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UNITED STATES

California targets port investments for offshore wind

California Governor Gavin Newsom released his proposed \$286 billion budget for 2022-2023 this week



Governor proposes spending \$45 million in next fiscal year as California looks to begin offshore wind build-out

by Ros Davidson

California's state legislature is likely to adopt governor Gavin Newsom's proposal of spending \$45 million in offshore wind in the next fiscal year, though minor changes are possible.

The money is intended for upgrades of multiple ports, harbours, and other waterfront facilities. Newsom's proposed \$286 billion budget for 2022-2023 was released this week.

The Golden State's legislature must now pass the budget proposal. Both chambers have a Democratic majority and are not expected to change fellow Democrat Newsom's budget substantially.

"If history is any judge, there could be some back and forth and further modifications to it," said Adam Stern, executive director of trade group Offshore Wind California.

The budget would create the Offshore Wind Energy Deployment Facility Improvement Programme, which would be overseen by the California Energy Commission (CEC).

The \$45 million would be for developing individual or regional facility retrofit concepts and investment plans; supporting final design, engineering, environmental studies and review, as well as construction of retrofits; and providing cost share funding to applicants that apply for and receive a federal award that includes activities consistent with those identified above.

Federal awards would likely come from the <u>bipartisan infrastructure bill</u>, signed into law by President Joe Biden in November.

Additionally, Newsom included \$4.1 million in his budget to implement key legislation passed in September with overwhelming bipartisan support. AB 525 requires California regulators to develop a comprehensive plan by mid-2023 to ramp up the offshore wind industry.

The plan will have to address regulatory hurdles and how the necessary infrastructure can be built. The CEC has to assess the state's maximum feasible offshore wind capacity by mid-2022.

California's current plan for meeting greenhouse gas (GHG) reduction targets includes <u>10GW of offshore wind by 2045</u> off central and northern California. The Pacific Ocean off California is deep, so wind projects would use floating turbines.

The state, the world's fifth largest economy, has a goal of net negative emissions after 2045, meaning that GHG sinks must exceed sources, according to the state Air Resources Board.

On 11 January 2022, the US Bureau of Ocean Energy Management (BOEM) released its draft environmental assessment on the possible impacts from future commercial leasing for offshore wind off northern California.

BOEM reviewed the Humboldt Wind Energy Area, some 530km, that could be home to 1.6GW of clean energy projects. Public comment is now under way. Commercial fishing companies are expected to object.