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| <b>Docket Number:</b>   | 17-MISC-01  |
| <b>Project Title:</b>   | California Offshore Renewable Energy  |
| <b>TN #:</b>            | 248701  |
| <b>Document Title:</b>  | Calif Wind Energy Association Comments - Preliminary Assessment of Economic Benefits from Offshore Wind |
| <b>Description:</b>     | N/A   |
| <b>Filer:</b>           | System  |
| <b>Organization:</b>    | Calif. Wind Energy Association  |
| <b>Submitter Role:</b>  | Public  |
| <b>Submission Date:</b> | 2/8/2023 4:59:49 PM   |
| <b>Docketed Date:</b>   | 2/8/2023  |

*Comment Received From: Calif. Wind Energy Association*  
*Submitted On: 2/8/2023*  
*Docket Number: 17-MISC-01*

**Comments Preliminary Assessment of Economic Benefits from Offshore Wind**

*Additional submitted attachment is included below.*



# California Wind Energy Association

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February 8, 2023

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: Developing a Preliminary Assessment of Economic Benefits from Offshore Wind: Related to Seaport Investments and Workforce Development**

The California Wind Energy Association (“CalWEA”)<sup>1</sup> appreciates this opportunity to comment on the Commission’s draft report in response to the requirements of Assembly Bill 525: Preliminary Assessment of Economic Benefits from Offshore Wind: Related to Seaport Investments and Workforce Development (“Draft Report”).

CalWEA appreciates that the Draft Report appropriately highlights the importance of ports and waterfront facilities as the linchpin of a California offshore wind industry that will drive the major economic and workforce benefits described in the report. The Draft Report also properly recognizes the substantial investments in ports, and the highly skilled workforce, that will be necessary to realize these benefits. The final report should more directly discuss the flipside: that failing to make these investments will result in an imports-based industry, ceding most of these economic benefits to other states and countries. Such an outcome could also jeopardize California public support for offshore wind.

The Draft Report’s preliminary assessment identifies, at a high level, many of the substantial challenges that must be overcome to capture at least a significant portion of the economic benefits related to the development of wind resources off the California coast. A far more detailed roadmap will be required to guide the specific steps that California must take, and we hope to see such detail in the strategic plan due in June. That plan will benefit from a new report from the National Renewable Energy Laboratory, co-authored by the Business Network for Offshore Wind, that identifies at a more granular level what will be required for the United States to develop a robust and equitable domestic supply chain to achieve the national offshore

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<sup>1</sup> CalWEA is a 22-year-old trade organization whose members are focused on developing wind energy resources within and directly interconnected to California and off the coast of California, as well as capturing the related economic and workforce development benefits for California.

wind target of 30 gigawatts (GW) by 2030. The report, [Supply Chain Road Map for Offshore Wind Energy](#), contains significant analysis of the barriers that could prevent or delay supply chain expansion and offers potential solutions that could help overcome these challenges. California can apply much of what is recommended.

CalWEA has a few, more specific, recommendations for the Commission as it finalizes the Draft Report.

First, the Draft Report mistakenly concludes that offshore wind components will have to be manufactured elsewhere and imported to California “until the state can build out the infrastructure in a responsible manner.”<sup>2</sup> The final report should not concede the very real possibility that California’s very first offshore wind projects can be sourced, at least in part, based on responsibly developed California infrastructure, using a California workforce, and drawing on a California/regional supply chain. Turbine manufacturing will only occur in California if developers and manufacturers decide to work together to build factories, which is unlikely to occur in California in the near-term. However, the construction and assembly of floating platforms, and their final integration with turbine components, provide a real near- and medium-term opportunity for California job growth. Indeed, the final report should discuss how focusing on the gradual scale-up of facilities needed to construct and assemble floating platforms will create a foundation for the further development of a California and Western regional offshore wind industry. These early scale-up efforts can fully benefit from the federal tax incentives created under the Inflation Reduction Act. The full AB 525 Strategic Plan should more fully discuss such a plan, separating the discussion of manufacturing of turbine components from the construction and assembly of floating platforms.

Second, the Draft Report has a notable gap: it does not mention a proposed project in state waters that is likely to be California’s first floating offshore wind farm. This project could play a key role in developing California’s capability to construct and assemble floating platforms, and in developing monitoring and mitigation techniques to address the environmental impacts of floating turbines in California’s federal waters. In earlier comments in this docket,<sup>3</sup> CalWEA discussed how early deployments of floating offshore wind technology at demonstration scale will be crucial to foster the development of a local supply chain, ports, and workforce to support California’s offshore wind industry. The CADEMO project, in state waters off Vandenberg Space Force Base, is projected to be operational by 2027 – four or five years ahead of full-scale commercial projects in federal waters.<sup>4</sup> If approved by the State Lands Commission, this project, comprising four 15-MW turbines, will constitute the early deployment necessary to foster California’s offshore wind industry, including securing port space for the construction and assembly of floating platforms. In addition, it will provide evidence regarding project impacts of a larger build-out, which could facilitate, accelerate, and de-risk the permitting of the first BOEM projects that are necessary to achieve the state’s offshore wind planning goals.

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<sup>2</sup> See Draft Report at pp. 30 and 47.

<sup>3</sup> See CalWEA’s comments in this docket dated March 11, 2022; May 16, 2022; and July 7, 2022.

<sup>4</sup> The California State Lands Commission is evaluating the CADEMO project. See <https://www.slc.ca.gov/renewable-energy/offshore-wind-applications/>.

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Third, while the Draft Report mentions the California Workforce Development Board (CWDB) as a “potential” source of state resources to fund workforce development,<sup>5</sup> it overlooks the CWDB’s *existing* Offshore Wind High Road Training Partnership (H RTP), a three-year CWDB grant, focused on the CADEMO demonstration project. The H RTP is a partnership among CADEMO, Cal Poly San Luis Obispo, the Tri-Counties Building Trades Council, IBEW 1245, and the Workforce Development Boards of SLO, Santa Barbara, and Ventura counties. The H RTP’s purpose is to analyze CADEMO’s supply chain sourcing alternatives, port infrastructure options, and workforce training needs to provide a usable template for the state’s offshore industry at larger scale. CADEMO also serves as a model of high-road practices because it has signed a Project Labor Agreement with the State Building & Construction Trades Council and IBEW 1245. The H RTP is planning to issue a report on its findings and recommendations in April 2023. This effort should be referenced in the Commission’s final report, and the H RTP report’s findings should inform the AB 525 strategic plan.

Finally, the report discusses the major investments that East Coast states are making in port development to support their offshore wind industries, and the need for California to make similar direct state subsidies for port upgrades – a need that CalWEA strongly underscores. However, the permitting and construction timelines of the various port development proposals, and the type of activities they would support, may vary greatly, and the competing economic stakes involved for ports and design/engineering firms are significant. Therefore, CalWEA is concerned that neither the AB 525 strategic plan, nor NREL’s West Coast Ports Study now underway,<sup>6</sup> may provide independent due diligence to evaluate the proposed timelines of the competing ports proposals. The Commission should fill this gap by obtaining an independent evaluation on the limited point of which proposals are most likely to be ready in time to support California’s first offshore wind deployments and thus most deserving of state support.

Again, CalWEA appreciates this opportunity to comment on the Draft Report and stands ready to support the Commission’s efforts to fulfill the requirements of AB 525 and to plan for offshore wind developments that deliver meaningful economic and workforce benefits to California and the Western region.

Sincerely,



Nancy Rader  
Executive Director  
California Wind Energy Association  
Email: nrader@calwea.org

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<sup>5</sup> See Draft Report at p. 48. Also see p. 19, where the draft report references the need for federal and state investment, without noting that the CDWB has already begun this effort.

<sup>6</sup> See NREL’s West Coast Ports Strategy Study website, available at <https://www.nrel.gov/wind/west-coast-ports.html>.

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