May 18, 2023

The American Clean Power Association and Renew Northeast testimony in support of:
LD 1895, SP0766 – An Act Regarding the Procurement of Energy from Offshore Wind Resources

Chairman Lawrence and members of the Committee on Energy, Utilities, and Technology:

The American Clean Power Association (ACP) and RENEW Northeast are clean power trade associations uniting the power of wind, solar, transmission and storage companies and their allied industries, to champion policies that enable the growth of renewable energy in the Northeast and across the United States.

Offshore wind is America's next major energy source, representing a generational opportunity to create jobs and bolster the economy. It is an abundant clean energy solution for large population centers, and a massive opportunity for economic growth. For Maine to meet state clean energy policy commitments and secure its place as a first-in-the-nation supply chain hub on the east coast, the state will need a strong development pipeline in place for manufacturing, operations and maintenance, and construction. The development of this pipeline is dependent on the opportunities to build and the proximity to projects in the Gulf of Maine.

Maine's energy, economic, and environmental priorities would be directly supported by new offshore wind lease areas and setting an offshore wind target of 2.8 gigawatts (GW) will catalyze future industry investment.

Building the U.S. offshore wind project pipeline will also revitalize port communities and enhance critical port infrastructure. We strongly support the legislation put forward by Sen. Curry in this regard. The offshore wind industry is investing billions of dollars in a domestic supply chain, including investments in fabrication facilities, port upgrades, vessels, and workforce training.

Recently passed legislation at the federal level – the Inflation Reduction Act (IRA) – has put America on a path to reducing economy-wide emissions 40 percent below 2005 levels by 2030 while creating 550,000 new clean energy jobs. The IRA is a critical part of creating America's clean energy future and keeps the U.S. within reach of President Biden's climate goals.

We thank Senator Lawrence for the introduction of this legislation which would ensure Maine is well-positioned to lead on offshore wind – capturing jobs and investment on the coast and inland. The bill will also advance state goals on carbon reduction and ensure any floating offshore wind development occurs in a way that will protect critical marine habitats and fisheries.

Together, the American Clean Power Association and RENEW Northeast represent all current leaseholders on the East Coast and many companies looking to develop floating projects. On behalf of our members, we respectfully raise a primary area of concern in the bill.

Location is a Cost Driver
This legislation offers a thoughtful carrot in the form of tax incentives for developers who choose to build projects outside Lobster Management Areas 1 (LMA 1) and the western part of Lobster Management Area 3.

We strongly agree that areas with the most intensive fishing activities should not be available for leasing. The research today indicates that there is very little overlap between the nation's most successful fishery and where wind speeds start to increase. However, we are keenly aware that the data is lacking and would urge the committee to consider holding off on a complete exclusion (or adopting provisions in this bill which would achieve a similar outcome) for several reasons:

- While floating offshore wind is rapidly scaling up in Europe and Asia, it is several years away from commercial deployment in the Gulf of Maine– there is opportunity for additional data gathering from the first wave of projects to ensure Maine fisheries are protected. Indeed, some of our members have already been studying ways to improve coexistence of floating wind and fisheries in Europe. **Our commitment to the State of Maine is to continue engaging in this conversation through the BOEM process. If the data indicates all of LMA 1 is not suitable for development, we will support that assertion**.
- If there are areas within the bounds of LMA 1 where the federal Bureau of Ocean Energy Management finds to not conflict with lobstering or other commercial fishing activities, the shallower water depth and proximity to onshore interconnection could mean significant savings to rate payers.

We urge caution – passage of this legislation without full consideration of cost impacts and zeroing out areas with good, affordable development potential could signal to federal regulators that a smaller lease area is a priority, limiting options for locating federal lease areas. This could result in not enough projects to support an onshore supply chain and the jobs that creates, failing to capture economies of scale, and falling short of the region's current and projected clean energy goals.

Coexistence is Possible
The industry respectfully requests the opportunity for collaboration and conversation before decisions are made about where development can occur. In the past, we have demonstrated our commitment to partnership when we have a seat at the table. Between 2009 and 2015, BOEM reduced the areas under consideration for leasing off Massachusetts by over 50% following feedback and concerns from fishing communities. ACP member companies then removed *another* 30% of the potential energy production of their lease areas to ensure fishermen could navigate safely through project areas.

The deployment of offshore wind can be compatible with other ocean users, including commercial fishermen, and the science bears that out. Through thorough and ongoing analysis from U.S. state and federal regulators we're working collaboratively to site projects cost-effectively and safely. Europe and the U.K. have over 30 years of experience with offshore wind and fisheries coexistence. For example, the Holderness Fishing Industry Group and offshore wind company Orsted conducted a six-year scientific study that found that the construction and operation of a U.K. wind farm near one of the largest

European commercial fishing grounds for European lobster did not have a significant negative impact on the catch rate and economic return from lobsters.

Structures in the water can also create habitat for benthic organisms, including commercially important fish and invertebrates, which can have benefits to marine communities and some fisheries. Finally, climate change has been predicted to potentially have dramatic effects on the marine environment. These effects include the disruption of prey distributions, decreased biodiversity, and changes in habitat availability. We know that climate variability will result in fishing employment losses. As lobsters move north and east to colder waters, we may continue to see the impacts of climate change.

Maine's phased-in, research-focused approach means that commercial fishing and offshore wind can do more than simply coexist in the Gulf of Maine. ACP recognizes that fisheries, and the communities who rely on them, are at the heart of the Gulf of Maine region, historically, economically, and socially. We believe economic gains from offshore wind and its close partnership with coastal communities will yield dividends, while the benefits of addressing the climate crisis and limiting warming in ocean waters will help preserve fisheries and the region's way of life. In comments to BOEM, ACP encouraged the agency to consider call areas that avoid the most productive fishing grounds, while still being large enough to provide flexibility to lease areas that provide for more than 10 GW of commercially viable offshore wind generating capacity.

The work of the Fisheries and Environment and Wildlife Working Groups has resulted in strategies that will make it possible for Maine to pursue offshore wind leasing while still preserving healthy fisheries and other natural resources in the Gulf of Maine – all facing impacts from climate change. ACP and RENEW Northeast pledge to work alongside other ocean users, coastal communities, environmental groups, and federal, state, and regional partners to implement offshore wind in a collaborative manner to achieve the shared goals outlined in the Roadmap.

Maine's Balanced Approach is Key

Maine is the national leader in their approach to offshore wind and fisheries protection. The state's careful and balanced approach to offshore wind development in federal waters includes:

- A prohibition on offshore wind in state waters enshrines important protections for the lobster industry, other fisheries and recreational activities.
- The establishment of the Offshore Wind Research Consortium Maine, which will leverage existing work and leading coordination with state agencies, regional public and private entities, such as the Regional Wildlife Science Collaborative for Offshore Wind, the Northeast Data Portal, and the Responsible Offshore Science Alliance. This framework and expansion of research and data gathering and analysis sets Maine up for continued monitoring, research, and engagement which we strongly support.
- Finally, the inclusive and robust stakeholder process to develop the Maine Offshore Wind Roadmap will ensure that offshore wind development is cost effective, will build an industry floating hub for the east coast, and will prioritize a stable and predictable investment environment.

A balanced approach to where offshore wind leasing is possible should be applied to this legislation too. Without it, the Bureau of Ocean Energy Management may decide to eliminate the remaining portions of LMA 1 which still overlap with their Call Area. Maine is committed to a carbon-neutral future and has built a solid foundation to reach 30,000 clean energy jobs in Maine by 2030. To get there – we need a market, and a market will not exist without robust offshore wind leasing in the Gulf of Maine – ideally with space to build enough projects to help power the state and the region.

Incredible Potential in the Gulf of Maine

The Gulf of Maine has the best wind potential on the entire East Coast. With only a few floating offshore wind projects currently deployed globally, robust leasing in the Gulf of Maine will help position the U.S. to be a global leader in floating offshore wind and reap the benefits of thousands of jobs in the new energy economy.

A National Renewable Energy Laboratory analysis of offshore wind development found that a single 600 MW offshore wind facility "could support approximately 4,470 jobs and $445 million in GDP during construction and an ongoing 150 jobs and $14 million annually from operation and maintenance labor, materials, and services."

Maine's onshore wind energy workforce has seen strong growth in recent years; between 2016 and 2020 the number of workers grew by 7.1%. The sector also demonstrated resiliency through the pandemic, growing 4% between 2019 and 2020. Offshore wind has the potential to add substantially to Maine's economy, generating new opportunities for the current workforce and future generations.

Floating offshore wind is once-in-a-generation opportunity to advance science pioneered in Maine, to build out America's clean energy resources in an affordable way and is an investment in US workers and national energy security.

On behalf of the members of the American Clean Power Association and RENEW Northeast, we strongly urge the committee to adopt a careful and considered approach to ensure that offshore wind in the Gulf of Maine means a thriving industry on the shores of Maine.

Respectfully,

Moira R. Cyphers
Eastern Region State Affairs
The American Clean Power Association
MCyphers@cleanpower.org
(301) 318-4220

Francis Pullaro
Executive Director
RENEW Northeast
FPullaro@renew-ne.org
(646) 734-8768