House Committee on Foreign Affairs Subcommittee on Europe, Energy, the Environment, and Cyber

"Renewable Energy Transition: A Case Study of How International Collaboration on Offshore Wind Technology Benefits American Workers."

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Oral Statement by Heather Zichal, CEO, American Clean Power Association

Chairman Keating, Ranking Member Fitzpatrick, members of the House Foreign Affairs Subcommittee on Europe, Energy, the Environment, and Cyber, thank you for the invitation to testify at today's hearing. My name is Heather Zichal and I am the CEO of the American Clean Power Association, the national renewable energy trade association that unites the power of offshore wind, land-based wind, solar, storage and transmission companies. Today we released our first *Clean Power Annual* which is a testament to the record growth and investment in the renewable energy sector. The data shows our industry employs more than 415,000 Americans and has invested more than $334 billion in the U.S. economy since 2005.

I appreciate the House Foreign Affairs Subcommittee's focus on the offshore wind industry. Collaboration with Europe will allow domestic market participants to draw from lessons learned and best practices from a more mature European market. Smartly growing our domestic offshore wind market and supply chain will create hundreds of thousands of jobs in the American offshore wind industry and unlock billions of dollars of investment allowing us to meet our climate and economic goals.

The American offshore wind industry is on the verge of becoming a substantial source of clean energy close to the largest population centers on the U.S. East and West Coasts. ACP members are committed to building a thriving, successful domestic offshore wind industry. But the American offshore wind industry is playing catch-up to Europe and Asia. At the end of 2020, there were over 24 thousand megawatts of installations in Europe and the UK, over 10 thousand megawatts in Asia-Pacific. While there are just 42 megawatts of domestic offshore wind in operation today, the U.S. market has tremendous potential with over 14,000 megawatts of offshore wind currently in permitting and pre-construction phases.

In addition to creating jobs, to date, offshore wind companies have proposed investing at least 2.9 billion dollars across manufacturing, ports, vessels, workforce development and research areas. States have encouraged some of this localization of jobs and economic benefits through the offshore wind energy procurement process. In fact, some states such as New York, New Jersey, Massachusetts, and Virginia are requiring offshore wind developers to detail how hiring and sourcing of goods and services locally would drive economic development, with an emphasis on disadvantaged communities. These investments will increase as more projects advance and as regulatory certainty continues to improve, bringing enormous economic benefits to communities across America.

To realize these jobs and investments, Congress can help the offshore wind industry by fully resourcing permitting agencies, supporting workforce training programs, and creating incentives to build a domestic supply chain and offshore wind vessels.

Offshore wind investments and jobs depend, in part, on a timely and predictable federal permitting process. Led by the Bureau of Ocean Energy Management (BOEM), many different cooperating agencies participate in the permitting process. Certainty around auction timing and volume of additional lease areas in federal waters also provide developers and manufacturers with the necessary confidence to make long-term domestic supply chain decisions. To help create more market certainty, ACP asks that Congress increase funding for BOEM and other agencies that permit offshore wind projects, fully fund the Port Infrastructure Development Program, and reauthorize Title 41 of the Federal Permitting Improvement Steering Council (FPISC) that helps with inter-agency coordination.

Manufacturing of large offshore wind components and construction at sea requires a specialized workforce. Bills such as the Offshore Wind Jobs and Opportunity Act, which creates a grant program to spur offshore wind workforce training can help expedite that process.

Before the completion of a domestic supply chain and construction vessels, the American offshore wind industry will have to use foreign components and some specialized foreign-flagged construction vessels. There simply is not enough time to ramp up domestic capacity prior to an initial wave of offshore wind facilities being constructed. And, companies were understandably not willing to invest the billions of dollars to build vessels or a domestic supply chain previously given the lack of certainty about whether offshore wind projects would ever successfully get through the federal permitting process to establish a market to serve.

Additional policy levers can help drive an even greater degree of domestic manufacturing of offshore wind components and vessels on a more ambitious timeline. The size and cost to transport offshore wind components makes the U.S. an attractive market, but it will require capital intensive manufacturing facilities and a substantial upgrade of American port infrastructure to accomplish. Congress can help spur these investments by creating incentives for facilities, equipment, vessels and domestic production, updating trade policy, leveraging complimentary financing pathways, and funding research and development.

Thank you for the opportunity to testify today during this historic time for the offshore wind industry and I look forward to answering your questions.