



October 19, 2021

The Honorable Bobby L. Rush
Chairman
Subcommittee on Energy
Energy and Commerce Committee
2125 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Fred Upton
Ranking Member
Subcommittee on Energy
Energy and Commerce Committee
2322 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Rush and Ranking Member Upton,

I write on behalf of the members of the National Ocean Industries Association (NOIA) to thank you for holding this hearing on offshore wind and to relay opportunities inherent in this new domestic industry.

NOIA is an almost 50-year-old organization, founded originally as the voice of service and supply companies working to develop oil and gas in the Gulf of Mexico. We retain that mission, working with those companies and with the energy operators and producers they support to bring American energy ashore. However, in recent years we have also begun to see the sheer scale of the offshore wind potential in the U.S. as a generational opportunity not only for the offshore industry but also for the American people. Our organization is highly focused on the building the U.S. offshore wind sector, representing and advancing the interests of this burgeoning industry, with many of our members active in the development of existing and planned projects through the outer continental shelf.

As Secretary of the Interior Deb Haaland has stated “The demand for offshore wind energy has never been greater. Recent technological advances, falling costs, and tremendous economic potential make offshore wind a promising avenue for diversifying our national energy portfolio, creating good-paying union jobs, and tackling climate change...”¹ By some estimates, this decade could see some 30 gigawatts of offshore wind and billions of dollars in new U.S. investment.² Indeed, a study commissioned last year by NOIA conducted by experts at Wood Mackenzie found that the areas off of New York, Maine, California and the Carolinas *alone* could drive over \$100 billion in investment.³

At the same time, the jobs impact of this work will be monumental. NOIA members across the United States are already securing contracts to undertake it.⁴ This means jobs not only on the East Coast, but offshore wind fabrication has already been done on the Gulf Coast⁵ and we fully believe this will continue to be a national supply-chain. To illustrate that this is not merely a northeastern opportunity, the Wood Mackenzie report found that just in the Carolinas one new lease sale could equal some 37,000 jobs supported annually.⁶ We also call attention to the recently released report from the Special Initiative for Offshore Wind at the University of Delaware, projecting new contracting and work expected on different elements of the offshore wind space.⁷ This report makes clear the significant business and job

¹ <https://www.doi.gov/pressreleases/secretary-haaland-highlights-tremendous-offshore-wind-opportunities-virginia-governor>

² <https://cleanpower.org/resources/u-s-offshore-wind-economic-impact-assessment/>

³ <https://www.noia.org/wp-content/uploads/2020/08/WoodMac-National-Figures.pdf>

⁴ <https://www.enr.com/articles/52313-kiewit-will-build-the-first-offshore-wind-substation-in-the-us>

⁵ https://www.nola.com/news/business/article_a6cea87a-d435-5b09-bfc5-9e14423ad6e9.html

⁶ <https://www.noia.org/wp-content/uploads/2020/08/WoodMac-National-Figures.pdf>

⁷ <https://sites.udel.edu/ceoe-siow/>



opportunities related to not only turbines but also cable arrays, substations, foundations, and all the seismic and other marine work needed to go from the drawing board to the light switch. Shipyards from New York to the Gulf Coast are projected to build much needed vessels for the offshore wind market, and major contracts have already been announced.⁸

We would also highlight the affordability of offshore wind—from 2018 to 2019 alone the global benchmark of offshore wind costs fell by roughly 1/3⁹, and since then turbines have continued to become more powerful and more efficient. This is part of why the Government of Massachusetts has said that an incremental announced procurement of 1,600 MW of offshore wind is projected to save ratepayers \$670 million to \$1.27 billion over the 20-year life of the contract versus purchasing the same amount of renewable energy in the markets.¹⁰

Further, offshore wind is reliable. Even in 2019—before the latest advancements in offshore turbine size—the International Energy Agency stated that offshore wind matches the capacity factors of efficient gas-fired power plants, coal-fired power plants in some regions, exceeds those of onshore wind, and is about double those of solar PV.¹¹ For the U.S., GE has developed a cutting-edge turbine system for offshore use that will achieve a capacity factor of 63%.¹²

Finally, a key benefit provided by wind projects on the outer continental shelf is in the potential to raise billions of dollars in funds for the federal government through the up-front bids required to procure leases through lease auctions. We have already seen this potential in the waters off New England—which led to what the Department referred to as a “bonanza”¹³ for taxpayers—and expect to see continued revenues from leasing off New York and New Jersey within the next year in what many view as a very bullish offshore wind market.

All told, offshore wind is an American highly anticipated economic opportunity. It will mean reliable, renewable energy for consumers and jobs for working Americans. We applaud the Committee for holding this hearing and continuing to highlight this burgeoning market.

Respectfully,

A handwritten signature in black ink, appearing to read "Erik Milito".

Erik Milito
President

National Ocean Industries Association

⁸ <http://www.chouest.com/press/windfarm-service-operation-vessel.html>

⁹ <https://www.utilitydive.com/news/global-offshore-wind-prices-drop-32-bloombergnef/565719/>

¹⁰ <https://www.mass.gov/doc/offshore-wind-study/download>

¹¹ <https://www.iea.org/reports/offshore-wind-outlook-2019>

¹² <https://www.ge.com/renewableenergy/wind-energy/offshore-wind/haliade-x-offshore-turbine>

¹³ <https://www.doi.gov/pressreleases/bidding-bonanza-trump-administration-smashes-record-offshore-wind-auction-405-million>