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**Offshore Wind California & American Clean Power - California Support for Strong Goals**

*Additional submitted attachment is included below.*

**Offshore Wind California and American Clean Power - California  
Comments to California Energy Commission (CEC) Regarding  
Assembly Bill (AB) 525 Offshore Wind Planning Goals for 2030 and 2045  
July 7, 2022**

**Summary**

We are encouraging the Commission to approve offshore wind planning goals of 5 GW by 2030 and 20 GW by 2045. We believe these goals are well-supported by the latest research and will more fully take advantage of the many benefits that economies of scale can bring Californians from responsibly developing offshore wind. Here are several key points for the Commission to consider in determining its final AB 525 planning goals:

- First, what the Commission is being asked to set – per AB 525 – are planning goals, not mandates. If we want to “go big,” we need to “plan big.” Ambitious planning goals are essential to appropriately size and scale the other key elements necessary to deploy offshore wind – including port infrastructure, transmission, workforce development, and a sustainable supply chain. Setting goals below the state’s ultimate need for offshore wind risks significant missed opportunities to right-size planning, program and investments that will help deliver the full benefits of this new industry. That said, stakeholders should understand planning goals alone will not guarantee deployment of large-scale offshore wind. Making these goals a reality will require infrastructure investments, procurement, permitting, and construction – all of which provide opportunities for California to continue to put its stamp on how the industry emerges.
- Second, new data and analysis presented by the National Renewable Energy Laboratory (NREL)<sup>1</sup> at the CEC’s June 27 workshop shows the 5 GW by 2030 and 20 GW by 2045 goals are very achievable, when factoring in industry’s most likely 5 MW/km<sup>2</sup> power density scenarios. Doing the math with NREL’s new data shows that the 5 GW and 20 GW goals can be reached at the two designated Wind Energy Areas at Morro Bay (4.9 GW) and Humboldt (2.7 GW), and other wind areas that we will work collaboratively to identify in future offshore sea-space planning with the federal Bureau of Ocean Energy Management (BOEM), state agencies, and non-governmental stakeholders. Indeed, simply factoring in this more realistic 5 MW/km<sup>2</sup> power density capacity – which NREL reports is more conservative than offshore wind project plans in New York and Virginia – would alone raise the CEC’s draft AB 525 goals from 3 GW by 2030 and 10-15 GW by 2045, to 5 GW by 2030 and 17-25 GW by 2045.
- Third, it is important to emphasize that the industry can deploy the first 5 GW of offshore wind by 2030 within existing lease areas at Morro Bay and Humboldt, **and without the need for any additional sea space**. That is a key point to consider as the Commission strives to balance the needs of offshore wind with other sea space users. For the next 15 GW – to reach 20 GW by 2045 – there is plenty of time and sea space to consider for potential additional offshore wind areas elsewhere off California's coast.
- Finally, industry trends and data all point to increased U.S. and global reliance on offshore wind, and growing benefits of a diverse renewables portfolio to help California meet its SB 100 clean power and climate objectives. Recent analysis from the CPUC suggests that with higher electrification assumptions, an optimal portfolio for CAISO LSEs will include closer to 5 GW by 2035.<sup>2</sup> As we have seen, our understanding of the need for offshore wind has increased over time and like in states on the east coast, will continue to rise. Ambitious planning goals will send an important signal to industry and other agencies that California is committed to move forward as a leader on offshore wind. And Californians will reap substantially increased economic and workforce benefits from larger-scale offshore wind

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<sup>1</sup> Offshore Wind Research Summary – California Study Results, National Renewable Energy Laboratory (NREL), Walt Musial, Presentation to California Energy Commission Workshop, June 27, 2022, p. 8.

<sup>2</sup> <http://www.caiso.com/InitiativeDocuments/CPUCPresentationUpdated-2022-2023TransmissionPlanningProcess-Jul62022.pdf>

development – including tens of thousands of jobs<sup>3</sup>, increased grid resiliency from this complementary renewable energy source, \$ billions in ratepayers savings in installed clean power capacity,<sup>4</sup> tens of \$ billions<sup>5</sup> in increased GDP for the state by 2050, and enough competitively priced<sup>6</sup> clean electricity to power at least 7 million Golden State homes.<sup>7</sup> These are important economic opportunities not to be missed.

## **Addressing Ocean-Use Impacts**

As an industry, we recognize the importance of mitigating our impacts on affected communities and seeking to make whole those who are current ocean users, especially fishing communities. We understand that there will be real impacts to some fishers and fishing groups. We support the state processes in place and in development to properly protect these important stakeholders.

- The state will require comprehensive mitigation agreements. These are required by the action of the California Coastal Commission (CCC) in their Consistency Review determinations that were adopted for the Humboldt and Morro Bay Wind Energy areas. We expect that the CCC will continue to seek these types of requirements when considering future lease areas, and that the experience in the first two areas will inform further refinement of these agreements.
- BOEM has included a bidding credit in the Proposed Sale Notice (PSN) for the upcoming lease areas that will create a financial incentive for developers to reach binding compensatory mitigation agreements with fishing communities. The PSN includes a 2.5% bidding credit for Community Based Agreements entered with existing ocean users. In recent meetings we have observed Coastal Commissioners and other local government stakeholders advocating for a larger credit in the Final Sale Notice.
- The CEC, Ocean Protection Council (OPC), and CCC have been leading broad outreach to fishing groups in addition to BOEM's efforts. We expect many more and deeper conversations with the fishing industry as we progress past the auction this fall and know who the lease holders will be.
- On the East Coast, offshore wind developers have established a precedent of fisheries compensation agreements. Those agreements were also part of the consistency review with federal coastal zone management for those projects.

## **Promoting Energy Justice and Serving Front-Line Communities**

Equity is about access to process and representation, affordability of power, and the accrual of benefits to overburdened/underserved communities. Already the CEC has helped provide access to process, and developers are committed to continued engagement as they move beyond concept stage into the project design and development phases.

- As with fishing communities, the CCC has put in strong requirements for project developers to conduct significant outreach to EJ communities and tribes.
- BOEM is also requiring significant outreach and inclusion of EJ and tribal interests.
- The Coastal Commission and BOEM are both putting in place strong requirements for project labor agreements. We know that the proven path to prosperity is through good paying stable jobs that have

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<sup>3</sup> [NREL - Floating Offshore Wind in California: Gross Potential for Jobs & Economic Impacts from Two Future Scenarios](#), April 2016.

<sup>4</sup> [SB 100 Joint Agency Report - Charting a Path to a 100% Clean Energy Future](#), March 2021.

<sup>5</sup> [NREL - Floating Offshore Wind in California: Gross Potential for Jobs & Economic Impacts from Two Future Scenarios](#), April 2016.

<sup>6</sup> [NREL - The Cost of Floating Offshore Wind Energy in California Between 2019 and 2032](#), November 2020.

<sup>7</sup> [White House - Biden Administration Opens Pacific Coast to New Jobs and Clean Energy Production with Offshore Wind](#), May 2021.

benefits. The offshore wind development community is working closely with organized labor and some companies have already entered into nationwide agreements to build union.

- The BOEM PSN includes bidding credits that are designed to incentivize the development of a local supply chain and having the industry develop using more domestic content. Utilization of these bid credits could help lease holders increase the opportunities for job creation for underserved communities in manufacturing.
- Maximizing local community economic development requires manufacturers and suppliers to invest in facilities locally, which means scale and long-term pipeline.
- Our trade associations have been in alliance with environmental justice advocates and labor unions through the crafting and passage of AB 525 as part of our ongoing commitment to sharing the benefits of offshore wind with a diverse group of Californians.
- Part of aiding underserved communities is keeping focus on the affordability of energy. Affordability will mean scale, state support, and a good procurement process. Setting strong goals is a part of working towards a just California.
- Process before us – leasing, permitting, and procurement – can provide for progress on all those fronts. Developers are committed to providing community benefits and we understand this to be a metric for defining our success.

### **Providing Stakeholders a Roadmap to the Future**

As industry we are aware that stakeholder time and resources are valuable and finite and that consultation and engagement, while essential to a just process, are demanding. Underserved communities and especially Tribes do not necessarily have the resources to participate in a multitude of processes and we likewise appreciate the competing demands for time and resources faced by fisheries. Agencies have in part addressed this by requiring all the lease auction winners to collaborate in stakeholder outreach to avoid overwhelming key stakeholder groups, however we wish to emphasize that we have concerns that should the scale of the State’s offshore wind planning goals change over time as has been suggested (and has been done with the Renewable Portfolio Standards) we collectively risk undermining essential transparency and shared understanding with stakeholders through the consultative processes.

A right-sized approach to planning is just as essential to robust stakeholder engagement as it is to technical challenges such as transmission or permitting approaches. Incrementality risks yielding false conclusions, stifles potential design improvements – to individual wind farms or the program as a whole – that may lessen impacts when compared with a more holistic view of the future and will undersize the total impacts, benefits and mitigation strategies employed. It is our strong view that changing planning goals will be onerous to vulnerable groups and would require recalibration over time. While industry can adjust to such changes, vulnerable and under-resourced groups will be especially burdened by such uncertainties and the opportunity cost of robust engagement versus fatigue and potential mistrust of process undermines the industry’s goal of a fair approach with stakeholders.

### **Protecting Ocean Species and Habitats**

As the federal jurisdictional agency over offshore wind leasing on the Pacific OCS, BOEM is required to comply with all applicable federal regulations including those that pertain to ocean species and habitats. BOEM is required to conduct consultations with the National Marine Fisheries Service (NMFS) and the U.S. Fish and Wildlife Service (USFWS) for avian and aquatic species that use both marine and shore habitat (e.g., nesting sea turtles). for threatened and endangered species (under the Endangered Species Act [ESA]), marine mammals (under the Marine Mammal Protection Act [MMPA]) and essential fish habitat (EFH; under the Magnuson Stevens Act).

- These consultations have already occurred or are underway as part of the National Environmental Policy Act (NEPA) process as evidenced by the two environmental assessments (EAs) prepared by BOEM for the Morro Bay and Humboldt Bay WEAs.<sup>8</sup> Once leases have been issued, the lessees' will be required to coordinate and consult with NMFS and the USFWS to ensure protection ocean species and habitats during site investigation and survey activities (e.g., lessees will need to secure an Incidental Harassment Authorization under the MMPA from NMFS for the seafloor geologic surveys) and BOEM will initiate consultations under the ESA, MMPA and Magnuson Stevens Act with these agencies for each project-specific COP submitted to them for sufficiency review.
- State of California agencies with responsible or trustee responsibilities over ocean species and habitats including the California Coastal Commission (CCC), California Department of Fish and Wildlife (CDFW), the California State Lands Commission (CSLC) and the Ocean Protection Council (OPC) have been deeply involved in the WEA analysis process both with BOEM in their NEPA process and as part of the Consistency Determination (CD) process required under the Coastal Zone Management Act (CZMA). The CCC issued staff reports and conditional concurrence for BOEM's CDs submitted to the CCC for both the Humboldt Bay and Morro Bay NEPA EAs.
- As part of CD concurrence process, the CCC conducts public hearings and at both hearings the CCC stated that they had worked in tandem with CDFW, CSLC and OPC to develop the staff reports for both the Morro and Humboldt Bay analyses and the conditions imposed in the concurrences<sup>9</sup>. Many of the conditions that were included in the staff reports were specific to protection of ocean species and habitats (e.g., Condition 3 requiring a 10-knot speed limit for all transiting vessels throughout the surveys process). At the hearings, the CCC made clear its intention to carry those conditions and additional conditions through to the project specific CZMA consistency certification process that will be required for each of the lessees as part of their ongoing commitment to and coordination with trustee and responsible agencies.

### **The Risk of Aiming Too Low**

- Although there is very little risk is aiming too high in our offshore wind goals for the state given the planning, protection and investment required to achieve them, there is clear risk of aiming too low.
- Without proper planning and investment *beginning this year* that is right sized to the ultimate vision of the state, it will not be possible for the industry to “catch up” if the state later realizes higher deployment is needed to meet climate targets.
- Offshore wind is a new industry with long-lead times and major infrastructure requirements. Incremental investment and planning will not suffice.

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<sup>8</sup> BOEM - Draft Environmental Assessment. Commercial Wind Lease and Grant Issuance and Site Assessment Activities on the Pacific Outer Continental Shelf, Morro Bay Wind Energy Area, California. April 2022.  
BOEM - Final Environmental Assessment. Commercial Wind Lease and Grant Issuance and Site Assessment Activities on the Pacific Outer Continental Shelf, Humboldt Bay Wind Energy Area, California. May 2022

<sup>9</sup> CCC - Staff Report: Regular Calendar. Consistency Determination No: CD-0001-22. Bureau of Ocean Energy Management (March 2022). And CCC. Staff Report: Regular Calendar. Consistency Determination No: CD-0004-22. Bureau of Ocean Energy Management (April 2022)