



Submitted via: <http://www.regulations.gov>

Amanda Lefton, Director
Tershara Matthews, Chief, Office of Emerging Programs
Bureau of Ocean Energy Management
U.S. Department of the Interior

Re: Comments on Draft Gulf of Mexico Wind Energy Areas and Draft Environmental Assessment
BOEM-2022-0036-0001 - Draft Gulf of Mexico Wind Energy Areas
BOEM-2021-0092-0019 - Draft Environmental Assessment

Dear Ms. Lefton and Ms. Matthews:

The National Ocean Industries Association (“NOIA”) and the Offshore Operators Committee (“OOC”) appreciate the opportunity to provide comments on the draft Wind Energy Areas (“WEA”) and draft Environmental Assessment for offshore wind leasing in the Gulf of Mexico.

A 50-year-old organization, NOIA represents all segments of the offshore energy industry, including offshore wind, offshore oil and gas, and offshore carbon sequestration. Further, our members include not just energy developers, but also the businesses large and small that do the work of building, supplying, and maintaining these projects. In other words, we represent thousands of blue-collar and white-collar employees stretching from New England to the Gulf Coast and across the nation. In fact, NOIA members have been critical in building out not only the pioneering turbines off the coasts of Northern Europe, but also the limited yet growing number of turbines in U.S. waters.

OOC is an offshore energy trade association that serves as a technical advocate for companies operating on the US Outer Continental Shelf (“OCS”). Founded in 1948, the OOC has evolved into the principal technical representative regarding regulation of offshore energy operations.

NOIA and OOC support ongoing attempts to build new offshore wind resources in federal waters. That support extends to efforts to pursue offshore wind leasing and development on the OCS in the Gulf of Mexico. Offshore wind projects are vital to the economic growth of this country and efforts to meet climate goals for the 21st century and beyond. According to a recent report co-sponsored by NOIA, we have an over \$120 billion¹ market off America’s coasts for wind, including in the Gulf of Mexico.

¹ See American Clean Power Association, et al., *Federal Revenue and Economic Impacts from BOEM Offshore Wind Leasing* (December 2021), <https://cleanpower.org/resources/federal-revenue-and-economic-impacts-from-boem-offshore-wind-leasing/>.



This is a vital time for the United States’ energy and climate future. President Biden came into office with a promise to reduce the carbon-intensity of the American economy and meet our country’s goals to avert the worst impacts of climate change. As part of this effort, in the President’s first days in office he signed an Executive Order in which he declared a goal of “doubling offshore wind by 2030.”² Secretary of the Interior Haaland has been equally vocal, stating, “[T]he 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....”³ The goals set by President Biden and Secretary Haaland require auctioning in all proposed lease areas, including in the Gulf of Mexico. There is clear support for offshore wind and an economic opportunity ready to be seized—an opportunity the Gulf is uniquely positioned to capture given its recognized engineering ability and current supply-chain capacity.

FLEXIBILITY AND COMPATIBILITY REMAIN KEY PRINCIPLES FOR PROMOTING OFFSHORE WIND THROUGH GULF OF MEXICO LEASING

In leasing and permitting offshore wind in the Gulf of Mexico, BOEM should adhere to certain principles. First, BOEM should preserve an all-of-the-above approach to meet America’s vast energy needs. The Gulf of Mexico has proven to be a region where various ocean industries and uses effectively coexist. This region supports offshore oil and gas development, military training, recreational and commercial fishing, and tourism. These sectors work compatibly together and have helped each other to thrive economically in the region. BOEM’s pursuit of offshore wind in the Gulf of Mexico should operate in partnership with oil and gas and with other OCS users in the region such as the emerging carbon capture and storage (“CCS”) sector. BOEM has identified potential conflicts for the Galveston Preliminary WEA and the Lake Charles Wind Energy Area. However, based upon the history and experience of BOEM and the various industries and stakeholders in the Gulf of Mexico, we would expect both the Galveston Preliminary WEA and the Lake Charles WEA to move forward and enable the continued compatibility among ocean industries and users.

The Gulf of Mexico stands out as a global energy center. For several decades, the Gulf of Mexico has served as a premier oil and gas producing region. The Gulf of Mexico is also poised to become a leader in offshore geologic sequestration of carbon dioxide. BOEM and BSEE are currently in the process of developing regulations related to the sequestration of carbon dioxide in the subsea of the federal OCS. The region also holds great promise for the future production of hydrogen onshore and offshore. We encourage BOEM to consider opportunities for the integration of hydrogen infrastructure in the renewable energy leasing process and regulation

² <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

³ <https://www.doi.gov/pressreleases/secretary-haaland-highlights-tremendous-offshore-wind-opportunities-virginia-governor>



development. Finally, with the announcement of the Gulf of Mexico WEAs and corresponding lease sales on the horizon, offshore wind in the region presents an attractive near-term opportunity for projects that can take full advantages of the robust energy workforce and infrastructure already in place to help establish this sector in the region.

Second, BOEM's proposed lease terms must be structured to attract robust bidding in a manner that best ensures successful wind development in leased areas. These terms should facilitate critical activities of service operators, supply chain manufacturers, and other offshore wind job creators, in coordination with state and local programs.

Third, as reflected in the questions raised in BOEM's Call for Information for the Gulf of Mexico, the success of offshore wind in the Gulf of Mexico depends on sufficient federal and state support to render the economics of offshore wind competitive with other energy sources, which will provide flexibility to enable new renewable energy markets and offtakes. Further, the success of the offshore wind industry in the Gulf of Mexico will be fostered by early and sustained partnerships with all offshore energy developers, the federal government, and the states. The region has strong expertise in offshore energy production and is uniquely suited to transfer that expertise to the offshore wind industry.

Finally, to the greatest extent possible, BOEM should move forward with the Galveston WEA and the Lake Charles WEA without further reductions in acreage to create the best path forward for several commercially viable projects. BOEM has effectively balanced various factors in the selection of both WEAs. Maintaining the full expanse of acreage will allow wind developers to move forward with site assessment plans and eventual construction and operations plans that are fit for purpose, cost-effective, and best suited for efficient wind energy production.

BOEM should keep in mind that an additional WEA offshore Port Fourchon, Louisiana could provide opportunities to test and explore integrated energy options with anticipation to bring and scale new offshore wind technologies. Port Fourchon currently services over 95% of the Gulf of Mexico's deepwater energy production and helps furnish about 16% of its entire U.S. oil supply⁴. Port Fourchon already hosts many of the companies that are critical to the build out of offshore oil and gas and offshore wind and could be able to leverage their substantial expertise in supporting wind offshore Louisiana.

Furthermore, the State of Louisiana has established a goal of generating 5 gigawatts of offshore wind power by 2035, which could power millions of homes. Additional acreage offshore Port Fourchon can help the state achieve its goal and help accelerate the regional offshore wind supply chain⁵.

⁴ <https://portfourchon.com/seaport/port-facts/>

⁵ <https://lailluminator.com/2022/07/25/offshore-wind-farm-proposed-for-gulf-of-mexico-near-galveston-could-power-2-3-million-homes/#:~:text=Louisiana's%20most%20recent%20climate%20plan,power%20millions%20of%20homes%20there.>



GULF OF MEXICO ENERGY DEVELOPMENT SHOULD REMAIN BROAD-BASED.

The Gulf of Mexico is firmly established as a global energy hub. Companies, universities, and labs throughout the Gulf Coast are leaders in research, development, and demonstration projects that focus on the next generation of energy technologies. The Gulf of Mexico is firmly established as a premier global oil and gas region, and the region is well-poised to support investment and deployment in offshore wind, carbon capture and storage, and hydrogen production.

In particular, green hydrogen is produced through renewable energy production. Offshore wind is an attractive avenue for green hydrogen production, as it allows for hydrogen to be produced offshore and sent back to shore – thus, potentially alleviating congested power grids. In the offshore concept, hydrogen earns the "green" label as it is created out of desalinated seawater with electrolyzers that run on renewable wind energy. Europe has already begun to use offshore wind technology as a way of producing green hydrogen, and it's using strategy development, policy, and demonstration projects to advance green hydrogen⁶.

Hydrogen is among the domestic energy sources supported in the *Inflation Reduction Act*, with a Production Tax Credit (PTC) for facilities that begin construction or qualified fuel sold after December 31, 2022 through 2033. In addition, and among other hydrogen provisions, the *Inflation Reduction Act* provides \$3 billion for the Department of Energy Loan Program Office to support eligible projects under section 1703 of the loan guarantee program. Eligible projects include renewables, fossil fuels, hydrogen, and carbon capture⁷. For energy development on the federal outer continental shelf, the envisioned future will include technologies and industries that support each other and work together compatibly.

To that end, BOEM's leasing programs should ensure the continued compatibility among the ocean users. For instance, Section 19 of BOEM's standard OCS oil and gas lease form provides that BOEM may later grant wind leases for OCS areas already leased for oil and gas "except that operations under such [wind] leases or grants shall not unreasonably interfere with or endanger [oil and gas] operations under this lease[.]" Similarly, the issuance of an offshore wind lease does not necessarily preclude oil and gas activities in the same area. As reflected in Section 3 of BOEM's standard OCS renewable energy lease form, BOEM reserves the "right to authorize other uses within the leased area and project easement(s) that will not unreasonably interfere with activities described in an approved SAP and/or COP, pursuant to this lease." Such multiple uses may be particularly appropriate to accommodate a subsea oil and gas pipeline right of way, or to authorize reuse of an idle oil and gas platform for alternative energy uses via a right of use

⁶ <https://www.bakerdonelson.com/going-green-can-a-hydrogen-economy-and-offshore-ccs-present-new-opportunities-for-the-gulf-of-mexico>

⁷ https://mcusercontent.com/c3f5733205a819b59caa42da4/files/07d39254-5c30-ed86-dedd-9a668990cbd4/Climate_and_Energy_in_the_Inflation_Reduction_Act_2022_2_.pdf



and easement. Transparency on key cable crossing issues at the wind leasing stage will minimize interference issues and provide greater certainty to oil and gas and wind developers alike.

Another possible opportunity for co-existence is utilizing offshore wind energy to supply offshore oil and gas platforms with power in lieu of on-lease use of generated oil and gas, akin to the Hywind Tampen project in Norway. Overall, BOEM should liberally consider maximum use of the Gulf of Mexico OCS on a lease-by-lease basis to achieve OCSLA's energy generation purposes critical to the prosperity of the nation.

GULF OF MEXICO OCS WIND LEASES SHOULD MAXIMIZE FLEXIBILITY AND MINIMIZE BURDENS ON LESSEES AND CONTRACTORS.

There remain Gulf of Mexico region-specific challenges that require attention to foster rapid development of offshore wind relative to other energy sources onshore and offshore. As an initial matter, leases should be appropriately sized to attract necessary investment. In our recently co-sponsored report⁸, we assumed that each lease might cover at least approximately 82,000 acres and enable at least a 1,200 MW envelope of installed wind capacity, based upon recent lease block trends. As economies of scale are particularly important when establishing a new regional market, we at the very least would recommend against minimizing lease sizes. BOEM would not be remiss to consider larger sets of acreage that allow for generation upwards of 2 GW or offer additional lease areas. This would allow for flexibility when addressing concerns associated with abandoned shelf oil and gas structures, minimize liabilities with developing around existing infrastructure, as well as keep in mind significant vessel activities in the region. Fragmentation of offered lease areas could hamper interest. BOEM also should plan to hold subsequent OCS Gulf of Mexico lease sales, potentially on an area-wide basis, as currently done for oil and gas. Such future sales should sufficiently account for changes in technology, economics, and other relevant factors. Such potential future changes, however, should not delay BOEM's first and subsequent pace of Gulf of Mexico wind lease sales.

We understand Interior is seeking ways to potentially lease it in a way that is equitable. We applaud these efforts and recognize that the Department is particularly interested in building up the domestic supply chain and helping bring jobs to long-disenfranchised communities. The majority of NOIA's members are in the service and supply industries—rather than large operators and developers—and we know that many of them are doing their due diligence to find ways to invest in communities in the Gulf of Mexico. Thus, future Gulf of Mexico lease sales have the potential to trigger the creation of significant jobs across the supply chain and benefit local communities as well.

⁸ American Clean Power Association, et al., *Federal Revenue and Economic Impacts from BOEM Offshore Wind Leasing* (December 2021), <https://cleanpower.org/resources/federal-revenue-and-economic-impacts-from-boem-offshore-wind-leasing/>.



Looking forward, we would caution, however, that it may not be appropriate to put conditions on leases requiring certain types of local investment. Such requirements at the pre-leasing stage could create undue burdens on stakeholders, making it potentially more difficult to coordinate and plan as companies examine ways to deploy capital and target investments, and would limit planning resources from companies that may not secure a bid anyway. This is particularly important knowing that the Biden Administration is already looking at ways to spur domestic manufacturing.⁹ The *Inflation Reduction Act* also includes provisions that reflects the priority of spurring domestic offshore wind production, including the extension of Production Tax Credits for offshore wind and new tax credits for offshore wind vessels¹⁰.

Further, our members are navigating the potential of state and local requirement rules already. Developers and their partners in the service and supply side are making decisions on how best to invest ahead of what will prove to be a trans-regional opportunity. Some equipment will be made at existing facilities along the Gulf Coast that have historically served the oil and gas industry with a diverse workforce. As business decisions are being made, flexibility, *scale*, and *certainty* of a project pipeline are the best ways to attract investment. Letting our members know that leases are coming, and that a reasonable pipeline for reviewing and (possibly) approving Construction and Operations Permits will follow, will provide the certainty to attract capital and invest in facilities.

We would also continue to caution about the outlook for prescriptive requirements on spacing for transit of vessels. We know that there are reasonable approaches to allowing the transit of fishing, shipping, or recreational vessels through turbine areas. To the extent the Department is examining designated spacing or separation within lease areas or between individual leases, the distancing should be as consistent as possible and use existing terminology and standards to avoid undue confusion. The Department should focus on coordinating with the U.S. Coast Guard to ensure that these fairways have workable guidelines for vessel transit and have clear and consistent aids to navigation. However, we continue to believe that corridors between leases and lanes within lease areas are not—and should not be mandated as—a one-size-fits-all-regions matter.

OFFSHORE WIND HAS WIDE SUPPORT, BUT REQUIRES CONTINUED FOCUS, COLLABORATION, AND ACTION TO ENSURE VIABILITY AND COMPETITIVENESS IN THE GULF OF MEXICO.

As in other regions, federal and state support are important to the success of offshore wind in the Gulf of Mexico. Progress has continued at the federal level with the enactment of the Inflation Reduction Act, which includes the extension of the Production Tax Credit and the Investment

⁹ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/29/fact-sheet-biden-administration-jumpstarts-offshore-wind-energy-projects-to-create-jobs/>

¹⁰ <https://www.noia.org/wp-content/uploads/2022/08/2022-08-03-Manchin-Schumer-Bill-Summary-for-NOIA-Webinar-2.pdf>



Tax Credit, as well as additional funding the BOEM. There also have been encouraging steps in the federal-state partnership, including BOEM’s formation of the Gulf of Mexico Renewable Energy Task Force and its first meeting on June 15, 2021, attended by officials of multiple states including Louisiana.

As we have seen along the Atlantic Coast, state action plays an instrumental role in supporting the build-out of offshore wind. Similar action has begun in the Gulf Coast. On February 1, 2022, the Louisiana Climate Initiatives Task Force provided a Climate Action Plan to the Governor. This plan recommends ambitious state level planning for offshore wind and proposes the formalization of an offshore wind goal of 5 GW by 2035. This is a major step by a Gulf Coast state and continued action will be imperative. At this point in time, the Gulf states may lack the same renewable energy mandates, incentives, and agreements as exist in Atlantic and Pacific coastal states, but this should not prove to be an insurmountable impediment to development. On June 23, 2022, the Administration announced a new federal-state offshore wind implementation partnership that includes eleven states along the East Coast as a means of accelerating the offshore wind opportunity. BOEM and the Administration should ensure this partnership quickly expands to include Gulf Coast states so that obstacles to investment and deployment of offshore wind projects can be quickly identified and overcome. With a strong supply chain and workforce already in place, the work of the partnership in support of the Gulf of Mexico could help fulfill a key state objective: to “provide a forum for new initiatives and in coordination with existing efforts to address ocean co-use, transmission needs and other offshore wind priorities that may benefit from additional federal, state, and regional coordination. to work closely with state leaders—as well as follow developments at the federal level—to gauge support for the industry going forward.”

TECHNICAL COMMENTS

We understand and appreciate that BOEM will be making the “Gulf of Mexico Wind Energy Area Modeling Report” publicly available. This is an important document for wind developers and other stakeholders to review, because the decision memorandum dated July 20, 2022 significantly relies upon this report. We also respectfully request BOEM to make this report available as promptly as possible. We also request BOEM make available the underlying data sets used in the modeling report and that BOEM makes the data downloadable to the greatest extent possible. The underlying data will be highly important to wind developers as the leasing process progresses.

We are generally supportive of the collaborative process between Gulf of Mexico Regional Office of BOEM (GOMR) and the NOAA National Centers for Coastal Ocean Science (NCCOS) and the associated suitability study approach. This approach appears to effectively integrate the interests of wind developers and gives due consideration to potential logistical constraints. Such suitability analyses should ensure sufficient consideration of commercial constraints and costs, so that it results in the most realistic outcomes possible. We support the



engagement BOEM and NOAA undertook with fisheries and other stakeholders as part of the modeling process to determine and promote compatibility of offshore wind with other user groups.

BOEM should also consider providing guidance on how rights-of-way or setbacks may be considered or addressed for Wind Energy Areas in the Gulf of Mexico that may be adjacent to other energy users such as oil and gas or carbon sequestration activities.

DRAFT ENVIRONMENTAL ASSESSMENT

The draft environmental assessment (EA) meets the expectations and requirements of the National Environmental Policy Act. The draft EA is robust and thorough, and considers the affected environment, the full range of relative, potential environmental consequences, consistent with statute and regulations. However, we are concerned that the draft EA is conservative and inflates the expected impacts as it relates to determinations of potential “major” impacts. For example, the draft EA includes assesses the impacts from collision risk with marine mammals as “moderate to major” without protective measures. Based upon the literature and data, the likelihood of a collision with a marine mammal is very low even without protective measures¹¹. We would encourage BOEM to review findings of “major” impacts and ensure the data and science fully support such findings. It is important that impact findings are not overstated. BOEM should also clearly explain the rationale for such findings. In any event, the draft EA provides a thorough analysis and includes reasonable assumptions, scenarios, and alternatives.

CONCLUSION

In sum, offshore wind leasing in the Gulf of Mexico offers enormous economic and environmental benefits and is necessary to meet renewable energy goals. We encourage the Department to quickly move forward with wind leasing in the region, while retaining the important role of other energy sources, affording sufficient incentives, and avoiding unnecessary restrictions on offshore wind development.

Very respectfully,

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

Erik Milito
President
National Ocean Industries Association

¹¹ <https://energeoalliance.org/advocacy/energeo-positions/mitigation-measures/>



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Evan Zimmerman
Executive Director
Offshore Operators Committee

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