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REACH Central Coast Comments on Preliminary Assessment of Economic Benefits

Additional submitted attachment is included below.



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February 8, 2023

California Energy Commission
715 P Street
Sacramento, CA 95814

Subject: Comments on the Draft Preliminary Assessment of Economic Benefits of Offshore Wind

Dear California Energy Commission:

Thank you for the opportunity to provide comments on the Draft Preliminary Assessment of Economic Benefits of Offshore Wind Related to Seaport Investments and Workforce Development.

By way of background, REACH is a nonprofit, economic impact organization with a mission to increase economic prosperity on the Central Coast of California through big thinking, bold action and regional collaboration. The north star of our work is collaboration with business, education, government and nonprofit partners to create 15,000 good paying jobs in the region by 2030 and establish the Central Coast as a place where current and future generations have the opportunity to thrive.

The Central Coast faces significant economic headwinds. Half of middle-class residents say they are considering leaving the region. The energy sector is one of our region's largest sources of good-paying jobs, and the energy transition is having acute impacts. A key pillar of our work – as incorporated into our region's economic development strategy, the [REACH 2030 Action Plan](#) – is evolving the Central Coast's role as an energy hub and leader in renewable energy innovation, including offshore wind. As we told the House of Representatives Subcommittee on Energy and Mineral Resources at last year's field hearing in Morro Bay: *"We are a microcosm of our nation's energy transition. Our community has the will to position the Central Coast as a hub for our renewables future, building on our role as an energy powerhouse and national environmental leader, including as the home of Earth Day. We are organized, engaged and planning proactively. It is important to show that the energy transition can happen here in a way that doesn't leave communities behind – and offshore wind is a central to that effort."*

To this end, in 2021 REACH commissioned and released an [economic impact report](#) with Cal Poly on the impacts of the Morro Bay Call Area for offshore wind energy development to the Central Coast region. We found that the development of a 3GW wind farm would equate to \$262M in annual economic impact and 650 good paying, long-term jobs. These significant job and economic benefits would be augmented further under a 7GW scenario. The report recognized that these economic benefits are contingent on the development of port infrastructure to support the wind farms, and that this infrastructure is currently underdeveloped on the Central Coast. Due to this recognized need, regional leaders came together to outline our joint commitment in a [letter](#) to President Biden and Governor Newsom, noting that, *"We are ready and willing partners to ensure the thoughtful integration of this industry into the fabric of our regional economy. We believe our community has a critical role to play in the nation's*

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renewable energy future, and your support will help us accelerate good-paying, future-oriented jobs in a burgeoning sector of the clean energy economy.”

In 2022 REACH, in partnership with the County of San Luis Obispo, County of Santa Barbara and City of Morro Bay, conducted and released a [Central Coast Emerging Industries Waterfront Siting and Infrastructure Study](#) outlining specific options to enhance Central Coast port infrastructure to support current and future lease areas and unlock job creation on the Central Coast. This report outlined the most geographically proximate options in California to develop facilities to support the assembly and operations and maintenance of offshore wind farms off the Central Coast.

We greatly appreciate that the Preliminary Assessment incorporates key findings from the REACH/Cal Poly economic impact report outlining the potential benefits that could arise from offshore wind development. As noted on page 1, *“one study related to port construction in San Luis Obispo County estimated local economic benefits of more than \$2 billion and the creation of nearly 12,000 full-time construction jobs over the project duration. To capture these benefits, significant investments in ports and waterfront facilities will be required to support a domestic offshore wind industry.”*

We look forward to partnering with the CEC to realize the potential outlined in this Preliminary Assessment and translating this into concrete investments and good-paying jobs for Central Coast residents. Central Coast government, education and civic leaders expressed our commitment to realizing these economic opportunities in an [open letter](#) to the recent BOEM auction winners. The Central Coast waterfront infrastructure study provides a clear roadmap of options to enable these economic opportunities. It is vital that further planning work under AB 525 integrate with these regional, bottom-up strategies to advance inclusive growth. Recent statewide economic initiatives including the Regions Rise Together and the Community Economic Resilience Fund (CERF) initiatives have recognized the importance of aligning state investments with bottom-up, regional planning and the need to ensure all regions can create high quality jobs and equitable economic opportunity. Rural areas have not benefited from the innovation boom of the last two decades in the same way as large coastal metropolises, and in the case of the Central Coast, also face disproportionate impacts from the energy transition. Offshore wind investments and economic benefits provide an immediate opportunity for the state to lessen these economic inequalities, foster more widespread prosperity and avoid further entrenching regional disparities.

Going forward, we also encourage the state to take a broad view of economic opportunities and impacts. For instance, beyond direct infrastructure and supply chain opportunities, the Central Coast is poised to play a leading role in advancing the R&D associated with offshore wind and renewables, led by pioneering work at institutions such as Cal Poly and UC Santa Barbara. At the same time, our fishing communities face unique economic impacts, and it is vital that they be full partners in these efforts. A strong regional-state partnership will be vital in navigating these economic challenges and fully realizing the opportunities associated with offshore wind while minimizing and mitigating impacts.

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Thank you for your leadership and consideration of these comments. We look forward to working with the CEC to advance these important efforts.

Sincerely,

A handwritten signature in black ink that reads "Melissa James". The signature is fluid and cursive, with a long horizontal stroke at the end.

Melissa James
President/CEO
REACH
melissa@reachcentralcoast.org