technical potential; and (iii) the feasible potential, which accounts for real-world constraints, such as environmental, ratepayer and reliability issues, to find the amount of offshore wind that can be developed in a cost-effective manner.

Reasonable estimates of cost-effective potential are available. For instance, NREL produced the 2020 Offshore Wind Resource Assessment for the California Pacific Outer Continental Shelf¹ under the direction of the BOEM and found 201 GW of technical potential for offshore wind in California. On the other hand, the 2021 SB 100 Joint Agency Report² assumes 10 GW of technical potential and the model selects all 10 GW as the economic potential. The CEC should, if feasible, conduct an offshore wind sensitivity analysis on the SB100 model to understand whether the 10 GW estimate is appropriate. Complementary research done by the CEC can help determine what portion of this cost-effective potential is a feasible amount of offshore wind in the timeline set by AB 525, considering real-world constraints.

2. The CEC should acknowledge that other state agencies' actions are needed for successful offshore wind development

While the CEC has demonstrated a clear intention to promote collaboration between state agencies, it is crucial for offshore wind successful development that the evaluation due on or before June 1, 2022, specifies actions needed by each agency to give developers the right incentives to invest in offshore wind in California and allow the state to achieve the goals for 2030 and 2045. The CEC should identify these necessary actions and the responsible agencies. For example, the CPUC must require the procurement of offshore wind, the CAISO must provide information on and initiate timely planning for transmission investments for large

¹ Available at <https://www.nrel.gov/docs/fy21osti/77642.pdf>.

² Available at <https://www.energy.ca.gov/publications/2021/2021-sb-100-joint-agency-report-achieving-100-percent-clean-electricity>.

amounts of offshore wind, the State Lands Commission must assess how existing port and waterfront facilities will be utilized and upgraded, and the California Coastal Commission must have the information it needs to conduct a thorough environmental review of offshore wind energy projects. We recognize that other state agencies will play key roles in the offshore wind energy development process.

3. The CEC should set goals that are aligned with environmentally responsible offshore wind development

The CEC should adequately account for environmental protection when setting goals and pathways to achieve those goals. Environmentally responsible development of offshore wind energy (i) avoids, minimizes, mitigates, and monitors for adverse impacts on wildlife and habitats, and (ii) uses the best available scientific and technological data to ensure science-based and stakeholder-informed decision making. Given that the local impacts of floating offshore wind development are unknown, it is essential that the CEC and other state agencies elevate the importance of first avoiding the most sensitive habitats and wildlife as it advances offshore wind energy development.

4. The CEC should set goals that are aligned with socially responsible offshore wind development

Socially responsible offshore wind development (i) minimizes negative impacts on other ocean users; (ii) includes robust consultation with Native American tribes and communities; (iii) meaningfully engages state and local governments and stakeholders from the outset; and (iv) includes comprehensive efforts to avoid negative impacts to environmental justice communities.

5. The CEC should elevate local economic development

AB 525 states that in establishing the planning goals for 2030 and 2045, the CEC shall consider the need to develop a skilled and trained offshore wind workforce. This allows for local economic development, and it is a crucial piece of an equitable clean energy transition. The CEC should focus on meaningful workforce standards, high quality jobs, and economic opportunities for local communities.

Offshore wind projects are expensive, and developers may be tempted to cut labor costs to present more competitive bids. This cannot happen; with CEC's leadership, California must use this opportunity to support local communities and achieve our climate goals in an inclusive manner.

NRDC appreciates the CEC's commitment to a cost-effective, reliable, affordable, environmentally responsible, and equitable clean energy transition. Thank you for the opportunity to comment on AB 525.