

Testimony of David Hardy
CEO of Ørsted Offshore North America

U.S. House Committee on Energy and Commerce,
Subcommittee on Energy

"Offshore Wind, Onshore Benefits: Growing the Domestic
Wind Energy Industry"

Thursday, October 21, 2021

Introduction

Chairman Pallone, Chairman Rush, Ranking Member McMorris Rodgers, Ranking Member Upton and Members of the Committee, thank you for the invitation to speak with you today. My name is David Hardy, and I am the CEO of Ørsted Offshore North America.

Ørsted is the global leader in offshore wind energy with approximately 8,000 megawatts of installed capacity globally, and in the United States, we are the market leader with greater than 4,000 megawatts in development. For perspective, Europe now has 25,000 megawatts of offshore wind energy, which is approximately 5,400 grid-connected turbines across 12 countries. The U.S. has just seven offshore turbines, creating 42 megawatts.

While today's hearing is focused on offshore wind, Ørsted is also a global leader in onshore wind, solar, energy storage and green hydrogen. Over the past 10 years, Ørsted has transformed from a fossil fuel intensive energy company to a 100 percent clean energy company. For the last three years, we have been named the world's most sustainable energy company by an independent rating group.

Although we have this global experience, at our core, we are a local company rooted in the communities we serve.

In the U.S., we installed the first two turbines in federal waters off the coast of Virginia, now owned by Dominion Energy, and we operate the 5-turbine Block Island Wind Farm in Rhode Island. As the largest U.S. offshore wind developer, we are currently building offshore wind farms to power millions of homes in Rhode Island, Connecticut, New York, New Jersey and Maryland.

Our U.S. presence has grown considerably as a result. Our U.S. workforce has tripled in the last two years. We expect these numbers to grow, likely even faster, in the years ahead as we begin construction on our current projects, we build our operations and maintenance teams, and the industry expands with federal lease auctions expected along all of the U.S. coasts. Our supply chain infrastructure will surely also continue to grow to meet the tremendous demand expected from this market.

While these projects are obviously being built along the coastlines, I would like to highlight how offshore wind energy creates economic opportunity in communities across the country, not just along the coasts.

Building the U.S. Offshore Wind Energy Supply Chain

As Members of this Committee consider policies to enhance job creation and usher in a new era of U.S. manufacturing, offshore wind energy can continue to play a large role.

One of the challenges facing the U.S. offshore wind industry is the capacity of and expertise within the supply chain. Ørsted has a two-pronged approach to help solve this challenge. This includes 1.) building U.S. infrastructure with American companies and 2.) attracting European firms to build U.S. facilities, creating foreign direct investment and American jobs.

Here are some examples of how we are helping to build capabilities with U.S. companies:

First, Offshore Substations. We partnered with Kiewit, a company based in Nebraska, to build the first American-made offshore wind substation. Kiewit will make this in Texas, drawing from decades of energy experience in the oil and gas sector. This new contract will provide Kiewit with new offshore wind energy experience, which will allow them to support future U.S. wind farms with this capability.

Second, Vessels. Earlier this summer, I was in Minority Whip Scalise's district to meet with one of our vessel partners, Edison Chouest Offshore, the company that will build the first Service Operations Vessel, or SOV, as we call it.

I was also honored to join Congressman McKinley, Senator Manchin and Secretary Granholm for an event earlier this year in Morgantown, West Virginia, celebrating the lease we signed to charter the first U.S. Jones Act compliant offshore wind turbine installation vessel, commissioned by Dominion Energy. This vessel will be built in Brownsville, Texas, with steel from West Virginia.

Through these two vessel partnerships, there are opportunities for U.S. steel manufacturers from Pennsylvania, to North Carolina, to Alabama, and West Virginia.

From Illinois, as another example, we are procuring Caterpillar engines to power our SOV.

Third, Foundation Components. I attended an event just two weeks ago with Congressman Tonko where we announced an \$86 million investment for Riggs Distler and Ljungstrom Steel Fabricators to make steel components in Western New York for our turbine foundations.

And in Maryland, we are investing \$70 million into Crystal Steel, a minority-owned steel fabrication company to do similar work on other foundation components.

These are just some of the many examples of how we are creating opportunities for U.S. companies to enter the offshore wind energy manufacturing market not only on the coastline where the wind farms are being developed, but across the United States, whether Peoria, Illinois or Ingleside, Texas.

Now, I would like to share some examples of how we are working with global partners to build facilities in the United States and create new jobs for Americans.

To support our transmission needs, we partnered with Nexans, a global leader in export submarine cable production that has a fast-growing facility in Charleston, South Carolina. And as part of our current bid in Maryland, we have committed to a partnership with Hellenic Cables, a Greek company, to build the first American-made offshore wind submarine array cable manufacturing facility in the Baltimore area.

In New Jersey, we attracted EEW, a German monopile offshore wind foundation manufacturer, to open the world's largest and most capable monopile manufacturing facility, which will employ approximately 500 long-term manufacturing jobs once completed.

These are just some of examples of the activities we are facilitating. As the industry progresses, we will see more and more of these manufacturing opportunities across the U.S. As we invest into local communities, we are helping to expand capabilities for U.S. companies and attract international leaders to build in the U.S. These will combine to create thousands of jobs, not

just on the coasts or in port communities, but in almost every state in the country.

Building the U.S. Workforce

At Ørsted, we're not just building wind farms and the supply chain in the United States, we also are helping to develop talent and enable a just workforce transition. The future of the American offshore wind industry depends on having a skilled workforce to design, install and maintain wind farms.

We signed a landmark agreement with the North American Building Trades Union to create the first national framework to prepare American union workers for clean energy jobs. This partnership is setting the industry standard and furthers our commitments to local building trades in the states where we will operate.

This fall, we started hiring our first wind technicians to maintain South Fork Wind Farm, scheduled to be in operation in 2023.

We will provide best-in-class training on full-scale wind farms and build a base of expertise in the United States. These positions and others are good-paying jobs that can support families. In many cases, workers can earn more than \$100,000 a year building America's clean energy future.

We want the next generation of clean energy jobs to be accessible to as many people as possible. As a result, we have partnered with community colleges and technical programs, such as the New Jersey Institute of Technology, Stony Brook University, Junior Achievement in Delaware and Maryland, and many other academic institutions, to bring clean energy opportunities to as many people as possible.

Serving the Community

While there is already a range of research documenting the benefits of the offshore wind industry, we are also engaged with leading universities to further these studies on topics that include marine mammal protection, fishing habitats and other critical areas to ensure coexistence. These partnerships supplement industry research with the added voice of world-class American institutions, while enhancing U.S. research capabilities and training technicians in an emerging field.

Ørsted also recognizes that there is an opportunity as we build out offshore wind to make investments to improve the health of local communities. For example, at the Port of Newark, we are investing \$11 million in partnership with Zeem Solutions to build an electric truck depot that will include 50 electric vehicles. This initiative is designed to improve the air quality of surrounding communities, and it includes a certification program to create clean energy

jobs. This is one example of how we intend to enable a just transition and strengthen environmental justice.

Closing

In closing, I want to emphasize one final point. Although we are making considerable progress in building the supply chain, it remains a challenge that needs continued incentive and focus.

Europe has had several decades to build the necessary infrastructure to support a mature offshore wind industry. In order to meet the U.S.'s goal of 30 gigawatts by 2030, we need to continue prioritizing the development of the U.S. supply chain. While it is possible to achieve our shared vision, this hard work requires a continued commitment from public and private partners at the local, state and federal levels to grow the industry in the decades ahead.

Thank you for the opportunity to testify today. It is an exciting, but critical time for the U.S. offshore wind energy sector, an industry that will create jobs in communities across the country while combating climate change and diversifying America's energy resources.