

House Natural Resources Subcommittee on Energy and Mineral Resources

“Building Back Better: Reducing Pollution and Creating Jobs Through Offshore Wind.”

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Chairman Lowenthal, Ranking Member Stauber, members of the House Natural Resources Subcommittee on Energy and Mineral Resources, thank you for the invitation to testify at today’s hearing.

The American Clean Power Association (ACP) is a new, national trade association that started on January first of this year. We represent over 1,000 offshore wind, land-based wind, solar, storage, and transmission companies to enable the transformation of the U.S. power grid to a low-cost, reliable, and renewable power system.

The 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. We currently only have seven turbines in the water – five in Rhode Island, off Block Island and two in Virginia, 27 miles off the coast of Virginia Beach. The Vineyard Wind project, south of Massachusetts, is undergoing the final permitting steps to become the first utility-scale project of 800 megawatts – which will power over 400,000 homes and businesses. There are thirteen other Construction and Operation Plans in the pipeline, and Bureau of Ocean Energy Management (BOEM) has promised to initiate the environmental reviews for up to ten additional projects this year. A March 2020 report found that a 20-30 gigawatt buildout of offshore wind by 2030 would support up to 83,000 jobs and 25 billion dollars in annual economic output. In order to meet state and federal climate and economic goals, the offshore wind industry needs a fully-resourced BOEM, transmission planning, long-term permitting certainty, and more lease areas.

Increase Funding for Permitting by BOEM and Cooperating Agencies

BOEM’s Office of Renewable Energy Programs (OREP) needs at least double the resources to increase its environmental reviews of offshore wind project construction and operation plans by tenfold. BOEM has only completed the constructions and operations plan for one, two-turbine, 12-megawatt Coastal Virginia offshore wind pilot project. It is currently finalizing its first, utility-scale 64-turbine, 800-megawatt Vineyard Wind project, and has started the review of two other utility-scale projects, South Fork Wind Farm and Ocean Wind. To meet both state and federal offshore wind goals of deploying 30 gigawatts by 2030, BOEM pledged to start the review of up to 10 more projects this year and complete review of 16 Construction and Operation Plans by 2025. The deployment of 30 gigawatts could power 11 million homes and represents 83,000 U.S. jobs, and \$57 billion in new investment into the U.S. economy within ten years. Congress needs to appropriate OREP with enough resources to at least double the personnel to process environmental reviews so that it can meet state and federal goals, create new jobs, and bring billions in new investment.

Cooperating agencies, such as the National Oceanic and Atmospheric Administration (NOAA) and the Fish and Wildlife Service (FWS), also need increased resources to keep up with offshore wind goals. Congress must increase appropriations for these agencies to better understand impacts, deliver critical

scientific data, and ensure that commercial and recreational fisheries management is adequately supported. Specifically, NOAA Fisheries needs additional resources to update and calibrate core fisheries and protected resource surveys, representing collectively over 314 years of total survey effort, to offshore renewable energy development. The offshore wind industry seeks to coexist with all ocean users, and increased resources are needed at agencies such as NOAA and FWS to keep up with dramatically increased workloads.

Transmission Planning

Additionally, the Federal Energy Regulatory Commission (FERC), BOEM, the states, and regional grid operators must coordinate to ensure that transmission planning accounts for at least 30 gigawatts of offshore wind. In many cases, offshore wind projects will be interconnecting to the electric grid where thermal generators have retired, providing a clean and reliable replacement energy source. In other cases, new or upgraded transmission will be needed – particularly as deployment of offshore wind grows. FERC, BOEM, the states, and grid operators have the knowledge and expertise to plan for cost-effective integration of offshore wind - but transmission development takes time, and the planning process must begin now.

Extend the Authorization of FAST-41 and the Federal Permitting Improvement Steering Council (FPISC)

In addition to goals, processes that increase permitting certainty for offshore wind projects, such as Title 41 of the Fixing America's Surface Transportation Act (FAST-41), help create long-term growth of the industry. FPISC was created in December 2015 under FAST-41 to oversee cross-agency federal environmental review and authorization across 13 federal agencies, the Council on Environmental Quality and the Office of Management and Budget. Eleven out of thirteen offshore wind project have opted into the FAST-41 process, but the program sunsets in December 2022. Congress should extend the authorization for FIPSC to help provide more certainty for renewable energy projects.

Conduct Wind Energy Area Lease Sales

ACP applauds the administration for committing to a lease sale off the coast of New York by the end of this year or early 2022. However, more leases need to be scheduled this year to create a steady pipeline of projects and significant revenues for the U.S. Treasury. A Wood Mackenzie Report found that accelerated auctions of two million acres of federal waters in the New York Bight, California, North Carolina, and South Carolina, could be auctioned in 2021, supporting a buildout of an additional 28 gigawatts of offshore wind and contribute 1.2 billion dollars to the U.S. Treasury. Additional lease auctions in 2022 in the Gulf of Maine and California could contribute an additional 9 gigawatts and 500 million dollars in U.S. Treasury revenue.

With a lease sale by the end of 2021, California can catch up to the East Coast when it comes to offshore wind development and become a global leader in floating offshore wind. This will require political will and leadership from the federal government. The Department of the Interior needs to resolve Department of Defense conflicts to enable at least 10 gigawatts of offshore wind in California by 2040. BOEM should identify Wind Energy Areas in California and schedule a lease sale for multiple commercial scale projects in both the Morro Bay and Humboldt Call Areas off the coast of California by the end of 2021, while protecting opportunities for later phases of development in both locations.

Offshore Wind Development Will Lead to Economic Development, Jobs, and Additional US-Flagged Vessels

With permitting and leasing certainty, the offshore wind industry will be able to build a domestic workforce, supply chain, and vessels in the United States. Offshore wind companies are already working with labor unions and have signed agreements with 17 different unions. The offshore wind industry is also starting to sign charter agreements with Gulf vessel manufacturers. ACP strongly supports the Jones Act and recognizes the critical role of the U.S. maritime industry in offshore wind development and operations. The vast majority of vessels used in offshore wind construction and operations are U.S.-flagged and carry American mariners, such as the numerous feeder vessels that transit between turbines and U.S. ports. However, consistent with the Customs and Border Protection's long-standing interpretation of the Jones Act, the nascent offshore wind industry will use foreign-flagged ships during certain limited construction activities, such as heavy lifts, because there are currently no US-flagged vessels that can perform these activities. The solution to ensuring more US-flagged vessels will be built to serve these offshore wind construction activities is: consistent permitting and scheduled offshore wind lease sales. Business certainty will pave the way for large investments in US-flagged, industry-specific construction and operation vessels — investments we are already starting to see with companies like Dominion Energy investing 500 million dollars in the first U.S.-flagged Wind Turbine Installation Vessel.

ACP Supports the Removal of the Offshore Moratorium as applied to Offshore Wind, The Offshore Wind Jobs and Opportunity Act and the Offshore Wind for Territories Act

ACP is encouraged by the committee's focus on offshore wind and supports the three bills under consideration today: the bill to remove the offshore moratorium as applied to offshore wind in North Carolina, South Carolina, Georgia, and Florida starting in 2022, the Offshore Wind Jobs and Opportunity Act, and the Offshore Wind for Territories Act. When President Trump announced a moratorium on leases on the Outer Continental Shelf at a press conference, he specified offshore drilling, not offshore wind. There is strong, bipartisan support for offshore wind, especially in North Carolina, and we ask that Congress allow that development, already being considered by BOEM, to move forward. The Offshore Wind Jobs and Opportunity Act would help spur much-needed offshore wind workforce training, especially at community colleges and with labor unions. Maritime academies, such as Texas A&M, would also be eligible for the grant program to help train U.S. mariners. Finally, ACP supports the Offshore Wind for Territories Act's expansion of BOEM's authority to lease in U.S. Territories but ask that BOEM's resources be augmented to be able to handle the increased workload.

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.