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Comments of Equinor USA/Atlas Wind on the AB525 Strategic Plan

Equinor USA (“Equinor”) / Atlas Wind once again commends the exemplary efforts that culminated in this detailed, three-volume strategic report. The foundational context provided is instrumental in aligning all stakeholders and serves as a solid basis for evolving necessary strategies to successfully incorporate offshore wind (OSW) into the grid, contributing to a diverse energy mix that achieves climate objectives in a timely manner. The report drives us forward with robust recommendations, to which Equinor/Atlas Wind respectfully calls attention to the comments below for the California Energy Commission's (CEC) consideration.

Key issues and topics we would like to address are highlighted below with further detail noted in each section below.

- To support an understanding of transmission capacity for OSW on target dates, Equinor/Atlas proposes that the CEC direct the CAISO (or state staff) to expeditiously evaluate both the central and north coast transmission alternatives, thereby diminishing uncertainty around deliverability and timelines.
- As presented in the second AB525 workshop, LCOE costs for the full buildout of transmission are not significantly higher than costs for a basic buildout; therefore, Equinor/Atlas recommends strategically shortening the development phasing timeline and to avoid squandering the potential savings achieved through economies of scale.
- California will need two large staging and integration (S&I) ports to launch the first five projects and create a fully integrated pathway to build out toward the 25 GW goal. Critical, near-term step is to expeditiously direct maximum funding from the \$43 million ports allocation in 2024 Budget to the two larger ports that are farther along toward development by the very early 2030s.
- Support the Ocean REAT process and fully coordinated state agency processes to provide regulatory clarity and certainty the timely execution of a formal Memorandum of Understanding (MOU) must be established.
- Provide more clarity on how the BOEM required Native American Tribal Communication Plans (NATCP and CA agency consultations processes align and what the result is designed to be in the context of proposed project development and operation. This will ensure ongoing, robust tribal engagement and the incorporation of tribal input into planning, development and ongoing monitoring of our project.
- Ensure the Strategic Plan is fully aligned with the guidelines for the 7c Working Group to ensure the Plan's' and Working Group's findings and recommendations provide equitable treatment of stakeholder concerns and full incorporation of scientific rigor to mitigation identification and to determine appropriate compensation.
- Amplify the bidding credit funding opportunities. This foundational work and funding can be built upon while reducing the risk of duplicative efforts which should be a key component of the state's ongoing planning.

Ports

Equinor/Atlas Wind values the recognition given for port infrastructure needs and the multiport strategy to support the different phases of OSW development and operation. California will need two large staging and integration (S&I) ports to launch the first five projects from the central and north coasts of the state, and to accommodate growth and supply chain build out to get to 25 GW of offshore wind production. These ports will be in place for generations to come not only for offshore wind, but as other

climate responsive technologies develop and become available. Investments in these ports are needed now.

Equinor/Atlas Wind recognizes that AB 525 and the offshore wind goals were the catalyst to obtaining \$45 million in funds set aside for port early term actions that will allow California ports to apply for and attract funds to commence final design, permitting and eventually construction and operation. We strongly recommend the \$43 million of these funds that are remaining and have yet to be disbursed be primarily focused on the Port of Long Beach, which has capacity and capability and sufficient proximity to central coast projects; and Humboldt Harbor, similarly situated to support north coast projects. Without moving forward decisively now on these two, development of offshore wind will not only be delayed, but will cost much more to build and operate. Moreover, the supply chain and jobs and economic growth potential for offshore wind in California, leading the west coast – will not be fully realized. We recognize that smaller, operations and maintenance (O&M) ports will also be needed, but this critical, near-term funding should be substantially directed at the two larger ports that need to move to final development by the very early 2030s to realize fully integrated benefits of developing offshore wind at scale in California.

We believe developers will be able to work with regional entities and regulators to help identify and move forward plans for O&M ports in a parallel timeframe and continue to seek coordinated assistance and guidance as is outlined in the Strategic Plans, to fully fund those actions consistent with regional needs and design considerations and after broad input.

Transmission

Regarding Chapter 8 – Transmission Technology and Alternatives Assessment, Equinor/Atlas Wind values the extensive research that informs this section. The existing studies referenced in the strategic report create a valuable starting point of understanding for current transmission capabilities and impending technological advancements. The chapter presents multiple transmission alternatives for delivering offshore wind resources from the north coast and does not include a similarly detailed discussion of alternatives for delivering offshore wind from the central coast. This is a stark disparity in detail between the transmission alternatives for the north coast versus the central coast. It is crucial to identify and present the central coast transmission options by evaluating past studies including those that consider subsea alternatives. Also, the recommendations at the end of this chapter need to be fortified. Simply suggesting further assessment is insufficient; explicit directives are required. For example, the recommendation to continue assessing alternatives does not specify who should carry out those assessments. Should it be the CAISO as they have the most detailed models of the grid? Should it be the CEC through consultants or national research labs?

We propose that the CEC direct the CAISO (or state staff) to expeditiously evaluate both the central and north coast transmission alternatives, thereby diminishing uncertainty around deliverability and timelines. Additionally, recommendations should explicitly state that while the planning should account for the full potential OSW capacity, deploying infrastructure can follow a strategically phased approach, ensuring efficiencies on both cost and schedules, thereby maximizing statewide benefits to ratepayers.

In Chapter 9 – Transmission Planning and Interconnection, Equinor/Atlas Wind endorses the calls for collaborative regional planning and innovative solutions. We recommend removing the suggestion that energy storage would enhance transmission for offshore wind as it could decrease curtailment and alleviate congestion. It's essential to consider transmission for OSW as an independent resource, especially since it is coincident with peak loads and offsets diminishing solar output. Therefore,

encouraging energy storage as an indispensable transmission enhancer could unjustifiably inflate the costs associated with offshore wind projects and may shift focus from the actual requirements—new transmission infrastructure and investment. Equinor/Atlas Wind also supports the recommendation to inform existing transmission planning processes and minimizing long-term costs and environmental impacts, although it should go further and suggest studying concepts such as an offshore interconnection substation like that studied in New York.

Finally, as a general comment, Equinor/Atlas Wind encourages the CEC to exert assertive and decisive recommendations towards efficient, forward looking and cost-effective transmission strategies. The report recognizes the inadequacy of current planning and interconnection processes to meet the needs of OSW. From Equinor/Atlas Wind's perspective, this shortfall could significantly delay OSW project deployments, including those presently in the CAISO interconnection queue. Therefore, immediate and definitive measures are essential to eliminate barriers and propel OSW development forward. Additionally, implementing scenario-based planning that examines differing dispatch of power generation resources with impending retirement dates can offer clarity on the scope and schedule for transmission requirements. For instance, CAISO studies have previously assumed certain power plants would be decommissioned by specific timelines; however, these facilities continue to operate due to granted extensions. Such discrepancies are pivotal, particularly when capacity calculations in interconnection zones might suggest more availability than truly exists, based on inaccurate assumptions about plant retirements.

Permitting roadmap

Equinor/Atlas Wind supports the implementation of the Ocean REAT and REPG process. We commend the commission for finding opportunities for parallel reviews and for approaches to coordinate among agencies, tribal governments and stakeholders.

Within the Ocean REAT, we do ask for clarity on the oversight and procedure related to stakeholder and tribal review of applications and preparation of environmental documents.

Additionally, we would like to understand the specific function that empowers the Ocean REAT and REPG to resolve disputes and the authority related to that process.

While we appreciate the identification of synergies between CEQA & NEPA processes we would like to see an established regulatory process to provide efficiencies through joint project reviews in common applications. This establishment of a state regulatory process also requires timely execution of a formal Memorandum of Understanding (MOU). The rigor explicit in both the NEPA and CEQA processes ensures comprehensive environmental review, while the joint programmatic approach reduces risk of conflicting or duplicative standards within the dual processes. Equinor/Atlas Wind supports the programmatic approach, framed by a federal/state MOU aligned with the Ocean REAT process and fully coordinated state agency processes to provide regulatory clarity and certainty throughout the development process.

Equinor/Atlas Wind supports development of a comprehensive mitigation framework that prioritizes avoidance and identifies strategies to minimize and offset impacts to marine life and habitats from offshore wind development and ongoing operations; including impacts from port development. Adaptive management strategies should also be identified to facilitate rapid response to unanticipated impacts. Equinor/Atlas Wind notes that the process being executed at the California Coastal Commission (CCC) under Condition 7c of the agency's concurrence in BOEM's approval of the WEAs is the basis for much of the 'comprehensive mitigation framework'. It is important that this framework is developed in a timely manner and is not subject to significant revisitation over time. Equinor/Atlas

Wind endorses a sound framework for mitigation that is collaboratively developed by regulatory agencies and stakeholders and promotes environmentally sound development.

Equinor/Atlas Wind provides the following feedback on the statements below from the specified sections of the draft Strategic Plan:

(Chapter 11 Vol I) Recommendations - Marine Impacts:

- “Support comprehensive environmental research and monitoring that uses best available science and monitoring technologies, traditional ecological knowledge, and (1) **baseline desktop** and consideration of (2) **applicable future monitoring** to guide project siting, assess project-level and (3) **known cumulative impacts** during construction and ongoing operations, and inform adaptive management strategies throughout the project lifecycle and future sea space planning and lease sales. This effort should incorporate scientific (4) **engagement** from academia, governments, tribes, non-governmental organizations, the offshore wind industry, and other interested entities.”
 - Propose use of the term “baseline desktop” to refer to the use of already available data.
 - Propose use of “applicable future monitoring”. Equinor supports incorporation of monitoring throughout the siting and development process and after timely construction of viable, environmentally sound projects.
 - Propose use of term “project-level and available” or “known cumulative impacts”
 - Propose use of “scientific engagement”.

Tribal Impacts

The study, development, and operation of offshore wind related projects should include early, often, and meaningful engagements with California Native American tribes and collaborative development of appropriate avoidance, minimization, and mitigation strategies for impacts to tribal cultural resources, natural resources, cultural, social, economic, and other interests. Equinor/Atlas Wind supports coordination and alignment between the formal consultation processes taking place between agencies and Native American tribes and the ongoing engagements between developers and Native American tribes through the BOEM Native American Tribal Communications Plan (NATCP) process. Equinor/Atlas Wind suggests providing more clarity on how these two processes align and what the result of the CA agency consultations is designed to be in the context of project development and operation. Equinor/Atlas Wind is committed to ongoing, robust tribal engagement and to incorporating tribal input into planning and ongoing monitoring of our project.

Equinor/Atlas Wind recognizes the historical gender-based violence that has been associated with energy and other project development in the United States and in California and supports a state platform to develop both general public safety measures and assessment of ways to reduce and prevent such crime, especially against Native American and other vulnerable communities.

Equinor/Atlas Wind suggests providing more clarity around how cultural and environmental monitoring are to be affected and cites the PSO program outlined in our survey plan as a platform for such monitoring with required training.

Fisheries Impacts

The latest commercial, recreational, subsistence, and cultural fishing data should be used to conduct analyses assessing spatial and temporal trends in fishing effort and value metrics in the offshore and

nearshore environments, in consultation with California Native American tribes and the California Offshore Wind Fisheries Working Group. These efforts will inform deployment within existing lease areas and planning for port development and sea space identification for potential future offshore wind projects.

- Equinor/Atlas Wind continues to support the California Offshore Wind Fisheries Working Group in developing a statewide strategy for avoidance, minimization, and mitigation of impacts to fishing and fisheries that supports fisheries productivity, viability, long-term resilience, and safe navigation on balance with support for other ocean uses, ocean biodiversity, and the state's OSW goals in a manner consistent with addressing climate imperatives.

Equinor/Atlas Wind notes that the California Offshore Wind Fisheries Working Group, combined with regulatory processes within the AB 525 construct ensure continued robust process that allows stakeholders to identify and for the Working Group to address any data gaps and to build a framework for viable, environmentally sound offshore wind energy development. While lessees have experienced some difficulty in getting fisheries groups into active engagement, the statutorily established Working Group provides both the framework for such engagement and for development of environmentally and scientifically sound identification of recommendations for any necessary mitigations and adaptation that may be required during the development, construction or operation periods of offshore wind projects.

Equinor/Atlas Wind fully supports the working group and mitigation framework identified within the Strategic Plan consistent with the BOEM lease requirements and the CCC's statutory Working Group. However, we note that some comments have been incorporated into the draft that are inconsistent with adhering to the 7c process and ensuring scientific rigor, fairness and equity in how mitigations may be addressed, and compensated for where applicable, across ocean user stakeholders or those with cultural resource concerns. Equinor/Atlas Wind notes that NATCP, Fisheries Communications Plan (FCP) and Agency Communications Plan (ACP) requirements under our BOEM leases have been rigorous to date and we intend to continue to fully engage with all stakeholders in the same meaningful manner to incorporate feedback and concerns into our project development approach. The Working Group is a separate, statutory requirement that we are also fully engaging within and fully support to identify mitigation strategies and address stakeholder concerns. We strongly urge the CEC to ensure the recommendations in the Strategic Plan adhere to the guidelines for the 7c Working Group to allow its findings and recommendations ensure equitable treatment of stakeholder concerns and full incorporation of scientific rigor to mitigation identification and to determine appropriate compensation. However, it must be noted that the 7(c) working group process is not intended to preclude advancement of limited site assessment survey activities otherwise evaluated through the Final Environmental Assessment for the Commercial Wind Lease and Grant Issuance and Site Assessment Activities on the Pacific Outer Continental Shelf, Morro Bay Wind Energy Area, California, dated October 2022, and Condition 1 of the related California Coastal Commission's Consistency Determination CD-0004-22 (Morro Bay Wind Energy Area), dated July 1, 2022. Equinor/Atlas Wind does not support the use of terms from any non-binding prior agreements with fisheries unless such terms are adopted within the collaborative, mandatory Working Group process.

Equinor/Atlas Wind supports the development of effective and adaptive coordination, communication, and information flow among fishing industry participants, the offshore wind energy industry, relevant federal, state, and local government, coastal communities, and Native American tribes. The process would provide information regarding the locations of offshore wind data collection instrumentation and

structures, area closures, and navigation restrictions. Electronic chart information would be provided to the fishing community and other mariners showing the as-built location of project infrastructure. Equinor/Atlas Wind supports inclusion of requirements from the BOEM leases on required communications plans and strategies and in general supports the additional suggested processes in the Strategic Plan, including those already in place via the Working Group.

Workforce

Equinor/Atlas Wind supports the broad proposals to utilize agency coordination, support from stakeholders, including Labor, and collaboration with developers to help build and sustain the workforce education and training as well as the supply chain planning principles. We note that under the bidding credit awarded in our federal, Equinor/Atlas Wind will be dedicating \$20 million as a threshold toward these efforts. Immediately upon being awarded the lease we began collaborative work with CA Workforce Development Board, organized Labor, GO-Biz and other state and local agencies and entities to align the strategy under which we were awarded the \$20 million lease bidding credit with state policy direction and program planning. We have subsequently broadened this outreach and work to ensure we had full line of sight to state planning and were providing information on what we had done in other regions and what was planned in our workforce/supply chain strategy for California.. We are just one of five leaseholders in the state and believe these bidding credit funding opportunities should be a key component of the state's ongoing planning. This is not explicitly stated in the Strategic Plan, and we believe it should be amplified so that this foundational work and funding can be built upon and to reduce the risk of duplicative efforts.

Our plan identified specific focus on historically marginalized regions and groups and includes a tribal component that crosses through all of the qualified bidding credit platforms. We believe incorporating tribal input and interests into the broader workforce/supply chain planning, as the Strategic Plan indicates is critical and that tribal benefits should not be limited to a tribal community benefit agreement. We believe this is also essential for other historically marginalized groups and communities, and for communities that have been disproportionately impacted by climate change.

Sea Space

Equinor/Atlas Wind provides the following feedback on the statements below from the specified sections of the draft Strategic Plan:

(Chapter 11 Vol I) Recommendations – Sea Space:

- “Continue **suitable (1) future sea space** identification, research, analysis and refinement, in coordination with BOEM, underserved and tribal communities, and stakeholders to inform the feasibility of offshore wind development that minimizes impacts to California’s coast and ocean resources.”
 - Propose use of the term “Suitable future sea space”.

This concludes the written comments of Equinor/Atlas Wind. We greatly appreciate the years’ long processes that have culminated in the issuance of this draft plan and for the robust stakeholder and collaborative engagement that continues to take place. Equinor/Atlas Wind respectfully request the Commission consider our recommendations and suggestions in finalizing and executing the AB 525 Strategic Plan.

Respectfully Submitted,

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Atlas Wind