

DOCKETED

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Comment Received From: Nancy Kirshner-Rodriguez
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Oceantic Network AB 525 Draft Strategic Plan

Additional submitted attachment is included below.



May 30, 2024

California Energy Commission
Docket No. 17-MISC-01
Docket Office
1516 Ninth Street
Sacramento CA 95814

Submitted Electronically via CEC website to Docket 17-MISC-01

Re: Comments on Draft Assembly Bill 525 Report: Assembly Bill 525 Offshore Wind Strategic Plan (January 2024)

Dear Chair Hochschild, Commissioners and staff:

We write to you today on behalf of the 500 member companies and organizations of the Oceantic Network, "The Network" (formerly known as the Business Network for Offshore Wind), to provide expanded comments regarding the AB 525 Draft Strategic Plan with a central focus on recommendations from [a newly released white paper published by the Network's West Coast Supplier Council \(WCSC\)](#). The Network and its members, local and national, have supported the State of California's ongoing efforts to plan for floating offshore wind and are committed to realizing the state's vision to maximize the wind availability and ensure the state is a global leader in the developing technology. We strongly urge the final AB 525 plan to clearly lay out a state strategy that focuses on identifying and implementing positive incentives paired with a long pipeline of demand that will promote a sustainable, globally cost-competitive, and financially resilient supply chain.

California's deep waters provide the United States a clear opportunity to advance the nation's development of floating technology and establish California and the U.S. as a long-term leader in floating offshore wind. Since the passage of AB 525 in 2021 and the first BOEM lease auction in late 2022 off the Morro Bay and Humboldt coasts, we have seen the state work extremely hard to grapple with the extraordinary opportunities as well as significant challenges building out 25 gigawatts of floating offshore wind for state consumption creates. Today, as we provide further input on the draft strategic plan and see the ever-expanding state agency engagement and collaboration, we are more confident than ever that California can emerge with a final plan that outlines a proactive roadmap with specific timelines, actionable items, and significant investments to ensure the development of a strong regional supply chain and workforce.

Climate change necessitates the transfer to long-term reliable renewable energy and California must move forward with a strong floating offshore wind development strategy that simultaneously works to address implications for existing ocean users and marine life. As California continues to advance offshore wind, the Network urges each California agency to establish a system that accounts for the full scope of benefits that will accrue from offshore wind projects. This includes the critical role floating offshore wind farms will play as a reliable renewable energy source that will complement the



existing grid as California moves toward 100% renewables by 2045. We have been especially pleased to see the CAISO (California Independent System Operator) significantly expand its plans to address necessary transmission upgrades that will ensure this new energy source will have the infrastructure to meet the states expanded needs and support many of the recommendations ACP (American Clean Power) and CalWEA have incorporated into their docketed comments.

The Network has long championed the need for regional collaboration, and we encourage the final draft to also include specific plans for building partnerships with other Western states. We were a lead organization encouraging the inclusion of offshore wind in the Western Governors Association’s Energy Policy Resolution 2022-01 (Energy in the West). The Energy Resolution highlighted that “the developing floating offshore wind industry presents a strong economic and sustainable energy generation opportunity for the West. Western states can work collectively, and in consultation with Tribal governments and in coordination with stakeholders, to address workforce, economic, infrastructure, social, environmental, and manufacturing challenges associated with offshore wind planning, siting, and deployment.”

California will play a vital role in unlocking this economic opportunity and driving the offshore wind industry's advancement along the entire Pacific Coast. This is going to be essential as international competition from both Europe and Asia increases along with future federal Department of Interior (DOI) leases planned for Oregon and Hawaii. In addition, the state of Washington has active supply chain partnerships forming to meet West Coast needs. As evidenced by the 2023 White House sponsored agreement, East Coast states are moving to closer coordination to maximize economic benefits while building a strong supply chain that will deliver projects on time. We strongly encourage expanded regional collaboration be addressed in the final AB 525 plan, particularly because of the scale and location of the incredible wind resources on the Pacific Coast. By aggregating demand and expanding its potential supplier pool, the U.S. Pacific Coast market can be a leader of the global floating offshore wind market.

Current State of the Supply Chain

The Network recognized early on the need to develop and grow our domestic supply chain. In addition to our ongoing partnership with federal research labs and various states, the Network has developed [Offshore Wind Supply Chain Connect](#) which allows companies to publicly indicate their interest and ability to supply components and services for U.S. offshore wind projects. It is also a valuable service for companies looking to buy from and partner with other offshore wind firms. The Network’s national Supply Chain Connect currently contains over 4,500 companies and over 700 categories of products and services.

This includes west coast states; as of March 2024, we had increased our west coast supply chain data to more than 625 companies in California alone. Because Floating offshore wind is a nascent industry with little to no developed supply chain globally it presents an enormous opportunity for West Coast states. Because the region has established industries including maritime, finance, utilities, transportation, technology,

manufacturing for electronic components and semiconductors, and advanced manufacturing for aerospace and defense we are confident that skills can be applied across the lifecycle of an offshore wind project. Hundreds of existing businesses working in these adjacent industries have skills and capabilities for the offshore wind industry. Importantly, we are already seeing supply chain development during early project siting activities and several companies with west coast headquarters have already played significant roles in East Coast projects.

Recommendations from West Coast Supplier Council

In February, we launched the [West Coast Supplier Council \(WCSC\)](#) and late last week we released [a new study](#) with recommended actions for policymakers which focus on why the anticipated large-scale surge in demand for floating offshore wind along the U.S. west coast necessitates upgrades to port and transmission infrastructure, alongside scaling up the region's supply chain capabilities especially where it holds a competitive advantage.

Ports and transmission are the critical, foundational infrastructure projects with long planning timelines and must be the primary focus for policymakers in the near term. The draft roadmap references the state's need for \$11 - \$12 billion dollars to upgrade existing port infrastructure to meet the 2045 offshore wind planning goal (which is only a small fraction of the total economic potential unleashed by the investments). Time is of the essence – port development takes years and only grows more costly as illustrated in the Network's report, [Building a National Network of Offshore Wind Ports](#), released in the late fall. The industry must have the certainty of knowing that a built infrastructure will be ready in time for supply chain creation, manufacturing, and deployment, however the draft report fails to outline specific steps the state will take to meet the future need. The final report must identify specific sources of funding, including needed bond measures to be placed on the ballot by the legislature, other potential federal and state resources, and the immediate development of a state funding strategy.

While AB 525 did not specifically identify which requirements should be addressed in offtake contract awards, we urge you to prioritize projects that demonstrate a clear path to deployment on-time and on-benefit, rather than prioritizing unrealistic price targets through least-cost procurement auctions. The plan should also address best practices from other states in building flexibility into the process. Writ large, the industry is learning hard lessons on the east coast where the industry could not move forward with rising inflation and tightening supply chains; states have worked hard to build stronger procurements that include measures incorporating greater risk assessment and creating a more durable regional market.

Finally, The Supplier Council further identified a consistent and long-term procurement plan as fundamental to attracting new supply chain investments locally by providing long-term volume visibility for business planning. On the East Coast, New Jersey has laid out a large goal – 11 GW – and a consistent procurement schedule that is attracting investments. California will be the regional market leader and its procurement pace will be the main attraction for would-be suppliers to locate in the state.



There is greater value in regional cooperation and coordination to spur new local investments and create greater security in the market. A mechanism for the centralized procurement of floating wind power should be established to meet each west coast state's goals, with a clear and reliable timeline for future procurements.

Conclusion

The Oceanic Network thanks the Californian Energy Commission for the opportunity to provide these comments and looks forward to continued engagement to advance offshore wind development off the Pacific Coast and the growth of a domestic supply chain and workforce.

Please contact me if you have any questions or need more detailed information.

Sincerely,

A handwritten signature in black ink that reads "Nancy Kirshner-Rodriguez". The signature is written in a cursive style and is enclosed within a thin black rectangular border.

Nancy Kirshner-Rodriguez
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