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RWE Comments on Offshore Wind Port and Harbor Infrastructure Improvements

Additional submitted attachment is included below.



December 1, 2023

California Energy Commission
715 P Street
Sacramento, CA 95814

**Re: RWE Comments Regarding Developing Solicitations for Assembly Bill
209 Offshore Wind Port and Harbor Infrastructure Improvements
California Energy Commission Docket 23-MISC-01**

Dear Chair Hochschild, Vice Chair Gunda and Commissioners Gallardo,
McAllister, Monahan, and CEC Staff:

RWE Offshore Wind Holdings, LLC (RWE) appreciates the opportunity to submit comments regarding the materials presented at the November 3rd Staff Workshop on AB 209 Offshore Wind Waterfront Facilities Improvement Program.

RWE has a leading offshore wind development portfolio in the United States and currently holds California lease area OCS-P 0561, one of the Northern California lease areas auctioned by the Bureau of Ocean Energy Management in December 2022. In 2022, RWE also secured an offshore lease area in the New York Bight auction, and in 2023, through one of its subsidiaries, secured an offshore lease area in the Gulf of Mexico. RWE's share of those three sites has the potential to host approximately 6 gigawatts (GW) of offshore wind capacity.

RWE affiliates also develop, own, and operate some of the most efficient, highest performing renewable energy projects in the United States, including onshore wind, photovoltaic renewable generation and energy storage and have developed and constructed more than 8 GW of renewable capacity in the United States since 2007. RWE and its affiliates constitute the fourth largest renewable energy company and the second largest solar operator in the United States. RWE and its affiliates' U.S. pipeline now includes more than 24 GW of onshore and offshore wind, solar, and energy storage, and RWE and its affiliates are planning to invest \$1.66 billion annually to continue expanding its portfolio in the United States, including California.

RWE commends the State of California for funding port and waterfront improvements for offshore wind

As one of the first five offshore wind leaseholders in California, RWE appreciates the state's allocation of \$45 million of essential funding to support the improvement of offshore wind port and harbor infrastructure through Assembly Bill 209 (AB 209). With this first tranche of funding, the state is sending important signals of its commitment both to the offshore wind industry as well as to the port and waterfront entities who have already stepped up and made their own investments to support this emerging industry. These port and waterfront investments are a critical component to enable the state to meet its offshore wind planning goals. To meet the first planning goal of 2-5 GW by 2030, it is imperative that the current efforts to develop staging and integration (S&I) ports stay on track with their aggressive development timelines. To meet the state's 25 GW by 2045 offshore wind planning goals, an estimated investment of approximately \$11 to \$12 billion is required to upgrade existing port infrastructure¹.

A multi-port strategy is needed to support the development of offshore wind on a commercial scale. Prioritization will be necessary for this initial round of grant funding

RWE agrees with the AB 525 Port Readiness Plan which concludes that a multi-port strategy is necessary to meet the state's offshore wind planning goals and that immediate attention and priority should be focused on S&I port sites:

*"Of the port site types that were studied ... the S&I sites are most critical sites that require urgent funding. These sites must be developed as soon as possible to provide the State with the best opportunity to achieve the offshore wind planning goals"*²

The plan studied and assessed many potential staging & integration (S&I), manufacturing (MF), and operations and maintenance (O&M) port sites and identified the Port of Humboldt and Port of Long Beach as necessary S&I sites in California to meet offshore wind planning goals. The Port of Humboldt and the Port of Long Beach have already begun extensive planning work and are in the environmental document and preliminary engineering phase of their proposed offshore wind terminal projects. RWE believes the state should use their discretion to recognize these entities as early movers in their efforts to

¹ [AB 525 Port Readiness Plan](#) p.5

² Ibid p. 3

explore the offshore wind development potential and allocate most of the available AB 209 funding to these sites.

S&I ports could use these funds to help cover costs related to site design, environmental studies, and preparation of permitting and mitigation documents, as examples. All of which will facilitate a timely permitting and construction schedule. There is a significant up-front investment required to scale up personnel capacity, perform engineering design, begin construction planning, conduct stakeholder engagement, assess mitigation considerations, complete environmental survey, etc. There is a risk that upfront budget limitations could delay smaller port developments from being able to meet the timelines of the first commercial offshore wind developments.

While prioritization of S&I port sites should be considered for the disbursement of AB 209 funds, it is important to note that additional funding will be needed quickly to advance MF and O&M sites. The funding for these sites absolutely needs to be an integrated part of the broader discussion of the state port and waterfront strategy for offshore wind.

Select comments on potential solicitation criteria and to CEC posed questions³

In the November workshop, CEC staff requested feedback on criteria and other questions that may inform the solicitation concepts for the grant opportunities. RWE has provided comments on select concepts and questions below:

Potential criteria for solicitation:

- *Consistency with existing studies (e.g. key parts of the AB 525 strategic plan)*
 - **RWE believes alignment with AB 525 and resulting strategic plan would help to focus and maximize how and where funding is allocated.**
- *Benefitting an under resourced community (bonus points are a potential?)*
 - **RWE believes bonus points for under-resourced communities should be considered.**
- *Ability to meet the requirements of the first 5 BOEM PACW-1 leases*

³ [CEC November 3 Presentation](#)

- **RWE believes this is a key criterion to provide certainty for project planning, supply chain investments, and commercial viability of the first leases.**

Other questions posed by the CEC:

- *Does the solicitation need to differentiate between OSW port types?*
 - **RWE believes this solicitation should be heavily weighted toward S&I port sites and the funds should be distributed in quantities sufficient for the grant awardees to make substantive progress.**
- *Are there other important factors that the solicitation should promote/address that fall within the statutory language but are not explicitly called for in the statutory language?*
 - *Example, how should applicants demonstrate how community concerns will be addressed (e.g. environmental justice, fishing, residents, and businesses)?*
 - *Example, how should applicants demonstrate how the project will contribute to transitioning ports to “electrification” or “green ports”?*
 - *Example, how should applicants address potential impacts?*
 - **RWE believes the applicants should explain or demonstrate how they will consider these factors to meet California’s requirements.**

Timing for solicitation and liquidation of available funding should be accelerated

The legislation requires the CEC to encumber the funds by June 30, 2025, and to make them available for liquidation until June 30, 2029. The presentation suggested that a plan to develop one or more funding opportunities would happen in Q1 2024 with the first grant awards in Q2 2024. RWE believes that an accelerated schedule is prudent given the estimated time that it will take to fully build out the S&I port infrastructure and the urgency for the first offshore wind projects to be developed to support the state’s offshore wind goals. RWE recommends that all the grant awards and the full funding be allocated as soon as practicable, but no later than the end of 2024.

Thank you again for the opportunity to comment on the development of a solicitation for AB 209 Offshore Wind Port and Harbor Infrastructure Improvements. RWE looks forward to participating in future webinars or

providing feedback on solicitation concepts as they are refined in this proceeding.

Sincerely,

Kate McKeever
Vice President, Head of Government Affairs
RWE Offshore Wind Holdings, LLC