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Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, D.C. 20515

Dear Chairman Neal, Chairman Grassley, Ranking Member Brady and Ranking Member Wyden,

I write on behalf of the National Ocean Industries Association (NOIA), an almost 50-year-old organization dedicated to promoting America's offshore energy industry and the countless small businesses that make up its supply chain. While NOIA has traditionally been focused on oil and gas development in America's outer continental shelf, recent years has seen increasing interest and investment in offshore wind energy. In fact, the most recent estimates are that in just the next decade we could see nearly \$60 billion in investment in clean, reliable and affordable wind energy—perhaps as much as 30 GW—along America's coastline. This investment will bring with it thousands of American jobs and dramatic improvements in American infrastructure, including upgrades to ports that have suffered from decades of under-investment. However, this rollout could be hampered without change in the tax code.

Like our allies focused on *onshore* wind, we believe that a key element in fostering American energy infrastructure in the wake of the COVID-19 outbreak will be thoughtful changes to the implementation of the Investment Tax Credit for offshore wind. Specifically, **we agree that it is vitally important that your Committee re-examine the safe harbor provision and requirement to complete work within 48 months. We also believe that a change to the “Continuity Requirement” would be a common-sense change** in ITC implementation that would benefit offshore wind *and* America's energy economy.

Clearly, the nationwide halt many companies have faced has shattered planning and timelines for infrastructure projects across the country, including wind energy. Work crews are not able to conduct projects as expected. While dealing with the national health crisis is obviously a priority, clearly there are new, unexpected delays never planned by your Committee or the Department of the Treasury when considering the timeframes of the ITC's Safe Harbor.

At the same time, **we do feel *offshore* wind has unique challenges that must be considered when the ITC Safe-Harbor extension is under discussion.** These include a far less developed supply chain that must be built from the ground-up to prepare for upcoming investments, the need to operate from sometimes congested ports, and most importantly the difficulty of navigating the approval process at the Bureau of Ocean Energy Management (BOEM). The latter issue has proven time consuming to date and

has caused multi-year delays for first-mover projects attempting to establish the offshore wind space.

Because of these unique challenges, we believe that protecting the planned infrastructure jobs and investment made possible with offshore wind will require specific changes to the ITC Safe Harbor. **Specifically, we urge your committee as part of any COVID-19 recovery and infrastructure legislation to allow projects initiated in 2016, 2017, 2018, 2019 or 2020 to have an up-to 10 year Safe Harbor period for the offshore wind ITC.** This change would help companies as they re-design their capital expenditure plans in the wake of the COVID-19 crisis and foster the continued expansion of the offshore wind industry and its related infrastructure. Capturing these project years and extending the Safe Harbor this length of time is *vital* for offshore wind projects as they continue to navigate the regulatory process at DOI.

Further, we believe that a change to the “Continuity Requirement” would be of significant assistance to offshore wind projects that have elected to follow the ITC Safe Harbor provision under the Physical Work Test. Namely, rather than requiring “continuous construction” with a laundry list of allowable interruptions to construction as exists now, we believe **an across-the-board “continuous effort” threshold for all vintages of offshore wind projects** would allow for the wide number of delays and exigent circumstances faced by major energy infrastructure, while still requiring projects to advance towards the end-goal of coming online and providing clean and reliable energy for American consumers.

Ultimately, we believe these changes will help spur energy infrastructure development and create 21st century jobs *without* requiring vast new programs of federal assistance. Offshore wind has enormous promise for this country’s energy economy, and we encourage you to enable this future.

Very respectfully,



Erik Milito
President