House Committee on Energy and Commerce, Energy Subcommittee

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

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

Chairman Rush, Ranking Member Upton, members of the House Energy & Commerce Subcommittee on Energy, 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, a national renewable energy trade association that unites the power of offshore wind, onshore wind, solar, storage and transmission companies.

While the U.S. industry is in its infancy with 42 megawatts of offshore wind currently deployed, the global offshore wind industry is booming with 24,000 megawatts in Europe and the UK and 10,000 megawatts in Asia. As the U.S. market grows, ACP and our member companies are committed to growing a domestic supply chain. The Administration's goal to deploy 30,000 megawatts by 2030, as well as additional state goals, are jump-starting this industry and will create up to 83,000 jobs and 25 billion dollars in annual economic output.

The 800-megawatt Vineyard Wind project will be the first commercial-scale project in the United States, and has already completed two large milestones this year: receiving the final federal permits in May and reaching financial close in September. There are thirteen other offshore wind Construction and Operation Plans (COPs) in the permitting pipeline, and Bureau of Ocean Energy Management (BOEM) has promised to review at least 16 COPs by 2025, representing 19,000 megawatts of offshore wind. Last week, at ACP's Offshore WINDPOWER conference in Boston, Department of Interior Secretary Haaland announced plans for up to seven new lease sales by 2025 in the Gulf of Maine, New York Bight, Central Atlantic, Gulf of Mexico, Carolinas, California, and Oregon. These commitments to reviewing COPs and new leases, and long-term follow-through, will provide the certainty needed to build a successful, new offshore wind industry supported by domestic supply chains, a skilled workforce, and robust transmission.

<u>Domestic Supply Chains & Workforce Development</u>

Currently, the offshore wind industry is investing millions of dollars in a domestic supply chain, including investments in fabrication facilities, port upgrades, vessels, and workforce training. Equinor is investing in the first offshore wind tower and transition piece manufacturing facility in New York's Port of Albany. Orsted and Eversource selected Kiewit Offshore Services in Texas to design and build the South Fork project's substation. Dominion Energy is investing 500 million dollars to build the first U.S.-flagged offshore wind turbine installation vessel in Brownsville, Texas, with steel sourced from West Virginia and Alabama. Atlantic Shores signed a labor agreement with six different unions for workforce training in New Jersey. Nexans is opening a new offshore wind subsea cable manufacturing plant on November 9 in South Carolina. These investments will only grow as projects are permitted and construction begins.

Additional policy levers can help drive an even greater degree of domestic offshore wind component and vessel manufacturing on a more ambitious timeline. Congress can help spur these investments with policies that increase megawatts of capacity or other incentives such as manufacturing tax credits. For example, ACP supports Senator Markey's Offshore Wind American Manufacturing Act that would create offshore wind manufacturing tax credits for turbine components and vessels and we hope to see House legislation introduced soon.

Transmission Planning

In addition to domestic supply chains and workforce development, the Federal Energy Regulatory Commission (FERC), Department of Energy, 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 other 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.

Initial offshore wind projects will connect to the grid using individual radial transmission lines, but sustaining the long-term growth of offshore wind will require a coordinated approach to transmission that spans multiple lease areas, states, and regions. Forward-thinking transmission planning will help to expand the market for offshore wind more quickly and benefit the supply chain. This Committee's continued focus on this issue will be extremely important for sustaining long-term momentum for the offshore wind industry and its workers across the country.

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 a coordinated planning process must begin now. FERC has commenced a review of its transmission planning, cost allocation, and generator interconnection rules that could help to spur proactive transmission development that meets public policy goals and benefits customers, including transmission for offshore wind. The Department of Energy can assist with funding for studies through the National Laboratories, and potentially providing technical support to states and grid operators where needed. FERC and BOEM should update their Memorandum of Understanding to enhance their collaboration on offshore wind and transmission.

ACP supports the committee's budget reconciliation language that includes 8 billion dollars in grants and loans for transmission, 800 million dollars for permitting and siting review for states, and 100 million dollars for DOE-led studies on interregional and offshore transmission.

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.