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Comments on AB 525 OSW Planning Goals

Additional submitted attachment is included below.



July 11, 2022

California Energy Commission 715 P Street Sacramento, CA 95814

Re: AB 525: Offshore Wind Maximum Feasible Capacity and Megawatt Planning Goals for 2030 and 2045

Docket: 17-MISC-01

Dear Chair Hochschild, Vice-Chair Gunda, and Commissioners,

The Natural Resources Defense Council (NRDC) and Defenders of Wildlife support responsible development of offshore wind because it provides a tremendous opportunity to fight climate change, reduce local and regional air pollution, advance environmental justice, and grow a new industry that can support thousands of well-paying jobs in both coastal and inland communities.

AB 525 directs the California Energy Commission (CEC), on or before June 1, 2022, to evaluate and quantify the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits and to establish offshore wind planning goals for 2030 and 2045. On May 6, 2022, the CEC released the draft report on the maximum feasible capacity and megawatt planning goals. We filed comments supporting the work the CEC has done so far and recommended that the CEC should commit to revising the planning goals based on AB 525's requirements. The CEC must ensure that the final goal should be based on comprehensive cost-effectiveness analysis, environmentally responsible offshore wind development, socially responsible offshore wind development, and local economic development considerations.

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After the release of the draft CEC report, a study by the Goldman School, University of California at Berkeley, was introduced into the record to recommend a much higher offshore wind planning goal (50 GW by 2045) than the goals established in the draft CEC report (3 GW by 2030 and 10-15 GW by 2045). NRDC and Defenders of Wildlife support updating the planning goals if the process to develop these goals complies with the process required by AB 525 and aligns with the recommendations presented in our previous comments and summarized in this letter. Neither the initial CEC proposed goals, nor the Goldman study conduct the full environmental feasibility analysis required by AB 525.

The first step in developing an offshore wind goal is to determine how much offshore wind is cost-effective to achieve California's economywide decarbonization goals (per E.O. B-55-18). This requires an analysis to determine (i) the technical potential of offshore wind in California – i.e., the total amount of offshore wind that can be developed given ocean area and wind availability; (ii) what subset of that technical potential is economic or part of the least-cost path to achieve our goals while maintaining a reliable power supply; and (iii) the feasible potential, which accounts for real-world constraints, such as environmental issues, to find the amount of offshore wind that can be developed in a cost-effective manner.

The final CEC report should estimate what amount of offshore wind is on the intersection of economic feasibility to achieve our economywide decarbonization goals, and environmental feasibility to avoid and minimize harm to our ocean. This final estimate should be evaluated in compliance with the 12 factors as required by AB 525, including "potential impacts on coastal resources, fisheries, Native American and Indigenous peoples, and national defense, and strategies for addressing those potential impacts," which were not considered in the draft CEC report.

Economic Potential

Existing electric sector decarbonization analyses, especially the SB 100 study, are based on an electric load forecast that does not completely account for the total electric demand of a fully decarbonized economy, nor do they completely analyze the economic potential to meet this load. Moreover, the SB 100 model was constrained to pick at most 10 GW of offshore wind through 2045; in other words, the model selected all of the available offshore wind resource. The Berkeley study analyzes these scenarios and others with fewer model-imposed constraints and

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concludes that higher levels of offshore wind goals may be justified. Although the Berkeley study analyzes many different scenarios of varying levels of offshore wind, including a cost-optimal scenario, the study only presents detailed results for the 50 GW scenario.

In applying the results of the Berkeley study to determine what level of offshore wind is part of the cost-effective solution to decarbonize California, the CEC must study detailed results of all scenarios to figure out what amount of offshore wind helps realize the lowest cost for Californians cumulatively through 2045, as well as best helps attain a reliable electric grid. For example, Slide 20 of the <u>Berkeley presentation</u> shows that the 25 GW scenario is cheaper and thus more cost-effective than the 50 GW scenario that the authors recommend.¹

It is important to note that the Berkeley study does not consider all 12 factors that CEC is required to consider in developing the goals per AB 525. As described above, the economic offshore wind potential should first be determined and then be adjusted to the extent necessary to ensure that the final offshore wind goal is compliant with AB 525 (as discussed next).

Environmental Feasibility

NRDC's previous comments offer environmental factors and management practices the CEC should consider when determining planning goals.

As we have noted in those comments, we appreciate that when defining "maximum feasible capacity" and establishing offshore wind planning goals, the CEC has committed to accounting for environmental considerations, as well as ensuring avoidance, minimization, and mitigation of significant adverse impacts, as well as monitoring and adaptive management.² The CEC must also consider the impacts of wind development on benthic habitat, seabirds, marine

¹ NRDC has requested these data from the relevant authors but hasn't received these data yet. ² In our previous comment letter we noted that CEC's draft goals were not in compliance with the requirements of AB 525 as they did not fully consider all 12 factors in determining the planning goals. The draft reports states, "identifying suitable sea space for wind energy areas in federal waters, including the considerations required by AB 525 to identify such sea space, is a condition precedent to being able to quantify the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits." The need to complete this work, "prevents CEC staff from quantifying the maximum feasible capacity until the strategic plan is fully developed." (at 3)

mammals, and sea turtles; as well as the cumulative effects of wind development; and the onshore effects of transmission infrastructure and other land-based infrastructure.

Further, CEC should work with partner agencies to fill data gaps on the effects of floating offshore wind technology, ensure that additional baseline surveys and monitoring occur, collaborate with other agencies to ensure recommendations for equipment design and operating conditions that minimize environmental impacts are developed, and support the California Coastal Commission in developing construction and operation conditions that avoid, minimize, and mitigate serious adverse effects to the marine ecosystem.

Conclusion

In conclusion, NRDC and Defenders of Wildlife are strongly supportive of responsible offshore wind development and planning goals that get California to our economywide decarbonization goals while accounting for environmental feasibility concerns.

We appreciate the opportunity to present these comments and look forward to continuing supporting CEC's work on offshore wind development.

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