



# U.S. OFFSHORE WIND GREAT PROMISE AND GREAT CHALLENGES

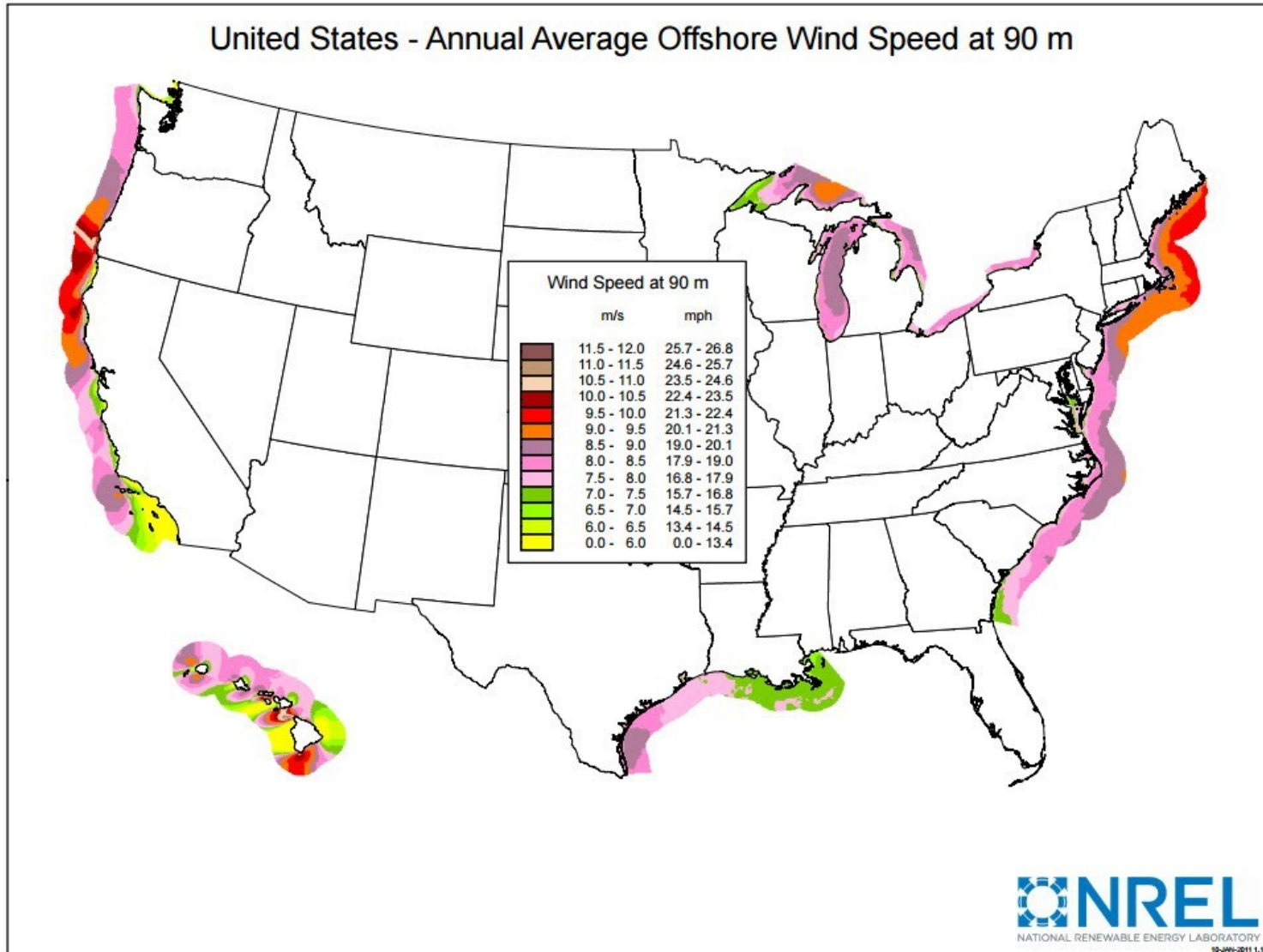
**Presented by: Michael K. Bell**



**October 28, 2022**

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# THE POTENTIAL



The National Renewable Energy Laboratory estimates that the technical resource potential for U.S. offshore wind is more than 2,000 gigawatts of capacity, or 7,200 terawatt-hours per year of generation.

# THE HISTORY

## **Energy Policy Act of 2005**

Authorizes the Bureau of Ocean Energy Management (BOEM) to issue leases to allow for renewable energy development on the OCS

## **2009 – OCS Renewable Energy Regulations**

Department of Energy Finalizes Regulations Governing BOEM's OCS Renewable Energy Program

## **2010 – Obama Administration begins leasing program**

Authorizes the Bureau of Ocean Energy Management to issue leases to allow for renewable energy development on the OCS, but projects languished for years in a regulatory process that was too slow.

## **December 2016 - First U.S. Offshore Wind Farm**

30-megawatt, 5-turbine Block Island Wind Farm off Rhode Island

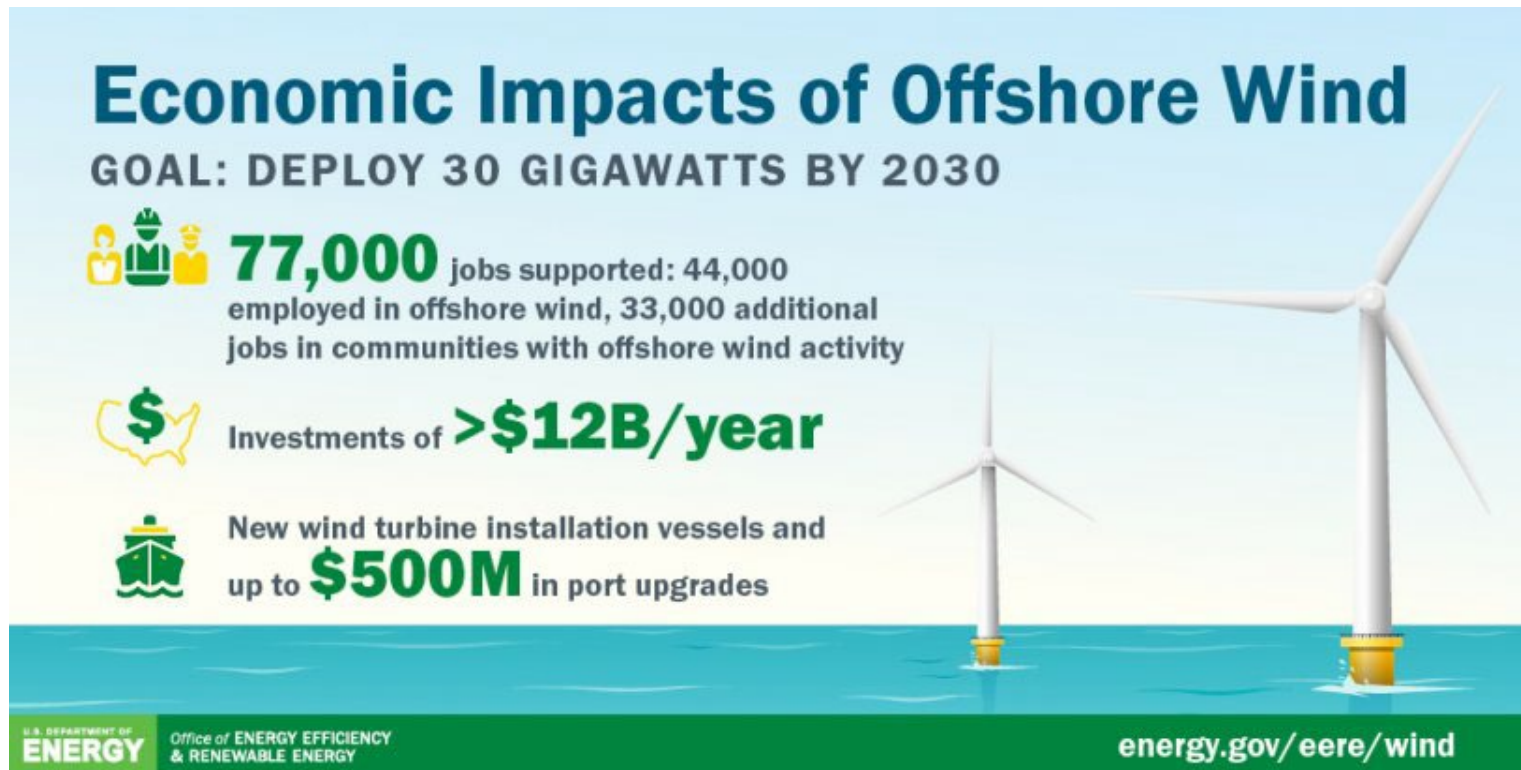
## **May 2021 – First Utility-Scale U.S. Offshore Wind Project Approved**

800-megawatt Vineyard Wind 1 Project located approximately 12 nautical miles offshore Martha's Vineyard (expected to be online 2023)

# THE PROMISE

## March 29, 2020 - Biden bets big on offshore wind

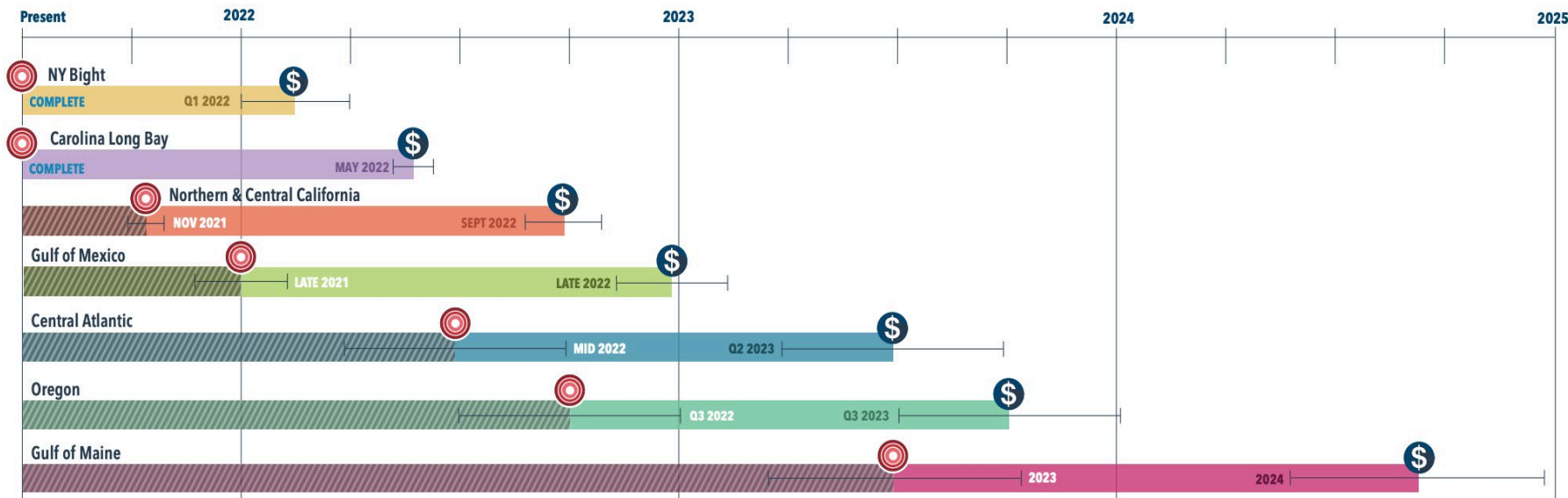
- To deploy 30 gigawatts of offshore wind capacity by 2030
- A one-thousand-fold increase relative to 2020 levels



# THE LEASES

## Offshore Leases

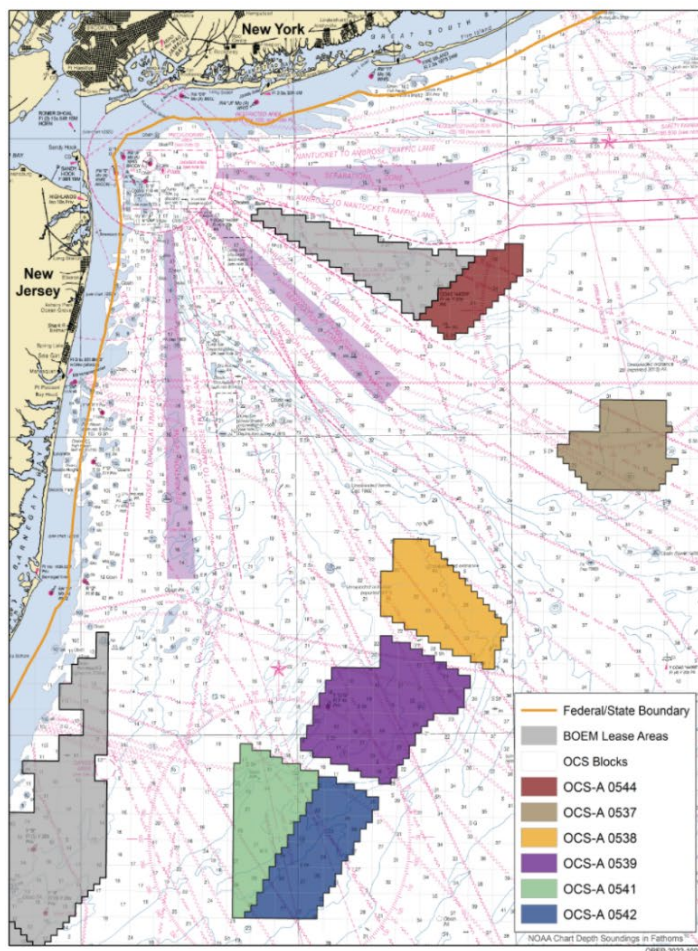
- The Energy Policy Act of 2005 gave the Department of the Interior authority to manage wind leases on the Outer Continental Shelf.
- BOEM is responsible for offshore renewable energy development in federal waters.





# WHEN EVERYTHING RAMPED UP

## February 23, 2022 - New York Bight Lease Auction



### Provisional Winners of the New York Bight Lease Areas, \$4.37 Billion in High Bids

**OCS-A 0544** Mid-Atlantic Offshore Wind LLC, **\$285,000,000**

**OCS-A 0537** OW Ocean Winds East, LLC, **\$765,000,000**

**OCS-A 0538** Attentive Energy LLC, **\$795,000,000**

**OCS-A 0539** Bight Wind Holdings, LLC, **\$1,100,000,000**

**OCS-A 0541** Atlantic Shores Offshore Wind Bight, LLC, **\$780,000,000**

**OCS-A 0542** Invenergy Wind Offshore LLC, **\$645,000,000**



# WHEN EVERYTHING RAMPED UP

## Dominion Energy's \$500M bet on U.S. offshore wind



<https://energynews.us/2022/03/08/giant-turbine-installing-ship-is-dominion-energys-500m-bet-on-u-s-offshore-wind/>

# PARTICULAR CHALLENGES

- Complicated and Slow Federal, State and Local Regulatory Processes
- “Local Content”
- Specialized Expertise
- The Jones Act

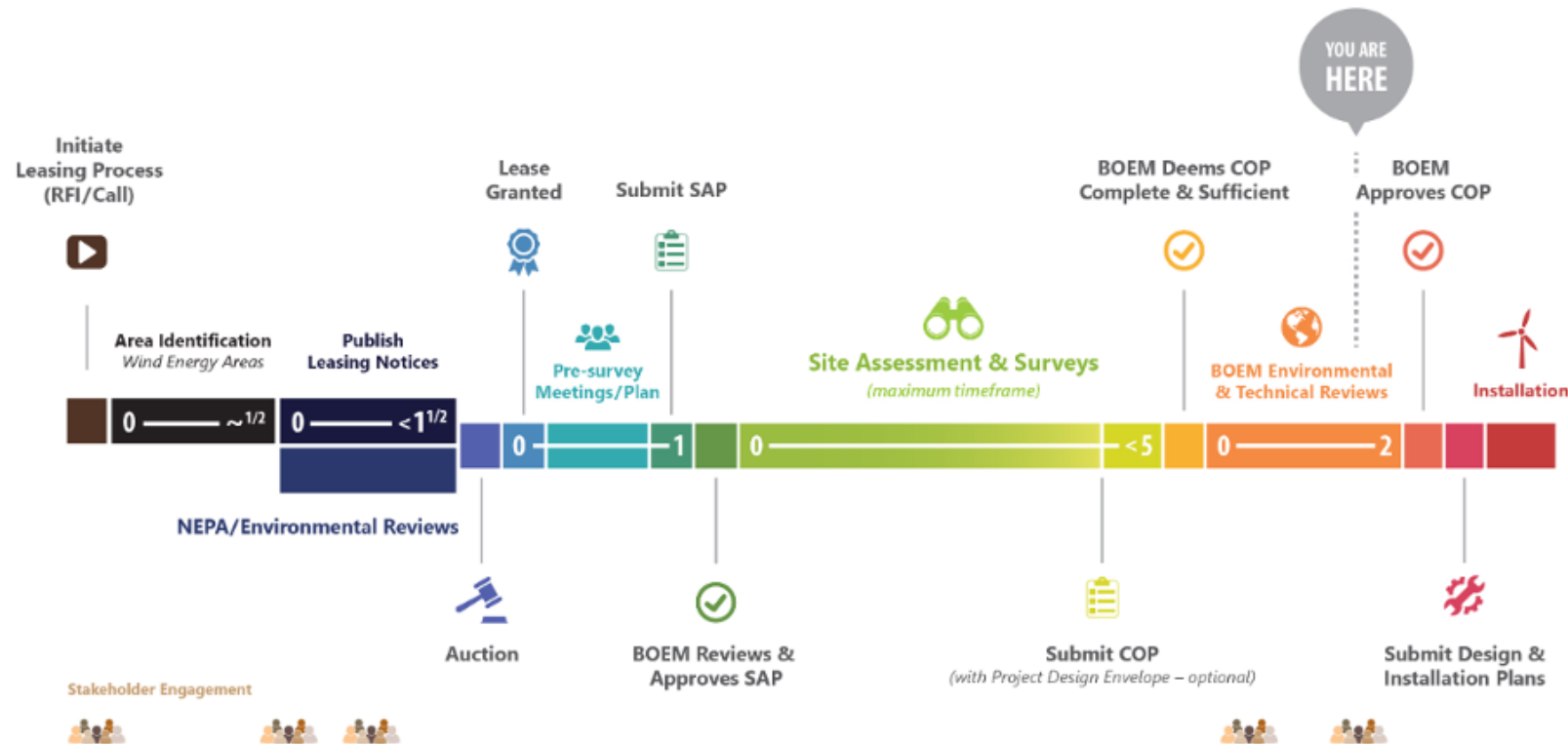


# THE CHALLENGES - REGULATORY PROCESSES

- Federal, State and Local
- Administration Changes
- Environmental Issues
- Fishing Issues (U.K. approach v. U.S.)
- “NIMBY”

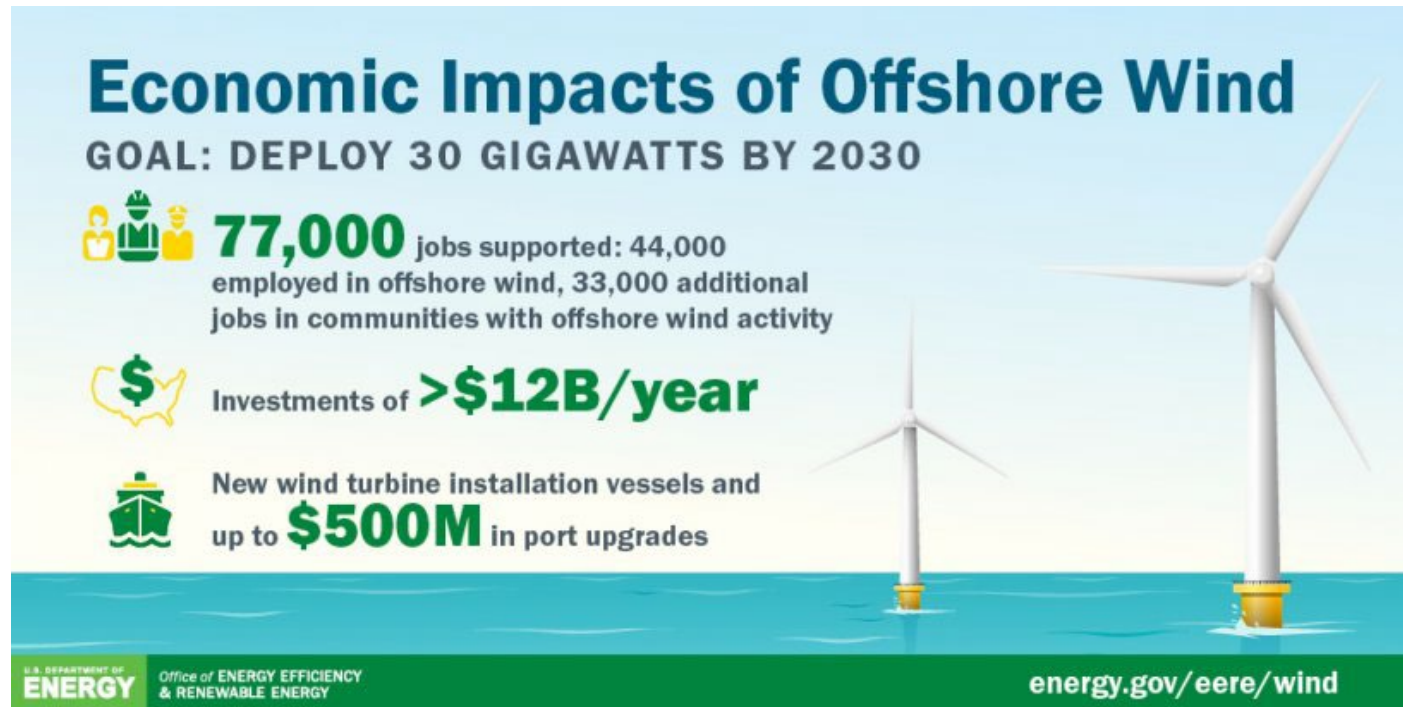
# THE CHALLENGES - REGULATORY PROCESSES

## The Renewable Energy Process: Leasing to Operations



From initiating the Leasing Process to Final BOEM Approval of Construction and Operation Plans remains 10 years.

# THE CHALLENGES – “LOCAL CONTENT”



- To appease local citizens and political groups, local jobs promised
- Union issues
- Contractual requirements
- Local business capability
- Economic reasonability

# THE CHALLENGES – SPECIALIZED EXPERTISE

- Does the U.S. have enough qualified personnel to perform the work – both onshore and offshore?
- Can offshore oil and gas construction experience translate to offshore wind?
- For U.S. flag WTIV, can the crew get sufficient training overseas prior to delivery?
- To what extent can foreign advisors participate in the installation process?



# THE CHALLENGES – THE JONES ACT

The Jones Act requires that waterborne transportation of merchandise and passengers between two “points” in the U.S. must take place aboard a vessel that is:

- U.S.-built
- 75% U.S.-owned
- U.S.-flagged
- U.S.-crewed

What is a “point”?



# THE CHALLENGES – THE JONES ACT

## Two options for turbine installation:

U.S.-built, flagged, crewed  
Installation Vessel



U.S.-built, flagged, crewed  
Feeder Barge



# TAKE AWAYS

- The U.S. is behind-the-curve on offshore wind, but the past few years have shown considerable ramping up.
- The current administration has fully supported offshore wind and attempts to ease the regulatory burden.
- The U.S. presents unique challenges, but they are by no means insurmountable.
- The recent New York Bight Lease Sale, as well as recent new vessel construction represents the very serious interest that developers are taking in offshore wind.
- DOI announced that seven new offshore wind leases will be offered by 2025, including Central Atlantic and Gulf of Mexico – followed by Oregon and California.

# TAKE AWAYS

There is tremendous potential for offshore wind in the United States. Despite the many challenges, recent developments have demonstrated the willingness of developers to invest considerable money, time and effort to bring offshore renewable energy to U.S. consumers. We are hopeful this progress will continue.



# For more information, please contact:



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