Statement by
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Oversight Hearing on The President's New National Ocean Policy
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Introduction

Mr. Chairman and Members of the Committee,

Good morning.

My name is Jim Lanard, President of the Offshore Wind Development Coalition. Thank you for the opportunity to present our testimony to you today on "The President's New National Ocean Policy." The Offshore Wind Development Coalition represents offshore wind developers, service providers to the industry including turbine manufacturers, cable manufacturers, submarine cable installers, other supply chain businesses, offshore submarine transmission providers, environmental consulting firms, and law firms. Our Board of Directors includes eight offshore wind developers and a representative from the American Wind Energy Association (AWEA).

The highest priority of the Offshore Wind Development Coalition is a long-term extension of the Investment Tax Credit (ITC). Due to the long period of time it takes to develop and permit an offshore wind farm, a long-term extension of the ITC is critical. Said another way, a failure to reauthorize and extend the ITC for offshore wind farms will make it very hard – if not impossible – to finance these projects.

For additional background about the Offshore Wind Development Coalition, and our perspective on offshore wind issues in general, please refer to written testimony we submitted in advance of your Committee's June 1, 2011 hearing on the "American Energy Initiative: Identifying Roadblocks to Wind and Solar Energy on Public Lands and Waters, Part II - The Wind and Solar Industry Perspective", at which we also presented oral testimony.

The economic and job creation potential of a robust U.S. offshore wind industry

The offshore wind industry has the potential to create thousands of jobs in the manufacture of wind farm components, and in the construction, installation and operation and maintenance of the wind farms. These are high-skilled jobs that could be supplied by the existing workforce in Atlantic Coast states. To realize the

full job-creating potential of offshore wind development, however, it will be necessary to build offshore wind farms at scale, as is occurring today in Europe and China. Manufacturers will only be able to invest in new US-based facilities if they have the magnitude of orders necessary to justify the huge outlays associated with the building of complex wind turbines (composed of as many as 8,000 discrete parts), construction of special purpose-built vessels and manufacturing of highly-specialized submarine cables. Accordingly, we hope the Committee and the Congress will continue to consider initiatives to spur and expedite development of these facilities so that US workers can join the world's ever-growing offshore wind workforce.

Establishment of an offshore wind industry in the U.S., in addition to creating thousands of jobs, will result in billions of dollars of economic development, reduction in the need for costly and divisive new interstate transmission lines, and will help coastal States meet their renewable electricity standards. A 2008 study by the U.S. Department of Energy (DOE), entitled "20% Wind Energy by 2030: Increasing Wind Energy's Contribution to U.S. Electricity Supply", found that the U.S. could obtain 20 percent of its electricity from wind by 2030, and that 15 percent of that wind power could come from offshore projects with a total of 54 Gigawatts of generating capacity.[1]

Hosting utility-scale offshore wind farms: a new role for our oceans and Great Lakes

The oceans, our coasts and the Great Lakes have supported a wide range of industrial, commercial, national defense, and cultural and recreational activities since the founding of our country. These uses are increasing. And increased use leads to increased competition. These growing competitive pressures are exemplified by calls for expanded oil and gas drilling along our coasts, by more and expanded shipping lanes that are being considered, by greater competition among commercial fishing operations, by the need for state-of-the-art national defense measures and by increased recreational uses in our oceans and the Great Lakes. And now, an additional use is about to be introduced into this mix – the use of our oceans and the Great Lakes for utility-scale offshore wind farms, which will have the potential to generate clean, renewable energy for hundreds of thousands of homes up and down our coasts.

The footprints for utility-scale offshore wind farms may range from 25 square miles to 100 square miles. To maximize the output of a wind farm as the wind moves through the turbine array, larger turbines will likely require more separation between their foundations. Hence, wind farms with larger turbines – and perhaps with more of them – could utilize 100 square miles of the ocean. With larger separation between turbines – ranging from one-half mile to nearly a mile between turbines – many other ocean uses will be feasible at a wind farm site. We recognize, however, that an additional use of our already heavily used ocean resources will require better planning, better cooperation, and better management. For these reasons, the offshore wind industry believes that the President's National Ocean Policy is essential to ensure that our oceans, coasts and Great Lakes remain economically and environmentally viable.

DOI's Smart from the Start

Congress, when it enacted the Energy Policy Act of 2005, mandated that regulations related to the use of the OCS for offshore wind be adopted within 180 days of the bill becoming law. Five years later, on April 29, 2009,

[1]U.S. Department of Energy, 20% Wind Energy by 2030: Increasing Wind Energy's Contribution to U.S. Electricity Supply (July 2008) (available at http://www.20percentwind.org).

those regulations were finally adopted by the Department of the Interior. Interior, in collaboration with the Governors of many East Coast states, announced in November 2010 the Smart from the Start initiative, a program that is intended to accelerate the responsible development of our offshore wind resources.

Smart from the Start is a major step to ensure that all ocean uses are fully considered when developing policies for the new offshore wind industry. Specifically, Smart from the Start is intended to shorten the leasing and permitting timeline for offshore wind projects to be located in the most favorable locations off the Atlantic coast. Under prior rules and policies, leasing and permitting of an offshore wind project in federal waters – even at the least-sensitive, least-controversial sites – was estimated to require seven-to-nine years. By working closely with state officials to identify areas characterized by (1) strong development potential (favorable winds and proximity to demand centers), (2) abundant existing environmental data, and (3) low potential for conflict with existing uses, BOEMRE has moved to streamline early, leasing stage environmental review, and thereby shave years from the permitting timeline for some first-generation projects, while still requiring completion of thorough environmental reviews prior to a developer receiving approval to actually construct an offshore wind farm.

Interior noted that the Smart from the Start process and associated data collection efforts will inform the Coastal and Marine Spatial Plans that will be developed by the Regional Planning Bodies anticipated in the National Ocean Policy. Smart from the Start takes into account existing information on wildlife and ecosystems and other uses of the ocean (e.g., fishing and shipping) and thus attempts to "take into account the national CMSP (Coastal and Marine Spatial Planning) goals and principles," as recommended in the Final Report of the Ocean Policy Task Force. Final Report at 63. In many ways, the development of offshore wind farms provides a fulcrum for putting CMSP into practice. Indeed, the Smart from the Start program can serve as a pilot program for larger CMSP efforts.

There already are some important lessons learned from the Smart from the Start process. For example, even at sites selected as among the most favorable for early development, the need for additional data and a systematic framework for understanding and resolving potential conflicts has been apparent. At sites off the coasts of Delaware, Maryland, and Massachusetts, other agencies, existing users and resource advocates have identified uncertainties about the effect of wind farm development on existing resources or uses, prompting BOEMRE to reduce areas initially designated for Smart-from-the-Start leasing and permitting.

The President's National Ocean Policy

During the development of the National Ocean Policy, many of our member groups commented both individually and collectively on how the policy could be tailored to ensure the responsible development of our nation's significant ocean renewable energy resources like offshore wind. The development of offshore wind resources can play a vital role in the nation's effort to restructure its electrical power sector in a manner that increases employment and manufacturing opportunities, improves national security, reduces price volatility, and combats climate change. In general, our members have been supportive of the Administration's efforts to create a national oceans policy and implement coastal and marine spatial planning in U.S. waters and we continue to participate actively in the development of the policy.

One critical goal of the National Ocean Policy is to create better planning to protect our oceans in the future, especially as demands on them continue to grow. Planning requires informed, broad-based data collection

and data integration that right now is managed by a vast array of federal agencies. Better plans lead to road maps that can guide current and future users of the oceans about how to best achieve their business plans. Thus, these types of planning and data collection will help industry by providing us with more certainty about the rules of the road. Certainty leads to the avoidance of conflicts, improves efficiencies and minimizes competing uses.

Comprehensive, science-based management of ocean resources can supply needed data on existing and potential uses of ocean resources and a critically needed framework for analyzing those data to characterize and resolve conflicts. For this reason, we see a comprehensive, science-based oceans management framework as an indispensable long-term complement to the Administration's well-conceived Smart from the Start approach for offshore wind.

Unlike some users of the oceans and Great Lakes, we don't consider coastal and marine planning to be an ocean zoning exercise. Rather, we see it as a process to identify ecologically and socially significant areas that should be considered whenever any use is proposed for a specific area. While it is true that these plans could indicate preferences and priorities, proposed uses for any site will still have to be studied separately. We also think ocean planning is important to protect marine ecosystems while ensuring the orderly and sustainable development of ocean resources in a manner that respects and minimizes conflicts and existing uses including commercial fishing, recreational boating, surfing, aesthetic appreciation, wildlife, habitat, shipping, oil and gas and national defense activities. Regarding national defense, the offshore wind industry has an excellent working relationship with the Department of Defense; we're working with DOD to avoid conflicting uses of the ocean and to identify opportunities to provide domestically-produced power to their military bases located along the Atlantic Coast.

Ocean planning is not new to the United States. And it's not a partisan issue, either. Massachusetts, led by Democratic Governor Deval Patrick, Rhode Island, led by Republican Governor Don Carcieri and New Jersey, led by Republican Governor Chris Christie are relying on their states' ocean planning processes to identify the best sites for offshore wind farms. None of these processes has resulted in ocean zoning outcomes; rather, they have identified areas with the least conflicting uses for the potential development of offshore wind farms.[2] In each of these state's processes there was extensive stakeholder involvement. The National Ocean Policy requires the Regional Planning Bodies to ensure similar extensive stakeholder participation, a critical component as ocean planning evolves in the U.S.

Ensuring a smooth transition to a National Ocean Policy

OffshoreWindDC and our members believe there are a number of policies that should be considered as the National Ocean Policy evolves. We have suggested that the National Ocean Council adopt an appropriate transition protocol to deal with projects that are progressing through the permitting process and believe that guidance should be adopted that makes clear how CMSP will move forward without causing delay to pending plans and projects. We have stressed that there must not be a moratorium related to permitting of offshore

[2] For more information see: the Massachusetts Ocean Management Plan, (http://www.mass.gov/?pageID=eoeeaterminal&L=3&L0=Home&L1=Ocean+%26+Coastal+Management&L2=Massachusetts+Ocean+Plan&sid=Eoeea&b=terminalcontent&f=eea_oceans_mop&csid=Eoeea), the Rhode Island Ocean Special Area Management Plan (RI SAMP) http://seagrant.gso.uri.edu/oceansamp/, and the New Jersey Ocean/Wind Power Ecological Baseline Studies http://www.nj.gov/dep/dsr/ocean-wind/.

wind farms as coastal and marine spatial plans are being developed; any such moratorium would make it impossible to finance these capital-intensive projects.

We also support comprehensive government-supported environmental data collection, which will increase public confidence in the decision-making process related to the siting of offshore wind farms. To that end, we have encouraged the National Ocean Council to expand the Multi-Purpose Marine Cadastre (MMC) that is managed by NOAA and BOEMRE. By bringing many datasets together and representing them in a single web interface, the MMC is a powerful tool for agencies, developers, and other stakeholders to evaluate offshore wind siting decisions.

Conclusion

In summary, we support the National Ocean Policy and believe that it can help bring clarity to the management of our oceans and advance the growth of the offshore wind industry. A National Oceans Policy will result in the protection of marine ecosystems and will ensure the orderly and economically- and environmentally-sustainable development of ocean resources, in a manner that respects and minimizes conflicts with existing users. We are eager to support our nation's efforts to create more jobs for U.S. workers and think that thoughtful implementation of the National Ocean Policy will help achieve that goal.

OffshoreWindDC believes that comprehensive, science-based management of ocean resources, conducted in accordance with the CEQ's July 19, 2010 Final Recommendations of the Interagency Ocean Policy Task Force and Executive Order 13547, "Stewardship Of The Ocean, Our Coasts, And The Great Lakes" (July 19, 2010), will lead to a shorter, more predictable leasing and permitting process for offshore wind projects. In our view, a comprehensive, science-based approach to oceans management is a critical long-term complement to the Administration's more immediate effort to speed offshore wind development at the most favorable, least controversial sites through its Smart from the Start initiative.

Thank you for the opportunity to share our thoughts with you.