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*Comment Received From: Erin Kester  
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**RWE Comments on AB 525 Draft Strategic Plan**

*Additional submitted attachment is included below.*



April 22, 2024

VIA ELECTRONIC MAIL  
([docket@energy.ca.gov](mailto:docket@energy.ca.gov))

California Energy Commission  
Docket Unit, MS-4  
Docket No. 17-MISC-01  
715 P Street  
Sacramento, CA 95814

**RE: AB 525 Draft Strategic Plan for Offshore Wind Development  
(Docket No. 17-MISC-01)**

Chair David Hochschild and Commissioners:

RWE Offshore Wind Holdings, LLC (“RWE”)<sup>1</sup> appreciates this opportunity to comment on the California Energy Commission’s (“CEC”) Assembly Bill (“AB”) 525 Offshore Wind Strategic Plan Draft Report (“Draft Strategic Plan”). As the CEC is aware, RWE entered a lease with the Bureau of Ocean Energy Management, effective June 1, 2023, for Lease Area OCS-P 0561, a 63,338-acre area on the Outer Continental Shelf in the Humboldt Wind Energy Area. RWE has continued to devote substantial resources toward the assessment and development of Lease Area OCS-P 0561.

RWE thanks the CEC, all contributing agencies, consultants, and staff for their time and effort developing this key offshore wind (“OSW”) document. The substantial investment by the CEC and other state agencies in preparing the Draft Strategic Plan demonstrates the State of California’s (“State”) commitment to and recognition of the immense benefits and opportunities OSW presents for the State. RWE is grateful for the opportunity to comment on the Draft Strategic Plan, and for the CEC’s commitment to public involvement and transparency throughout this process.

In addition to, and building upon the comments provided below, RWE specifically concurs with and incorporates by reference the comments submitted by American Clean

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<sup>1</sup> RWE, directly or through its subsidiaries and affiliates, develops, owns, and operates some of the most efficient, highest performing renewable energy projects in the United States, including onshore wind, photovoltaic renewable generation, and energy storage, and has developed and constructed more than 5,000 megawatts of renewable capacity in the United States since 2007. RWE’s pipeline includes more than 24 gigawatts of onshore and offshore wind, solar, and batteries, and RWE plans to invest \$1.66 billion annually to continue expanding its portfolio across the United States.

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Power California Council of Offshore Wind Leaseholders (“ACP CCOWL”) on the Draft Strategic Plan also filed in this Docket No. 17-MISC-01.

As discussed further below, this comment letter focuses on four priority recommendations for the CEC’s consideration:

- (1) Identify concrete next steps for implementation of the State’s offshore wind goals, including identifying clear milestones, timeframes and responsible agencies;
- (2) In the very near term set into motion: a) the proposed Ocean Renewable Energy Action Team (“Ocean REAT”) approach, which includes an Ocean REAT and an Ocean Renewable Energy Policy Group (“Ocean REPG”); and b) the timely execution of a Memorandum of Understanding (“MOU”) to help streamline the permitting process;
- (3) Establish a clear path for prompt transmission planning and development on the California North Coast; and
- (4) Prioritize the placement and development of specific port facilities for achieving the 2030 and 2045 targets provided in AB 525.

**I. The Strategic Plan Needs to Identify Concrete Next Steps**

RWE recognizes the immense effort undertaken to coordinate and prepare the Draft Strategic Plan consistent with AB 525’s OSW goals and applauds the CEC’s analysis, considerations, and recommendations. Without minimizing the importance of these efforts, RWE is looking to the CEC and its Strategic Plan to provide concrete and ascertainable next steps for achieving the State’s OSW goals. However, as the ACP CCOWL comments provide in greater detail, the Draft Strategic Plan does not propose sufficiently tangible goals to provide meaningful direction to RWE, other leaseholders, interested parties, and other state agencies.<sup>2</sup> For these reasons, RWE recommends that the final Strategic Plan: 1) more clearly identify responsible agencies; 2) establish detailed dates and timeframes; and 3) appropriately prioritize near- and long-term actions. All state agencies involved in implementing offshore wind should be able to rely on the Strategic Plan to guide their individual policy and regulatory priorities and initiatives in alignment with the State’s OSW goals.

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<sup>2</sup> By way of example, the recommendations to: 1) continue coordinating a port development and readiness framework; 2) continue assessing transmission alternatives to meet OSW planning goals; and 3) foster regional transmission planning efforts, lack specificity, and require further detailed steps and timelines for achieving the identified recommendations.

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One way the CEC can achieve this is by inserting the AB 525 Planning Goals into the Strategic Plan. AB 525's Planning Goals (2-5 gigawatts ("GW") by 2030 and 25 GW by 2045) ("Planning Goals"). This will drive the long-lead investments necessary to make OSW a reality, e.g., port expansion and transmission capacity.

**II. Permitting and Interagency Coordination Through an MOU Should be Prioritized and Given Short-Term Milestones and Timelines**

RWE recommends that the CEC's Strategic Plan highlight the immediate need to develop a more detailed process for state and federal permitting coordination. This process should include specific timelines and describe near-term actions and milestones (e.g., completing an interagency MOU). The coordinating MOU should be patterned off the REAT process discussed in Chapter 10, which was developed by state and federal agencies to improve permitting for large renewable energy projects in the California desert. As seen with some projects on the East Coast, the financing and development of OSW requires more certainty in permitting and central procurement with clear and concise timelines, milestones, and lead agency direction. Currently, the level of detail in the Draft Strategic Plan does not provide permitting certainty that OSW developers need, and it appears noncommittal with respect to a preferred interagency approach to best achieve coordination. More certainty about the interagency/Ocean REAT approach should be addressed in the Strategic Plan to make it easier for agencies, developers, and the public to ascertain next steps and expected timing. Indeed, all involved state agencies must have clear alignment with defined roles and responsibilities for this effort to be successful within their statutorily required permit timeframes and the generalized OSW process outlined in the CEC's Permitting Roadmap. The MOU provides the best opportunity to accomplish this certainty.

RWE strongly encourages the CEC to include an express recommendation in the Strategic Plan regarding the preparation of an interagency Ocean REAT MOU that can be implemented as soon as possible. RWE sees this as an urgent need that absolutely cannot be delayed.

**III. The Strategic Plan Needs to Identify and Recommend Immediate Action on Long-Lead Transmission Infrastructure**

California cannot realize the critical benefits of OSW without substantial new transmission capacity. While transmission assets are planned, permitted, and constructed in a process separate and distinct from OSW, the two processes must work in tandem to be successful. Now that California Independent System Operator's ("CAISO") 2023-2024 Draft Transmission Plan has proposed significant new transmission in the North Coast region, it is critical that the Strategic Plan be approved in May 2024 and that these

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transmission projects begin as soon as possible. This is necessary to ensure that transmission capacity is available in time for the first North Coast OSW projects to become operational by the mid-2030s. To achieve this goal, the Strategic Plan should highlight the following urgent actions.

**A. The Strategic Plan Should Encourage Active State Engagement in Transmission Planning and Provide a Clear Path to Permitting and Developing Transmission Capacity Sufficient to Meet the State’s Planning Goals**

A reliable transmission system is imperative for California North Coast OSW to come online in the 2030s. To accomplish this, it is vital to have state engagement and investment in transmission planning, as well as a clear path to comprehensive permitting and development of transmission capacity sufficient to meet the 2045 planning goal of 25 GW of OSW. RWE strongly believes that a key element to achieving this goal involves taking local reliability benefits into account in both planning and development, including in the Strategic Plan. Likewise, identification of necessary and appropriate sea space should be a key component of the broader transmission planning effort as the two considerations (identification of sea space and transmission planning) go hand-in-hand and will avoid duplication of effort.

**B. The Strategic Plan Should Clearly Recommend Integrating Local Reliability Benefits into Transmission Design and Execution to Ensure Successful Outcomes**

As noted in Chapter 4 of the Draft Strategic Plan, several California Native American Tribes, particularly in the North Coast region, have expressed concern that their communities suffer from chronically unreliable power. It is commendable that CAISO’s proposed new transmission project for the North Coast considers the need to integrate offshore wind while also bolstering the reliability of the local transmission network. The Strategic Plan should encourage CAISO (e.g., responsible for planning the higher voltage transmission network) and Pacific Gas & Electric Co. (“PG&E”) (i.e., the owners and managers of the lower voltage distribution network in Humboldt County) to work together to ensure the new transmission assets enable improvements within PG&E’s distribution network that would maximize local community and tribal benefits.

**IV. The Draft Strategic Plan Should Provide a Specific, Prioritized Strategy for Port Infrastructure to Meet AB 525 Goals, Highlighting the Urgency of Staging and Integration Ports**

Although the Draft Strategic Plan aptly recognizes the range and quantity of ports that will be required to meet AB 525 goals, the Draft Strategic Plan’s recommendations for

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port infrastructure lack specific, prioritized strategies to address the acknowledged gap in port availability. As an example, the Strategic Plan should address the phasing of port upgrades over time, as the full slate of projected upgrades are not required immediately to meet the AB 525 goals. Equally important, the Strategic Plan should not make an independent determination that the goals set forth in AB 525 are too difficult to attain. (See, e.g., Draft Strategic Plan at p. 131: [“The Port Plan shows it may not be possible to meet the 2030 planning goal of 2 to 5 GW as it takes several years to complete planning, engineering, permitting and regulatory approval, and construction”].) The Strategic Plan should instead be solution-oriented, with a focus on specific ports and port facilities needed to meet AB 525’s 2030 and 2045 targets, including clear recommendations to ensure the availability of ports and port infrastructure. Manufacturing and operations/maintenance ports can develop over time to support elements of component manufacturing that can be done locally, as well as supporting the ongoing operations and maintenance of projects over their long asset lifetimes.

**V. The Strategic Plan Should Highlight the Least-Regrets Improvements of Staging and Integration Ports While Requiring the CEC to Develop a More Detailed Step-by-Step Strategy for Further Port Build-Out**

Since staging and integration ports need to be in relatively close proximity to project sites, it is essential that these ports are available on the United States West Coast to support offshore wind projects in California. Therefore, the Strategic Plan should clearly identify staging and integration ports as an urgent short-term need because construction of the first floating wind farm cannot occur until at least one is available. This would, in turn, deliver early investment and workforce benefits locally and allow the State’s first offshore wind projects to proceed without delay. Additionally, such a strategy provides time to upgrade other ports needed to support the manufacturing of components. RWE requests that the Strategic Plan include a more detailed strategy outlining the step-by-step build-out of ports as required by AB 525. (See e.g., Pub. Resources Code §§ 25991, subd. (c)(2) & (d); 25991.3.) This approach will promote timely growth of the OSW industry, enhance effective and accurate economic benefits, and mitigate any number of possible development impacts.

**A. The Strategic Plan Should Prioritize Existing Port Development Plans**

There are at least two port facilities that have announced plans to build staging and integration facilities, aligning with the industry’s most urgent port needs: the Port of Humboldt and the Port of Long Beach. As these port facilities have already taken a significant step towards pursuing port development in furtherance of the State’s OSW

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goals, the projects and plans related to these ports should be recognized and prioritized by the CEC through its recommendations in the Strategic Plan.

**B. The Strategic Plan Should Appropriately Differentiate Between Short- and Long-Term Economic Benefits of Port Upgrades**

Currently, the Draft Strategic Plan does not adequately differentiate between the short-term economic benefits associated with the construction of port upgrades, versus the long-term economic benefits of the supply chain that will support the construction of multiple commercial wind farms, and ongoing maintenance needs. As port upgrades emerge, the short-term economic benefits associated with the construction of those upgrades will evolve into long-term benefits supporting a much more robust offshore wind industry; these are distinctly different, but equally important layers of economic benefit. The Strategic Plan should more effectively account for these distinctions between construction of port upgrades and construction of multiple commercial wind farms.

**C. The State Should Provide More Resources and Planning for Engagement and Collaboration**

As a committed California OSW leaseholder, RWE is serious about meaningfully and thoughtfully collaborating with tribal nations throughout the process of OSW planning and development. RWE urges the State to increase resources for government-to-government engagement, and to appropriately compensate tribes for time spent on cultural resource monitoring, agency and developer consultation, etc. This should be an identified goal for each stage of planning and development.

**VI. Conclusion**

The above RWE comments on the Draft Strategic Plan are not intended to be exhaustive, but rather present a reasonable cross-section of what RWE identifies to be priority items to be addressed in the Strategic Plan. RWE is happy to consult in further detail with the CEC and other agencies at any time regarding these important issues. RWE looks forward to the adoption and implementation of the Strategic Plan, and to playing an important role in the advancement of planning and implementing floating offshore wind in California.

Thank you for your consideration of these comments.

Regards,

Kate McKeever  
Vice President, External Affairs  
kate.mckeever@rwe.com  
M +1-325-267-0842