

DOCKETED

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Filer:	Paul Deaver
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Item 7: Adoption of Preliminary Assessment of Economic Benefits from Offshore Wind Report

February 28, 2023 Business Meeting

Paul Deaver
Safety and Reliability Office
Siting, Transmission, and Environmental Protection Division



AB 525 Required Interim Work Products

June 1, 2022

Evaluate and quantify maximum feasible capacity of offshore wind

Establish megawatt planning goals for 2030 and 2045

Complete a preliminary assessment of economic benefits related to seaports and workforce development needs and standards

Develop a permitting roadmap

July 30, 2023

Develop a strategic plan for offshore wind off the California coast in federal waters



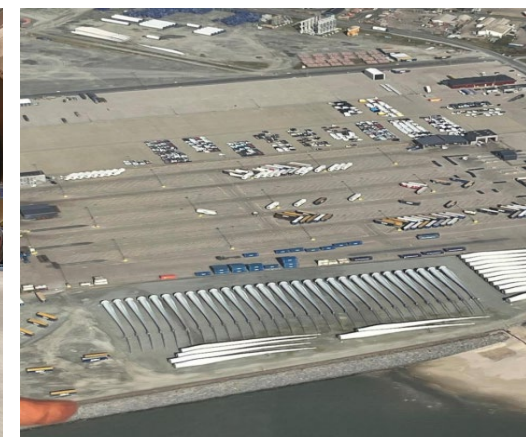
Offshore Wind Economic Opportunity

- Significant economic benefits are expected from offshore wind energy development
- Offshore wind development likely would:
 - ✓ Increase economic development opportunities,
 - ✓ Create new sources of fiscal benefits (tax revenue)
 - ✓ Develop a skilled and trained workforce, and create long-term jobs



Port Activities for Offshore Wind

- ✓ Manufacturing and Fabrication
- ✓ Construction
- ✓ Assembly
- ✓ Operations and Maintenance





Offshore Wind Workforce Needs

- Developing offshore wind requires diverse skills and occupations
 - ✓ Construction, assembly, and staging
 - ✓ Manufacturing and supply chain
 - ✓ Engineering
 - ✓ Operations and maintenance
 - ✓ Sales
 - ✓ Maritime services
 - ✓ Longshoreman
 - ✓ Tugboat and other watercraft operators
- Much of this new workforce will require training and/or certification



Review of Literature

- USC Schwarzenegger Institute
- CA Polytechnic State University
- Schatz Energy Research Center
- Berkely Center for Labor Research and Education
- NREL / BOEM
- Numerous other studies





Experiences From East Coast

- New Jersey Wind Port (NJWP)
- New York offshore wind master plan (2018)
- Maine offshore wind initiative (2019)
- Port of Virginia (2021)





State Seaport Investments

- \$10.45 million grant to Humboldt Bay Harbor, Recreation, and Conservation District (Harbor District)
 - ✓ Development of a new multi-purpose offshore wind marine terminal
- AB 209: CEC to support offshore wind infrastructure improvements at ports
 - ✓ Advance port capabilities and maximize economic benefits
 - ✓ 2022-2023 state budget added \$45 million to CEC for this program



Offshore Wind Federal Funding Opportunities

- Inflation Reduction Act (2022)
 - ✓ Investment tax credit and production tax credit
- Infrastructure Investment and Jobs Act (2021)
 - ✓ Port infrastructure development
- U.S. Department of Energy (2022)
 - ✓ Prize funding for supply chain development



Comments/Report Process

- Report released mid-December, 2022
- Workshop held on December 19, 2022
 - Other workshops in October, 2022
- Comments on draft report due by February 8, 2023
 - Over 20 comments received
- Report will inform OSW strategic plan (due by 6/30/23)



Comments Received

- **Labor organizations**

- Importance of local unionized labor
- Training requirements

- **Environmental organizations**

- Economic **and** social benefits
- Protect coastal and marine ecosystems
- Environmental impacts and mitigation strategies
- Sustainability and safety
- Community benefits agreements
- Local and targeted hiring in disadvantaged communities



Comments Received

- **Fishery groups**

- Environmental and coastal impacts
- Economic impacts to fishing and related industries
- Mitigate impacts and compensate fishing industry

- **Northern Chumash Tribal Council**

- Cooperate with marine protections and conservation efforts
- Equitable mitigation measures

- **Local Governments**

- Work with local workforce planning entities
- Investments by public entities, communities, and Tribal Nations



Staff Recommendation

- Approve the report: *Preliminary Assessment of economic Benefits of Offshore Wind Related to Seaport Investments and Workforce Development.*