



MEETING SUMMARY

States Advancing Offshore Wind: A Conversation Convened by the US Offshore Wind Collaborative

In collaboration with the American Wind Energy Association

September 9, 2008
Wilmington, DE

Welcome and Introduction to the US Offshore Wind Collaborative

Greg Watson, Massachusetts Executive Office of Environment and Energy, US Offshore Wind Collaborative (USOWC) Steering Committee Member welcomed participants to the first formal convening of the USOWC. He explained that the idea of an offshore wind collaborative was first raised in 2004 when the U.S. Department of Energy, General Electric, and the Massachusetts Technology Collaborative coordinated to consider long term offshore wind development in the United States and the collaborations between public and private that would be necessary to develop a US sustainable industry. The result of this first effort was *A Framework for Offshore Wind Energy Development in the United States*, which identifies the technical, environmental, economic, and regulatory needs required for the responsible development of our nation's offshore wind energy potential, as well as strategies for addressing them.¹ He added that in 2008 the USOWC Steering Committee was formed to implement the Framework. The Steering Committee recognized that in order to advance sustainable offshore wind development it must reach out to states and others currently working on offshore wind. Therefore, the Steering Committee convened this meeting of states, which is the first USOWC event and the official launch of the USOWC.

Fara Courtney, Consultant to USOWC offered an overview of USOWC and state involvement in offshore wind development. She explained that the Steering Committee envisions that the mission of USOWC is to serve as a clearing house for information exchange; to identify pressing challenges and questions related to offshore wind development, outside of particular projects; to serve as a forum for learning from early adopters; to provide a common voice for sustainable offshore wind development; and to explore federal policy issues and funding questions.

She described USOWC's survey of states' engagement in offshore wind and noted that there are significant common interests among states, including creating incentives for offshore wind in the US. She found that many states are partnering with universities and exploring regional partnerships and that many states want to learn more about how states and federal agencies can work better together. She noted that some states are farther along than others in their exploring, preparing, planning, promotion, and positioning for offshore wind. The full survey results are available at www.usowc.org.

Suzanne Orenstein, Consensus Building Institute, explained the format of the conversations, which would be moderated by USOWC Steering Committee members and provide opportunity for states to speak with each other about the challenges and opportunities they face.

¹ The Framework can be found www.usowc.org

SUMMARY OF SESSION I

State Planning for Offshore Wind Development: A discussion with panelists from states that are working to implement offshore wind projects

Moderator: John Hummer, USOWC Steering Committee Member, Great Lakes Wind Collaborative

Panelists: B. Scott Hunter, Office of Clean Energy, New Jersey Board of Public Utilities

Grover Fugate, Rhode Island Coastal Resources Management Council

Phillip Cherry, Delaware Department of Natural Resources and Environmental Control

The Moderator asked state representatives to comment on: *what their states are doing to advance implementation of offshore wind projects and the major challenges facing offshore wind projects as they move forward?*

Summary: The conversation revealed that states are in various stages of advancing offshore wind projects, ranging from just beginning dialogue about the possibilities of offshore wind to adopting enabling legislation and proceeding with project permitting.

States are facing many common challenges and participants highlighted the need for:

- More public leadership and guidance on offshore wind development, including timely issuance of the Minerals Management Services draft rule;
- Open and transparent communication between states and federal agencies;
- Models for communication about offshore wind development with the public, including benefits like climate change, energy price stability, and economic development;
- Mechanisms for sharing information among scientists, the public, and government entities on issues related to offshore wind development, such as stakeholder involvement processes, policy and agreement templates, technical and scientific information;
- Greater regional collaborations and information sharing to promote interstate consistency, agreements on common exclusion areas, mitigation efforts, ecological baselines, etc.

Scott Hunter, Office of Clean Energy, New Jersey Board of Public Utilities, noted that New Jersey is engaged in many efforts including a feasibility study, a blue ribbon panel to explore the range of interests and options for ocean resources use; and a renewable portfolio standards (RPS) policymaking effort to develop clean energy markets, and a state energy master plan. Grover Fugate, Rhode Island Coastal Resources Management Council, spoke about Rhode Island's efforts to coordinate functions of state permitting and planning bodies to facilitate management of offshore resources. He, and several other participants, highlighted the value of partnerships with universities for advancing offshore wind research and policy development. Mary Hallisey Hunt, Georgia Tech, added that university/industry partnerships are a good option for moving forward in states that are not yet engaged in offshore wind. Phillip Cherry, Delaware Department of Natural Resources and Environmental Control, noted his view that in Delaware, public support for energy price stability is driving his states' efforts to promote offshore wind development. Greg Watson and Nils Bolgen, Massachusetts Technology Collaborative, noted that recently passed state legislation along with initiatives to minimize the early stage financial risk for communities engaging in development of commercial wind projects are helping their state to advance offshore wind. Tony Logan, Ohio Department of Natural Resources, noted that Ohio is developing regulations for Great Lakes submerged land leases and launching a study to develop a regulatory template that includes technical, environmental, and public engagement considerations. Bob Leker, North Carolina State Energy Office, commented that as in other states, the North Carolina's RPS is driving utilities to seek development of renewable sources of energy. He and others concluded that their states would greatly benefit from learning more about the experiences of other states and sharing approaches, policies, and lessons learned.

SUMMARY OF SESSION II

Federal and State Agency Collaboration for Sustainable Offshore Wind in the US

Moderator: Jack Clarke, USOWC Steering Committee Member, Mass Audubon

*Panelists: Walter Cruikshank, Deputy Director, Minerals Management Service, U.S. Department of the Interior
Donna Wieting, Deputy Director, Ocean and Coastal Resource Management, NOAA
Kristen Fletcher, Executive Director, Coastal States Organization*

The Moderator asked panelists and state representatives to comment on: *what are the major challenges and opportunities to federal and state collaboration and what is being done to address the challenges and foster opportunities?*

Summary: The conversation raised several key challenges and opportunities, including:

- Interagency coordination among multiple federal agencies, who don't always have the same scope, interests, or understanding of offshore wind;
- Information sharing between states and federal agencies, specifically around state RPS development, state offshore wind and coastal management policies, and projects in development;
- Potential conflicts between state processes to select developers and the statutory requirement that the federal government offer a competitive bid process for offshore leases;
- Opportunities for improved planning and coordination related to the reauthorization of the Coastal Zone Management Act (CZMA).

The panelists and state participants noted that USOWC could explore opportunities to:

- Foster regional collaborations;
- Provide input to the CZMA reauthorization process and state RPS development;
- Develop a research agenda that would help set priorities and direct funding to offshore wind research;
- Facilitate further dialogue around state and federal coordination, especially regarding information gathering and dissemination.

Walter Cruikshank, Minerals Management Service, noted that interagency coordination at the federal level and coordination between federal and state agencies are challenges. He added that information gathering and sharing is particularly challenging given multiple actors and the complexity of issues. He also noted an opportunity to develop better processes to ensure that states and federal agencies have access to the information that they need to promote offshore wind development. Donna Wieting, Ocean and Coastal Resource Management, added that offshore wind is already a complex issue and that agencies are not always clear on their scope or the range of state and industry approaches to offshore wind. Kristen Fletcher, Coastal States Organization, added that the challenges raised by the other panelists are further complicated by the diversity of states' authorities, experiences, approaches, history, culture, interests, resources, and capacities to collaborate effectively. She also commented that federal consistency and revenue sharing approaches need to be clarified to improve coordination and advance offshore wind development. Donna Wieting noted that she sees the reauthorization activities for the Coastal Zone Management Act (CZMA) in 2009 as an opportunity to provide incentives for improved planning and coordination between states and federal agencies. Walter Cruikshank added that states and federal agencies should strive to work together early in project development to improve communication, identify priority initiatives, and coordinate efforts. Other state participants raised the need for increased regional collaborations and promoting interstate consistency, specifically around grid, ecological issues, revenue sharing, and mitigation. Some felt that there are lessons to be learned from the experiences of the oil and gas industries. The panelists and state representatives agreed that USOWC could play an important role in fostering ongoing communication between states and federal agencies around issues raised in this conversation.

SUMMARY OF SESSION III

Developer and State Collaboration for Sustainable Offshore Wind in the US

Moderator: Laurie Jodziewicz, USOWC Steering Committee Member, American Wind Energy Association

Panelists: Craig Olmstead, Vice President, Energy Management Inc., Cape Wind

Peter Mandelstam, President, Bluewater Wind

Kim Harb, Director, Policy and Government Affairs, National Ocean Industries Association

The Moderator asked panelists and state representatives to comment on: *how can states position themselves to achieve economic development from offshore wind in the short and long terms?*

Summary: The conversation raised a number of suggestions for states wishing to pursue offshore wind development ranging from policy suggestions to permitting and public engagement strategies. Many noted that USOWC could explore opportunities to:

- Facilitate conversation between developers and states and serve as a repository for information on best practices for sustainable offshore wind development challenges, including identifying exclusion areas, media engagement, infrastructure issues, staging opportunities, and engaging with public utility boards, unions, and citizens.

Craig Olmstead, Cape Wind, offered suggestions for states including: encouraging state leadership to support offshore wind development; taking steps to expedite portions of the permitting process, such as establishing and complying with maximum time frames for permitting reviews, consolidating permitting authorities or providing “one stop shopping” for state permits, and evaluating state and federal permit processes for redundancies; incorporating offshore wind into state coastal zone management plans; encouraging public utility commissions to be consistent in their plans with state environmental and climate change policies and regulations; to use Resource Portfolio standards to provide incentives for offshore wind development, such as tax polices; and to engage the assistance of a trusted state agency or an “honest broker” to facilitate understanding between state agencies, the public, and the developer. State representatives noted that it is challenging to expedite permitting given already tight budgets and staff resources.

Peter Mandelstam, President, Bluewater Wind added that Renewable Energy Credits (RECs) are valuable for promoting benefits of offshore wind development. He discussed some of the economic benefits of offshore wind development including: stable energy prices; reduced health care costs with wind compared to other energy sources; local job development, with or without training programs; benefits associated with creation of an economic hub; system upgrades for local electrical grid; benefits to commercial fishing industries with species repopulations; tourism; direct investment by the developer into the local economy; and creation of local manufacturing. State representatives discussed strategies for engaging union leaders in offshore wind development dialogue. Peter Mandelstam noted that deliberate efforts to meet with union leaders, understand their concerns, educate them on the opportunities, and discuss options for meeting their interests proved successful in Delaware.

Kim Harb, National Ocean Industries Association, added that there are lessons to be learned from the oil and gas industry experiences which have contributed to direct and indirect jobs creation, technical skills educational opportunities, and revenue sharing between states and developers. She also noted the importance of federal incentives for development of a US based wind energy manufacturing industry. The panelists agreed that ongoing dialogue between industry and state stakeholders will continue to be important for sustainable offshore wind development in the US.

SUMMARY OF POSSIBLE NEXT STEPS FOR USOWC

John Rogers and Mark Curran, USOWC Steering Committee members, provided summaries of the highlights from the conversation with states. They noted that the three panels raised many common challenges facing states as they pursue sustainable offshore wind development. These challenges include:

- Cultivating public leadership and guidance on offshore wind development;
- Facilitating of open, easy, and transparent communication between states and federal agencies; specifically around state RPS development, state offshore wind and coastal management policies, and projects in development;
- Promoting interagency coordination among multiple federal agencies, who don't always have the same scope, interests, or understanding offshore wind;
- Framing the benefits and impacts of offshore wind for political leaders, the public, unions, public utility boards, government agencies, and regional organizations;
- Sharing information between researchers, the public, and government entities on issues related to offshore wind development, such policy and agreement templates, technical and scientific information, and stakeholder process suggestions;
- Promoting greater regional collaborations to promote information sharing, interstate consistency, around exclusion areas, mitigation efforts, ecological baselines.

Based on these challenges, the conversations raised the following possible opportunities for USOWC to help advance its mission:

- Serve as a repository for information on best practices for offshore wind development, including identifying exclusion areas, infrastructure issues, staging opportunities, engaging with utilities boards, unions, and citizens, media engagement;
- Explore opportunities for improved planning and coordination related to the reauthorization of the Coastal Zone Management Act (CZMA);
- Foster regional collaborations on scientific and regulatory issues;
- Help develop a research agenda that would set priorities and direct funding related to offshore wind development; and
- Facilitate further dialogue around state and federal coordination, particularly around information sharing and gathering.

Meeting Attendees

State Representatives

Mike Dvorak, Stanford University
Philip Cherry, Delaware Department of Natural Resources & Environmental Control
Jeremy Firestone, University of Delaware
Willett Kempton, University of Delaware
Mary Hallisey Hunt, Georgia Institute of Technology
Nils Bolgen, Massachusetts Technology Collaborative*
Greg Watson, Massachusetts Technology Collaborative*
Peter Dunbar, Maryland Department of Natural Resources
John Sherwell, Maryland Department of Natural Resources
Jennifer Puser, Maine Governor's Office of Energy Independence & Security
Michael Klepinger, Michigan State University
Bob Leker, North Carolina State Energy Office
B. Scott Hunter, New Jersey Board of Public Utilities
Dan Zaweski, Long Island Power Authority
Echo Cartwright, New York Governor's Renewable Energy Task Force
Bill Mason, Great Lakes Energy Task Force
Tony Logan, Ohio Department of Natural Resources
Grover Fugate, Rhode Island Coastal Resources Management Commission
Samuel DeBow, University of Rhode Island
Elizabeth Kress, Santee Cooper, South Carolina
Paul Gayes, Coastal Carolina University
Russell Hooter, Texas Department of Parks and Wildlife
Dwain Roger, Texas General Land Office
George Hagerman, Virginia Tech
Ken Jurman, Virginia Renewable Energy Program Manager

** also USOWC Steering Committee Member*

USOWC Steering Committee Members

Jack Clarke, Massachusetts Audubon
Mark Curran, Battelle
John Hummer, Great Lakes Wind Collaborative
Laurie Jodziewicz, American Wind Energy Association
John Rogers, Union of Concerned Scientists
Mark Sinclair, Clean Energy States Alliance

USOWC Consultants

Steven Clarke, Massachusetts Executive Office of Energy and Environmental Affairs
Fara Courtney, Good Harbor Consulting, Consultant to MTC
Kate Harvey, Consensus Building Institute
Sonya Mitchell, Massachusetts Technology Collaborative
Suzanne Orenstein, Consensus Building Institute, Facilitator