

Capitol Weekly

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Climate bond: to go big on climate action, California needs to invest in offshore wind



BY MARIO CORDERO and LARRY OETKER

OPINION – California is known across the world as a beacon of innovation and ingenuity, opening the door to new technologies with bold action. Governor Gavin Newsom has built a record of taking action to fight climate change, developing the world’s [first detailed pathway](#) to carbon neutrality by 2045 and implementing an ambitious climate plan that would slash greenhouse gas emissions by 85%, and cut oil usage by 94%.

Offshore wind energy, innovative technology that has the potential to generate power across the Pacific Ocean, is a critical tool to meeting California’s ambitious climate goals and energy independence.

California’s coast is set to be the next critical location for the domestic wind industry. Last December, the Biden Administration conducted the [first-ever federal auction](#) for California offshore wind, identifying five leaseholders to deploy the first 5-8 GW off the California Coast. This was a key milestone; but California has substantial work to do to deliver this renewable resource at scale and on time.

California ports are positioned to be key hubs in the offshore wind industry with the capacity for the manufacturing, staging and integration, and deployment of floating offshore wind turbines. These deep-water ports handle 38% of U.S. containerized imports and 28% of U.S. exports.

Our ports need significant infrastructure upgrades to reach the [goals set by the California Energy Commission \(CEC\)](#) of up to 5 gigawatts (GW) by 2030 and 25 GW by 2045. The State Lands Commission’s [Port Readiness Plan](#) emphasized the need for a multi-port strategy to meet California’s offshore wind goals; and it also noted that significant infrastructure investments of more than \$11 billion are needed.

Floating offshore wind turbines will be an important part of the state’s diverse clean-power portfolio, helping ensure grid reliability and energy security by keeping the power on night and day. However, because of the enormity of these turbines and platforms – [reaching taller than the Eiffel tower](#) – component parts are too large to manufacture inland.

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California has an important calculation to make – import component parts from Asia by ship or invest in portside infrastructure to allow for manufacturing and construction of these component parts. With studies estimating that [up to \\$4 billion in annual GDP](#) and [up to 60,000 jobs](#) could be realized by California depending on the volume of materials manufactured in California, we believe this is an easy decision.

Working with its ports and our labor partners, California can develop infrastructure that launches this industry. Manufacturing and component assembly at our ports will bring jobs and economic prosperity to California. By foregoing these improvements, California will miss an opportunity to create tens of [thousands of good-paying jobs](#).

As of January 2023, six Mid-Atlantic states have [pledged more than \\$1.5 billion in port investments](#) for offshore wind terminals. With the most consequential system of ports in the nation, California has the opportunity to meet the moment and establish itself as the national leader on this critical investment into our future.

Our state will need to follow the lead of the East Coast states and commit substantial investment into port facilities.

A coalition of labor, ports, developers, environmental groups and the Assembly Select Committee on Offshore Wind Energy in California are urging that \$1 billion for port infrastructure be included in the [climate bond state lawmakers are proposing](#).

Our two ports have been identified as integral sites to advancing offshore wind in California. We are proud to be assisting the state in creating a new and sustainable energy source for Californians. We believe these infrastructure investments will create good jobs and bolster California's economy. Further, these investments will move the needle on California's clean energy future. Implementation of offshore wind at 25 GW is enough energy to supply up to [25 million homes](#) and meet [15-20%](#) of California's planned clean energy goals.

We're not alone in these beliefs. A new [statewide survey](#) by the Public Policy Institute of California (PPIC) reports [82%](#) of Californians cite climate change among their top priorities and found some of the strongest support for offshore wind, with bipartisan backing from [83%](#) of Californians, including [70%](#) of Republicans and [91%](#) of Democrats.

Governor Newsom and the California State Legislature should embrace the expansions of offshore wind energy. This bold technology will help ensure our state can continue to lead by example on climate action and resilience. Accessing climate bond funding for port infrastructure now is an important down payment that will help California reach its climate, clean-energy, and grid-reliability goals.

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