

# A Shared Vision on the Development of an Offshore Wind Supply Chain



*The Bureau of Ocean Energy Management (BOEM) and the states of New York and New Jersey are proud to announce a collaboration to transition to a clean energy future, creating well-paying, family-supporting jobs and establishing a durable domestic supply chain that will facilitate the responsible development of the offshore wind industry and deliver benefits to residents of New York and New Jersey, including underserved, disadvantaged, and overburdened communities.*

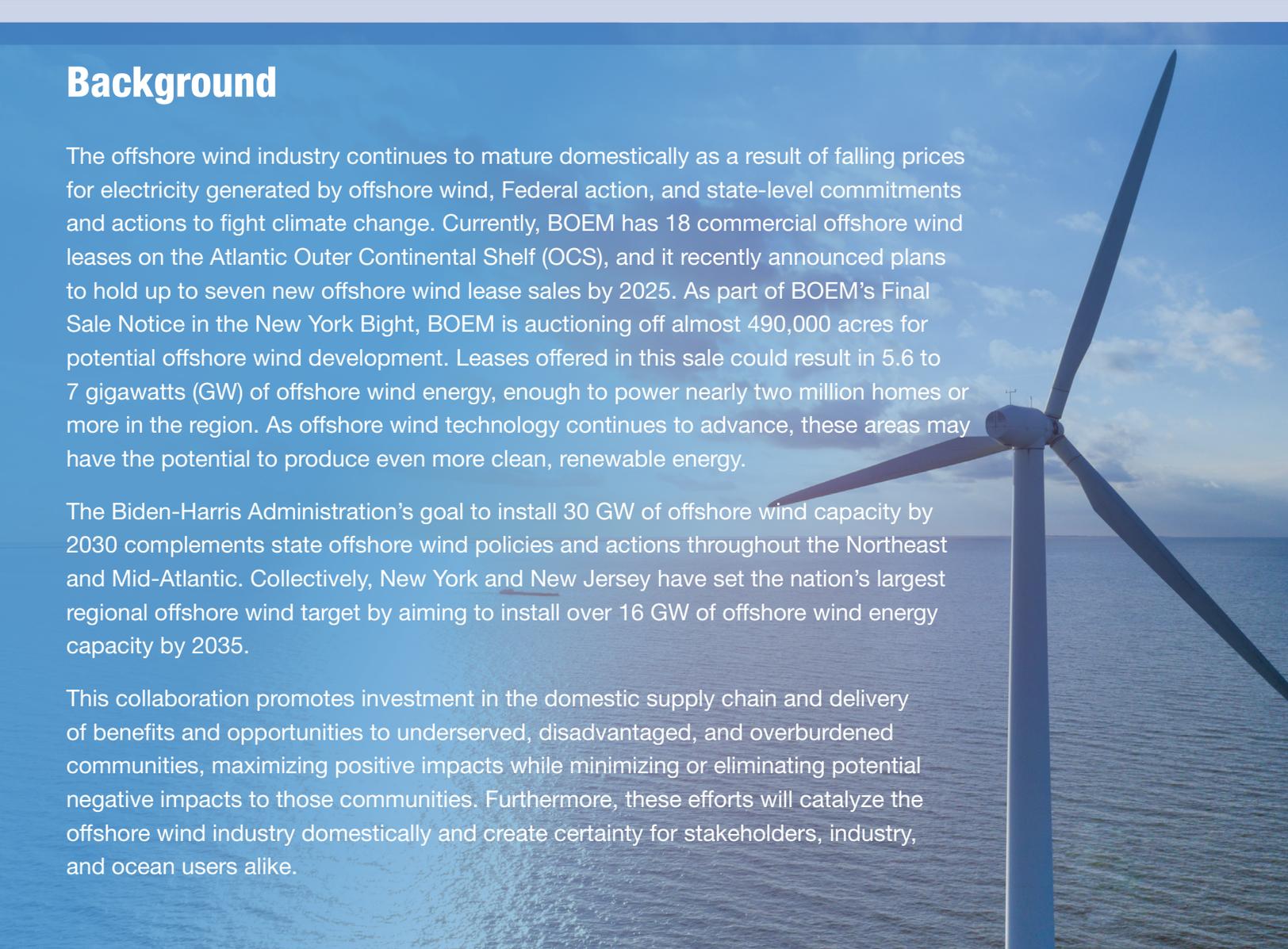
*BOEM, New Jersey, and New York will work together to advance common interests and shared values of economic prosperity and energy resilience. This collaboration will serve as a model for future engagement and establish the United States as a global leader in the offshore wind market.*

## Background

The offshore wind industry continues to mature domestically as a result of falling prices for electricity generated by offshore wind, Federal action, and state-level commitments and actions to fight climate change. Currently, BOEM has 18 commercial offshore wind leases on the Atlantic Outer Continental Shelf (OCS), and it recently announced plans to hold up to seven new offshore wind lease sales by 2025. As part of BOEM's Final Sale Notice in the New York Bight, BOEM is auctioning off almost 490,000 acres for potential offshore wind development. Leases offered in this sale could result in 5.6 to 7 gigawatts (GW) of offshore wind energy, enough to power nearly two million homes or more in the region. As offshore wind technology continues to advance, these areas may have the potential to produce even more clean, renewable energy.

The Biden-Harris Administration's goal to install 30 GW of offshore wind capacity by 2030 complements state offshore wind policies and actions throughout the Northeast and Mid-Atlantic. Collectively, New York and New Jersey have set the nation's largest regional offshore wind target by aiming to install over 16 GW of offshore wind energy capacity by 2035.

This collaboration promotes investment in the domestic supply chain and delivery of benefits and opportunities to underserved, disadvantaged, and overburdened communities, maximizing positive impacts while minimizing or eliminating potential negative impacts to those communities. Furthermore, these efforts will catalyze the offshore wind industry domestically and create certainty for stakeholders, industry, and ocean users alike.



# Mutual Principles

1. We are committed to enhancing our domestic supply chain to support the orderly and expeditious development of a robust offshore wind industry. This investment in manufacturing will create well-paying and family-sustaining jobs and deliver benefits to all, including to underserved, disadvantaged, and overburdened communities.
2. We are committed to strengthening state and Federal collaborations to achieve regional offshore wind goals and objectives.

## Recent Accomplishments

### BOEM

Under the Biden-Harris Administration, BOEM has made significant progress on offshore wind development.

#### The Bureau:

- Helped establish the nation's first offshore wind energy target of installing 30 GW of capacity by 2030.
- Approved Vineyard Wind 1 and South Fork Wind, the first two major commercial-scale offshore wind energy projects in the United States.
- Issued a Final Sale Notice for the New York Bight – located off the coasts of New Jersey and New York – with a lease sale planned for February 2022.
- Initiated the environmental and technical review of 9 additional offshore wind Construction and Operations Plans in the Atlantic, bringing the total to 11.

***The following projects are proposed to provide clean energy to New York and New Jersey:***

- **Empire Wind 1 and 2**
- **South Fork**
- **Sunrise Wind**
- **Beacon Wind**
- **Ocean Wind 1 and 2**
- **Atlantic Shores**



## New York

- New York State's Climate Act of 2019 established a goal of developing at least 9 GW of offshore wind by 2035.
- The New York State Public Service Commission established requirements, including an economic benefit scoring framework, for the New York State Energy Research and Development Authority's (NYSERDA) procurement of Offshore Wind Renewable Energy Credits (ORECs), with 20% of the score of each project proposal related to economic benefits. Such economic benefits include domestic supply chain and port infrastructure investments, benefits to disadvantaged communities, creation of workforce training opportunities, and job creation.
- New York has five active offshore wind projects and five active port development projects, representing more than 4,300 megawatts (MW), more than 6,800 jobs, \$12.1 billion in economic development, and more than 8.7 million tons of avoided greenhouse gases.
- In 2020, New York committed \$200 million in funding that successfully leveraged \$3 of private funds for every \$1 of public funds with investments of \$644 million for resilient port facilities. Port infrastructure investments to date include:
  - a staging, assembly, and operations and maintenance center at the South Brooklyn Marine Terminal;
  - the nation's first offshore wind tower manufacturing facility at the Port of Albany; and
  - regional operations and maintenance hubs at Port Jefferson and Montauk Harbor.
- On January 5, 2022, Governor Kathy Hochul announced New York's intent to invest an additional \$500 million in ports, manufacturing, and supply chain infrastructure needed to advance its offshore wind industry, leveraging private capital to deliver more than \$2 billion in economic activity while creating more than 2,000 good-paying green jobs.
- New York is committed to requiring developers to pay workers a prevailing wage and to utilize project labor agreements where possible.
- New York has invested \$20 million to establish the Offshore Wind Training Institute in partnership with NYSERDA and SUNY Stony Brook and Farmingdale. This effort will be undertaken in collaboration with Sunrise Wind's \$10 million National Offshore Wind Training Center and SUNY Maritime investments, which, when paired together, will focus on delivering the nation's first Global Wind Organization training centers.
- In addition to establishing the New York State Climate Action Council, New York State's Climate Act of 2019 created the Climate Justice Working Group to identify disadvantaged communities and to help ensure that the benefits of climate change responses accrue to these disadvantaged communities.

## New Jersey

- New Jersey has established a goal of obtaining 7.5 GW from offshore wind by 2035.
- New Jersey is developing the New Jersey Wind Port (NJWP), the first purpose-built offshore wind marshalling and manufacturing port in the United States. To date, New Jersey has committed over \$500 million of funding to the project, which is currently under construction under a Project Labor Agreement. The NJWP is expected to create up to 1,500 permanent manufacturing, assembly, and operations jobs.
- The New Jersey Economic Development Authority created the NJ Wind Port Diversity and Local Engagement Advisory Committee to address diversity and equity. This Committee convenes stakeholders from the nearby communities, diverse suppliers, community and commerce organizations and relevant state agencies to ensure shared community benefits and accessible employment and business opportunities.
- New Jersey published a solicitation schedule for achieving its 7,500 MW goal with solicitations approximately every 2 years. The published schedule provides clarity and transparency to developers, original equipment manufacturers, supply chain, stakeholders and the public. All future solicitations will include specific requirements relative to overburdened communities.
- New Jersey issued two offshore wind solicitations to date, resulting in awards to three projects that have a total capacity of 3,758 MW and committed to develop and fund various programs to support underserved communities. The programs include funding scholarships focused on overburdened communities, funding workforce development programs, providing grants for minority and/or woman owned business enterprises that want to become engaged in the offshore wind industry, and participating in civic and business organizations, such as Boys and Girls Clubs and chambers of commerce.
- The three awards represent \$4.67 billion in economic benefits and include commitments to significant supply chain investments in New Jersey.

### Examples include:

- A monopile fabrication facility being built in Paulsboro, NJ.
- Support to small and women- and minority-owned businesses, including establishment of the Pro-NJ Grantor Trust by Ocean Wind.
- Commitments to two manufacturing facilities at the NJWP and to marshalling at the NJWP.
- New Jersey's \$350 million Offshore Wind Tax Credit provides reimbursement for capital investments in offshore wind industry-specific facilities located in New Jersey.
- New Jersey allocated \$4 million in workforce development programs at New Jersey community colleges for Global Wind Organization safety and sea survival training and wind turbine technicians.

# Future Commitments

## BOEM is -

- Committed to improving the permitting process for future offshore wind energy projects, which includes revising BOEM's guidance to industry, improving outreach, and increasing information accessibility.
- Adopting innovative lease terms and stipulations for the New York Bight Lease Sale that further the goals of the OCS Lands Act, including:
  - Increasing engagement efforts with all communities located within the geographical vicinity of the project, including underserved communities, that may be impacted by the project. Lessees would be encouraged to coordinate their efforts with Federal, state, and local governments, community organizations, and Tribes.
  - A requirement to make every reasonable effort to enter into a project labor agreement covering the construction of any project proposed for the lease area.
  - A requirement for lessees to report on efforts to meaningfully engage with Tribes, ocean users, underserved communities, and other stakeholders to improve communication and to avoid, minimize, and mitigate potential adverse impacts.
  - A requirement that each lessee prepare a statement of goals describing any plans for contributing to the creation of a robust and resilient US-based offshore wind supply chain and annually report on the progress in meeting those goals.
  - A stipulation that incentivizes the lessee to procure major offshore wind energy components domestically. Should the lessee satisfy the terms of the stipulation by meaningfully and substantially assembling or manufacturing major components in the United States, they may be eligible for a 1% operating fee rate for a period of five years.

## New Jersey is -

- Establishing the Wind Institute, which will coordinate and advance workforce training, education, research and innovation related to the development of offshore wind in New Jersey and the surrounding region. Wind Institute programs will place an emphasis on fostering diversity and equity in the offshore wind industry.
- Rolling out additional industry education and technical assistance programs to help small businesses access offshore wind supply chain opportunities.
- Promoting specific inclusion of overburdened communities in the benefits to be realized by New Jersey's offshore wind energy economy through past and planned offshore wind energy solicitations. The programs realized from previous solicitations included funding scholarships focused on overburdened communities, funding workforce development programs, and providing grants for minority- and/or woman-owned business to engage in the offshore wind energy industry.
- Pursuing a coordinated offshore wind energy transmission solution with the goals of lowering the cost of offshore wind energy generation and transmission and minimizing environmental impact.

## New York is -

- Encouraging economic benefits, supply chain development, and project labor agreement requirements in its OREC procurements.
- Planning a third OREC solicitation to follow BOEM's lease sale in the Bight. This third solicitation will build upon New York's two previous solicitations and will include:
  - prevailing wage and project labor agreement requirements;
  - scoring criteria related to economic benefits, including supply chain investments, such as port improvements;
  - requirements for economic benefits for disadvantaged communities;
  - requirements related to minority- and women-owned business enterprises; and
  - requirements related to service-disabled, veteran-owned businesses.

## Implementation

### NY/NJ Bight Regional Working Group on Supply Chain Development

BOEM, New York, and New Jersey agree to coordinate in order to meet mutual regional offshore wind energy goals and objectives related to enhancing the domestic supply chain and benefitting underserved, disadvantaged, and overburdened communities. To facilitate this coordination, BOEM, New Jersey, and New York will meet quarterly to discuss:

- recent efforts undertaken related to these goals,
- lessons learned and feedback garnered,
- identified obstacles, challenges, or barriers to achieving these goals; and
- opportunities for coordination, including a forecast of upcoming events and undertakings of relevance or importance.

Together, the parties will strive for regional collaboration that minimizes inefficiencies in the development of a domestic supply chain; delivers benefits and economic opportunities to underserved, disadvantaged, and overburdened communities; and limits any potential negative impacts on offshore wind stakeholders. These discussions will be supplemented by input from stakeholders, Tribes, the offshore wind industry, ocean users, and other state and Federal agencies, including the Department of Energy to provide its analyses of domestic supply chain needs.

### Publishing Best Practices

As a result of this initiative, BOEM, New York, and New Jersey will endeavor to undertake complementary actions, policies, and guidance that will help achieve a domestic supply chain and drive benefits to underserved, disadvantaged, and overburdened communities. To that end, the NY/NJ Bight Regional Working Group on Supply Chain Development will develop best practices and guidance that will:

- identify whether a community potentially impacted by offshore wind energy development is underserved, disadvantaged, or overburdened, based on each state's definitions;
- in dialogue with stakeholders, define what constitutes mitigation and opportunities for underserved, disadvantaged, and overburdened communities and best practices for engaging these communities;
- define what constitutes domestic/local supply chains;
- develop metrics for supply chain development goals;
- develop a roadmap for improving and utilizing existing regional coordination and outreach to avoid stakeholder fatigue; and
- promote accountability by identifying best practices for sharing information on how developers are meeting supply chain and underserved, disadvantaged, and overburdened community goals.

***These best practices can serve as a model to other states and regions with similar supply chain and environmental justice goals and policies.***

## Guiding Authorities

### BOEM

- ***Executive Order (E.O.) 14008:*** It is the policy of the Biden-Harris Administration to organize and deploy the full capacity of its agencies to combat the climate crisis and to implement a Government-wide approach that reduces climate pollution in every sector of the economy; increases resilience to the impacts of climate change; protects public health; conserves our lands, waters, and biodiversity; delivers environmental justice; and spurs well-paying union jobs and economic growth, especially through innovation, commercialization, and deployment of clean energy technologies and infrastructure.
- ***E.O. 13985:*** It is the policy of the Biden-Harris Administration that the Federal government pursue a comprehensive approach to advance equity for all, including people of color and others who have been historically underserved, marginalized, and adversely affected by persistent poverty and inequality.
- ***Justice 40:*** A whole-of-government effort to ensure that Federal agencies work with states and local communities to make good on President Biden's promise to deliver at least 40 percent of the overall benefits from Federal investments in climate and clean energy to disadvantaged communities.

## New York

- ***NYSERDA Offshore Wind Master Plan:*** The Master Plan sets forth a series of more than twenty studies that analyzed critical elements of deploying offshore wind energy in the New York Bight, including “The Workforce Opportunity of Offshore Wind in New York,” as updated to reflect 9 GW of energy by 2035 and to include 10,000 jobs. In addition, NYSERDA created four Technical Working Groups on the environment, fishing, maritime commerce, and jobs and the supply chain that inform New York’s approach.
- ***Climate Leadership and Community Protection Act (“Climate Act”):*** New York’s Climate Act set renewable energy and decarbonization targets, including developing 9 GW of offshore wind by 2035. It also established the Climate Action Council to undertake the development of New York’s scoping plan, including a rigorous stakeholder engagement process. Finally, it formed the Climate Justice Working Group to help ensure that the benefits of climate change responses accrue to disadvantaged communities.
- ***Orders of the New York State Public Service Commission:*** New York’s development of offshore wind has been guided largely by the Orders of the Public Service Commission, under cases 18-E-0071 and 15-E-0302. Specifically, (1) July 12, 2018, Order Establishing Offshore Wind Standard and Framework for Phase 1 Procurement, (2) April 23, 2020, Order Establishing Offshore Wind Solicitation, and (3) October 15, 2020, Order Adopting Modifications to the Clean Energy Standard.

## New Jersey

- ***New Jersey Clean Energy Act:*** On May 23, 2018 Governor Murphy signed the Clean Energy Act P.L.2018, c.17. The Clean Energy Act takes several critical steps to improve and expand New Jersey’s renewable energy programs.
- ***New Jersey’s Environmental Justice Law:*** New Jersey’s Environmental Justice Law finds that all New Jersey residents, regardless of income, race, ethnicity, color, or national origin, have a right to live, work, and recreate in a clean and healthy environment; that, historically, New Jersey’s low-income communities and communities of color have been subject to a disproportionately high number of environmental and public health stressors, including pollution from numerous industrial, commercial, and governmental facilities located in those communities; and that, as a result, residents in the state’s overburdened communities have suffered from increased adverse health effects.
- ***New Jersey Energy Master Plan:*** On January 27, 2020, Governor Murphy unveiled the state’s *Energy Master Plan*, which outlines key strategies to reach the Administration’s goal of 100 percent clean energy by 2050.
- ***The New Jersey Offshore Wind Strategic Plan:*** The Plan serves as a guide to establishing a new offshore wind industry to benefit New Jersey residents and mitigate climate change by developing a clean, renewable energy source.

- **Executive Order No. 8:** Governor Murphy directed the New Jersey Board of Public Utilities to fully implement New Jersey's Offshore Wind Economic Development Act and begin the process of moving the state toward its 2030 goal of 3,500 MW of offshore wind energy generation.
- **Executive Order No. 23:** On April 20, 2018, Governor Murphy directed all executive branch departments and agencies to consider Environmental Justice in implementing their diverse statutory and regulatory responsibilities.
- **Executive Order No. 79:** Governor Murphy established the Wind Council, a cross-governmental coordinating effort to develop a plan for creating the Wind Institute, which will serve as a center for education, research, innovation, and workforce training related to the development of offshore wind energy in New Jersey, the Northeast and Mid-Atlantic region.
- **Executive Order No. 92:** In November 2019, Governor Murphy raised the goal for offshore wind energy generation to 7,500 MW by 2035.

