



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

1/3/21

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**Comments on the Atlantic Wind Lease Sale 9 (ATLW-9) for Commercial Leasing for Wind Power on the Outer Continental Shelf in the Carolina Long Bay Area—Proposed Sale Notice**

**Docket No. BOEM-2021-0078**

On behalf of the BlueGreen Alliance, our partners, and the millions of members and supporters they represent, we thank you for the opportunity to submit these comments to inform the Bureau of Ocean Energy Management's (BOEM) proposal to offer for sale a commercial wind energy lease in the Carolina Long Bay area offshore North Carolina (Lease Area).

We applaud the Biden Administration's goal of deploying 30 Gigawatts of offshore wind by 2030 while prioritizing environmental and economic benefits for the United States. We request that BOEM implement a leasing process that advances these policy priorities.

The BlueGreen Alliance unites labor unions and environmental organizations to solve today's environmental challenges in a way that creates and maintains quality jobs and builds a clean, thriving, and equitable economy. Offshore wind energy presents a unique and integral opportunity to accomplish this mission, if developed in alignment with the Biden Administration's commitments described by the White House in its offshore wind Fact Sheet<sup>1</sup> early last year:

“The President recognizes that a thriving offshore wind industry will drive new jobs and economic opportunity up and down the Atlantic Coast, in the Gulf of Mexico, and in Pacific waters. The industry will also spawn new supply chains that stretch into America's heartland...

“...the Administration is taking coordinated steps to support rapid offshore wind deployment and job creation:

1. Advance ambitious wind energy projects to create good-paying, union jobs
2. Investing in American infrastructure to strengthen the domestic supply chain and deploy offshore wind energy
3. Supporting critical research and data-sharing.”

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<sup>1</sup> White House, FACT SHEET: Biden Administration Jumpstarts Offshore Wind Energy Projects to Create Jobs, <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/29/fact-sheet-biden-administration-jumpstarts-offshore-wind-energy-projects-to-create-jobs/>

Further, the January 27, 2021, Executive Order 14008 “Tackling the Climate Crisis at Home and Abroad” includes the goal of doubling offshore wind by 2030 while creating good jobs and ensuring robust protection for our lands, waters, and biodiversity.

This approach to offshore wind deployment echoes and affirms with greater detail the regulations laid out in other policies guiding energy development on domestic soil and off our shores, namely, the Outer Continental Shelf Lands Act (“OCSLA”) and the National Environmental Policy Act (“NEPA”).

In the OCSLA, Congress declared that it is the authority of the Secretary to “grant a lease, easement, or right-of-way on the [OCS]”<sup>2</sup> for activities that “produce or support production, transportation, or transmission of energy from sources other than oil and gas”<sup>3</sup> in a manner that provides for:

- “(A) Safety;
- (B) Protection of the environment;
- (C) Prevention of waste;
- (D) Conservation of the natural resources of the Outer Continental Shelf;
- (E) Coordination with relevant Federal agencies;
- (F) Protection of national security interests of the United States;
- (G) Protection of correlative rights in the Outer Continental Shelf;
- (H) A fair return to the United States for any lease, easement, or right of way under this subsection;
- (I) Prevention of interference with reasonable uses (as determined by the Secretary) of the exclusive economic zone, the high seas, and the territorial seas;
- (J) Consideration of—
  - a. The location of, and any schedule relating to, a lease, easement, or right-of-way for an area of the Outer Continental Shelf; and
  - b. Any other use of the sea or seabed, including use for a fishery, a sea lane, a potential site of a deep-water port, or navigation;
- (K) Public notice and comment on any proposal submitted for a lease, easement, or right-of-way under this subsection; and
- (L) Oversight, inspection, research monitoring, and enforcement relating to a lease, easement, or right-of-way under this subsection.”<sup>4</sup>

While the OCSLA defines the authority of the Secretary to grant leases on the OCS, federal agencies are required under NEPA to assess the environmental effects of their proposed actions prior to making decisions. In NEPA, Congress declared “that it is the continuing policy of the Federal Government...to create and maintain conditions under which man and nature can exist in productive harmony, and fulfill the social, economic, and other requirements of present and future generations of Americans.”<sup>5</sup>

In undertaking this lease sale BOEM should ensure beneficial impacts outlined in the OCSLA, NEPA, and Executive Order 14008 are fulfilled by taking efforts to increase job opportunities by creating a high-road offshore wind industry that:

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<sup>2</sup> 43 U.S.C. § 1331(a). Subsection 8(p)

<sup>3</sup> 43 U.S.C. § 1337(p)(1)(C)

<sup>4</sup> 43 U.S.C. § 1337(p)(4)

<sup>5</sup> 42 USC 4331(a).

- Maximizes the creation of quality, family-sustaining, union jobs;
- Expands domestic manufacturing along a robust domestic supply chain;
- Delivers community benefits with attention to improving access to displaced energy workers as well as low-income and Black, Brown, Indigenous, and People of Color (“BIPOC”); and
- Protects marine ecosystems by avoiding, minimizing, mitigating and monitoring environmental impacts.

To achieve all of this, for offshore wind development in Carolina Long Bay, BOEM should utilize its authority to impose lease stipulations that require the use of domestic content and high-road labor standards in jobs associated with the construction as well as operations and maintenance of offshore wind developments.

### **BOEM should include lease stipulations requiring use of domestic content in offshore wind projects in the Carolina Long Bay Area.**

In its PSN for the Carolina Long Bay Area, BOEM asked for comments on “the appropriate mechanisms, evaluation metrics, recipient program examples, and relative value of bidding credits for workforce training and supply chain development”<sup>6</sup> BOEM should use lease stipulations to require use of domestic content in agreements with any firm for development of offshore wind in the Carolina Long Bay Area.

A lease stipulation that requires use of domestic content can help BOEM achieve several goals the Secretary must consider under the Outer Continental Shelf Lands Act (OCSLA) in establishing renewable energy lease areas in federal waters, specifically: coordination with relevant federal agencies, protection of national security interests of the United States, ensuring a fair return to the United States for any lease, and protection of the environment.

#### *Coordination with relevant Federal agencies*

In its Executive Order Executive Order on Tackling the Climate Crisis at Home and Abroad, the Biden Administration called for a whole-of-government approach to the climate crisis that will “create well-paying union jobs to build a modern and sustainable infrastructure.”<sup>7</sup> The Executive Order further emphasized that “[t]his Nation needs millions of construction, manufacturing, engineering, and skilled-trades workers to build a new American infrastructure and clean energy economy.” Earlier this year, the White House announced in its recent offshore wind Fact Sheet that it would take coordinated steps to support rapid offshore wind deployment in a way that would invest, “in American infrastructure to strengthen the domestic supply chain.”<sup>8</sup>

All of these statements make clear that it is the policy of the United States to ensure that all agencies should take all possible actions to develop clean energy technologies and combat climate change while also strengthening domestic supply chains. Given the whole-of-government approach, the inclusion of

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<sup>6</sup> BOEM, *Atlantic Wind Lease Sale 9 (ATLW-9) for Commercial Leasing for Wind Power on the Outer Continental Shelf in the Carolina Long Bay Area —Proposed Sale Notice*, 2021. Available online: <https://www.govinfo.gov/content/pkg/FR-2021-11-01/pdf/2021-23801.pdf>

<sup>7</sup> White House, Executive Order on Tackling the Climate Crisis at Home and Abroad, Available online: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/01/27/executive-order-on-tackling-the-climate-crisis-at-home-and-abroad/>

<sup>8</sup> *Ibid.*

a domestic content preference as a lease stipulation supports the goal of increased coordination with relevant agencies as directed by OCSLA.

Without strong action to support use of domestic content in offshore wind developments, the U.S. may miss out on the exact kind of manufacturing jobs and supply chain growth the administration is actively pursuing. In 2013, “no domestic manufacturing facilities [were] currently serving the offshore wind market.”<sup>9</sup> And the major parts and components of America’s first offshore wind farm at Block Island—with the exception of the foundation—were manufactured outside the United States.<sup>10</sup>

### *Fair Return to the United States*

Under OCSLA, BOEM must consider how any lease will result in a fair return for the United States. Requiring use of domestic content can help secure fair return to the United States for any lease associated with offshore wind development in the Carolina Long Bay Area by maximizing the positive economic impacts of offshore wind development.

A failure to develop a domestic supply chain for offshore wind components would mean fewer jobs and less investment, and thus a lesser return to the U.S. for offshore wind leases. According to one report, the offshore wind industry can support between 45,000 to 83,000 jobs by 2030, representing between \$28 – \$57 billion of investment in the U.S. economy, “depending on installation levels and supply chain growth.”<sup>11</sup> Supporting a domestic offshore wind supply chain can create growth in a number of sectors across the U.S. economy and bring the economic benefits of offshore wind development further inland from the coasts by supporting domestic manufacturers across the country. Across renewables, even this modest increase in manufacturing produces an additional 45,000 good manufacturing jobs per year and an additional \$5 billion in wages through the 2020s, as the U.S. continues greening its electricity grid.<sup>12</sup>

These increased benefits are also not likely to come at additional cost. Domestic content requirements are unlikely to influence wind power capital costs.<sup>13</sup> In the rare occurrence that domestic content requirements would increase project costs or that unavailability of any component would slow development, waivers can be issued. Consistent with application of Buy America policy in other sectors, waivers are also issued for domestic content requirements if domestically manufactured materials or manufactured goods are not available in the United States or would result in unreasonable price increases for the project.

### *National Security*

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<sup>9</sup> Michael Hahn et al., *U.S. Offshore Wind Manufacturing and Supply Chain Development*, Navigant Consulting 2013. Available online:

[https://www1.eere.energy.gov/wind/pdfs/us\\_offshore\\_wind\\_supply\\_chain\\_and\\_manufacturing\\_development.pdf](https://www1.eere.energy.gov/wind/pdfs/us_offshore_wind_supply_chain_and_manufacturing_development.pdf)

<sup>10</sup> General Electric, *My Turbine Lies Over The Ocean: It Takes Herculean Labor To Build America’s First Offshore Wind Farm*, July 6, 2016. Available Online: <https://www.ge.com/news/reports/my-turbine-lies-over-the-ocean-it-takes-herculean-labor-to-build-americas-first-offshore-wind-farm>

<sup>11</sup> American Wind Energy Association, *U.S. Offshore Wind Power Economic Impact Assessment*, March 2020. Available online: [https://supportoffshorewind.org/wp-content/uploads/sites/6/2020/03/AWEA\\_Offshore-Wind-Economic-ImpactsV3.pdf](https://supportoffshorewind.org/wp-content/uploads/sites/6/2020/03/AWEA_Offshore-Wind-Economic-ImpactsV3.pdf)

<sup>12</sup> Erin N. Mayfield and Jesse D. Jenkins, *Working Paper: Influence of High Road Labor Policies and Practices on Renewable Energy Costs, Decarbonization Pathways, and Labor Outcomes*, April 13, 2021. Available online: [https://www.dropbox.com/sh/ad9pzifo9w1a49u/AAC2milGD44MlwXo1Sk7EAgsa?dl=0&preview=Working\\_Paper-High\\_Road\\_Labor\\_and\\_Renewable\\_Energy-PUBLIC\\_RELEASE-4-13-21.pdf](https://www.dropbox.com/sh/ad9pzifo9w1a49u/AAC2milGD44MlwXo1Sk7EAgsa?dl=0&preview=Working_Paper-High_Road_Labor_and_Renewable_Energy-PUBLIC_RELEASE-4-13-21.pdf)

<sup>13</sup> Ibid.

Under OCSLA, BOEM must consider the protection of national security interests of the United States when establishing renewable energy lease areas in federal waters. Securing a domestic supply chain for offshore wind contributes to national security.

In its Executive Order on Supply Chains, the White House stated that “[t]he United States needs resilient, diverse, and secure supply chains to ensure our economic prosperity and national security.”<sup>14</sup> The Administration specifically cited supply chain risks that “reduce critical manufacturing capacity and the availability and integrity of critical goods, products, and services.”<sup>15</sup> As part of this effort to protect economic prosperity and national security, the administration directed the Secretary of Energy to “submit a report on supply chains for the energy sector industrial base.”<sup>16</sup> Further, in its Executive order on climate change, the Administration directed agencies to “seek to increase the Federal Government’s resilience against supply chain disruptions... [because] such disruptions put the Nation’s manufacturing sector at risk, as well as consumer access to critical goods and services.”

According to analysis from Brookings, having onshore suppliers is a “key tenant” of supply chain resilience.<sup>17</sup> This will be particularly important in sectors, like offshore wind, which are reliant on foreign suppliers. Currently no domestic supply chain for offshore wind components exists, meaning that significant portions of the investment to build offshore wind projects could flow out of the economy to purchase technology manufactured abroad, rather than supporting the growth of manufacturing and jobs domestically. Imported parts and materials may also raise costs, delay installation, and complicate ongoing maintenance and repair.

As one example, the Block Island project, largely missed the mark when it came to the materials that went into the project. With the exception of the foundation, its major parts and components were manufactured outside the United States. The nacelles for the project came from France, the towers from Spain, and the blades from Denmark.<sup>18</sup>

High-volume domestic manufacturing, which brings down the cost, won’t happen until manufacturers see consistent demand. Strong, long-term policy that drives rapid deployment and provides investment certainty in offshore wind is necessary, coupled with policies to require utilization of domestically-manufactured materials, to incentivize investment in establishing and expanding U.S. manufacturing facilities, and in related infrastructure like transmission. U.S. manufacturers will be able to retool and make offshore-specific products that compete with overseas manufacturers with appropriate investments and if they see long-term demand for these products. This is a huge opportunity that can be captured with the help of the right policies.

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<sup>14</sup> White House, *Executive Order on America’s Supply Chains*. Available online: <https://www.whitehouse.gov/briefing-room/presidential-actions/2021/02/24/executive-order-on-americas-supply-chains/>

<sup>15</sup> Ibid.

<sup>16</sup> Ibid.

<sup>17</sup> Eleftherios Iakovou and Chelsea C. White III, *How to build more secure, resilient, next-gen U.S. supply chains*, Brookings Tech Stream, 2020. Available Online: <https://www.brookings.edu/techstream/how-to-build-more-secure-resilient-next-gen-u-s-supply-chains/>

<sup>18</sup> Erin N. Mayfield and Jesse D. Jenkins, *Working Paper: Influence of High Road Labor Policies and Practices on Renewable Energy Costs, Decarbonization Pathways, and Labor Outcomes*, April 13, 2021. Available online: [https://www.dropbox.com/sh/ad9pzifo9w1a49u/AAC2milGD44MlwXo1Sk7EAgSa?dl=0&preview=Working\\_Paper-High\\_Road\\_Labor\\_and\\_Renewable\\_Energy-PUBLIC\\_RELEASE-4-13-21.pdf](https://www.dropbox.com/sh/ad9pzifo9w1a49u/AAC2milGD44MlwXo1Sk7EAgSa?dl=0&preview=Working_Paper-High_Road_Labor_and_Renewable_Energy-PUBLIC_RELEASE-4-13-21.pdf)<https://www.ge.com/news/reports/my-turbine-lies-over-the-ocean-it-takes-herculean-labor-to-build-americas-first-offshore-wind-farm>

Domestic content requirements on offshore wind components can play a part in ensuring a resilient domestic supply chains for our energy sector industrial base.

### *Protection of the environment*

Deploying 30GW of offshore wind will require procuring substantial amounts of energy-intensive products like steel and cement. Requiring use of domestic content can help reduce the overall impact on the environment from offshore wind projects because U.S. energy intensive manufacturers are relatively clean compared to competitors. As one example, “[s]teel exporters to the US emit 50-100+% more CO2 emissions per ton than US producers on average.”<sup>19</sup>

Use of domestic content can also reduce shipping distance, and thus emissions resulting from long-distance maritime transportation. The International Maritime Organization (IMO) estimates that maritime shipping generated 1 billion tons of greenhouse gasses per year from 2007-2012. Another study estimates that maritime shipping emissions are forecasted to rise between 35% and 210% by 2050.<sup>20</sup>

### **BOEM should include lease stipulations ensuring high-road labor standards for jobs created in offshore wind construction as well as operations and maintenance.**

In a previous PSN for ATLW-8, BOEM requested comments on an “addition of a lease stipulation which would require the lessee to make every reasonable effort to enter into a project labor agreement (PLA) covering the construction stage of any project proposed for the leased area.” The BlueGreen Alliance supports the strongest possible lease stipulations to require any firm that secures the Long Bay Carolina Lease to enter into a PLA.

That previous PSN also aptly noted that “PLAs may support the achievement of OCS factors—including expeditious and orderly development, safe operations conducted by well trained personnel, and a fair return through potentially more years of receipt of operating fees—by assuring labor stability.”<sup>21</sup>

PLAs benefit union and nonunion workers because they ensure that wages and benefits are defined and protected at local standards. PLAs can also help achieve a fair return to the U.S. from offshore wind development because they often reduce project cost for developers, save public funds in the long run, and result in increased economic benefits for the local economy.<sup>22</sup> PLAs use a skilled labor workforce and often avoid labor disputes which allows for a project to move forward with greater efficiency.<sup>23</sup> PLAs see fewer cost overruns thanks, at least in large part, to the stabilizing effects of PLAs.<sup>24</sup>

Further, PLAs often lead to safer working conditions as a result of a more skilled workforce. Data

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<sup>19</sup> CUR Consulting, *Leveraging a Carbon Advantage: Impacts of a Border Carbon Adjustment and Carbon Fee on the US Steel Industry*, 2021. Available online: <https://clcouncil.org/reports/leveraging-a-carbon-advantage.pdf?v1>

<sup>20</sup> “Calculating Maritime Shipping Emissions Per Traded Commodity,” Stockholm Environment Institute (April 2019).

<sup>21</sup> BOEM, *Atlantic Wind Lease Sale 8 (ATLW-8) for Commercial Leasing for Wind Power on the Outer Continental Shelf in the New York Bight—Proposed Sale Notice*, 2021. Available online: <https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/86-FR-31524.pdf>

<sup>22</sup> Frank Manzo et al., *Efficiencies of Project Labor Agreements*, 2015. Available online: <https://illinoisepi.org/site/wp-content/themes/hollow/docs/wages-labor-standards/Illinois-PLAs-in-CDB-Projects-FINAL.pdf>

<sup>23</sup> Ibid.

<sup>24</sup> Ibid.

suggests that the construction industry is volatile, resulting in a constant loss of human capital. Additionally, accidents, including death, are more common in states with low-road contractors.<sup>25</sup> PLAs and high-road labor standards can mitigate construction industry volatility and increase site safety. Reports indicate that PLAs decrease the significant gap between expected and realized energy savings in various energy efficiency measures.<sup>26</sup>

PLAs also provide opportunities and benefits for communities as they offer hiring opportunities to historically marginalized communities, including racial minorities, women, and veterans.<sup>27</sup> Targeted hire agreements can also help achieve this goal. Targeted Hire provisions mandate or incentivize the hiring of workers on a project from certain communities, which may include women, people of color, veterans, the formerly incarcerated, indigenous people, economically disadvantaged communities, communities heavily impacted by climate change or climate change policies, and many others. These communities may be targeted through contracting requirements, hiring requirements, or the use or establishment of pre-apprenticeship programs. Ideally, these provisions establish long-lasting pipelines for members of disadvantaged communities to access good jobs and careers in the clean economy.

What's more, the Bureau of Labor Statistics reported in 2020 that nonunion workers had a median weekly earnings that were 84 percent of earnings for workers who were union members. And, among major race and ethnicity groups, Black workers continued to have a higher union membership in 2020 (12.3 percent) than White workers (10.7 percent). Hispanic union members represent the next largest group (9.8 percent) and over the year grew +0.9 percentage points, with the highest growth being among Black workers (+1.1 percentage points), and the lower growth being among White workers (+0.4 percentage point).<sup>28</sup>

In line with administration statements, BOEM should also ensure additional high-road labor standards for all construction as well as operations and maintenance jobs associated with offshore wind development in the Carolina Long Bay Area and nationwide.

In addition to PLAs, high-road labor standards include Labor Peace Agreements (LPA's) and organizing neutrality, Community Benefits Agreement (CBAs); utilization of registered apprentices and other labor-management training programs, protection against worker misclassification and wage theft, neutrality agreements, local hire, and prevailing wage. The goal of these standards is to ensure all jobs associated with any project offer quality benefits, ensure health and safety on the job, and pay family-sustaining wages. According to researchers at Princeton University, higher wages can lead to less worker turnover and increase worker productivity.<sup>29</sup> Given BOEM's support for PLAs, and the benefits they accrue by increasing labor stability, BOEM should also support lease stipulations that support additional high road labor standards that can also help ensure labor stability. What is more,

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<sup>25</sup> Donald Vial et al., *Workforce Issues and Energy Efficiency Programs: A Plan for California's Utilities*, 2014. Available online: <https://laborcenter.berkeley.edu/pdf/2014/WET-Plan-Appendices14.pdf>

<sup>26</sup> Ibid.

<sup>27</sup> Frank Manzo et al., *Efficiencies of Project Labor Agreements*, 2015. Available online: <https://illinoisepi.org/site/wp-content/themes/hollow/docs/wages-labor-standards/Illinois-PLAs-in-CDB-Projects-FINAL.pdf>

<sup>28</sup> "Union Members Summary." U.S. Bureau of Labor Statistics, U.S. Bureau of Labor Statistics, 22 Jan. 2021, <https://www.bls.gov/news.release/pdf/union2.pdf>.

<sup>29</sup> Erin N. Mayfield and Jesse D. Jenkins, *Working Paper: Influence of High Road Labor Policies and Practices on Renewable Energy Costs, Decarbonization Pathways, and Labor Outcomes*, April 13, 2021. Available online: [https://www.dropbox.com/sh/ad9pzifo9w1a49u/AAC2milGD44MlwXo1Sk7EAgsa?dl=0&preview=Working\\_Paper-High\\_Road\\_Labor\\_and\\_Renewable\\_Energy-PUBLIC\\_RELEASE-4-13-21.pdf](https://www.dropbox.com/sh/ad9pzifo9w1a49u/AAC2milGD44MlwXo1Sk7EAgsa?dl=0&preview=Working_Paper-High_Road_Labor_and_Renewable_Energy-PUBLIC_RELEASE-4-13-21.pdf)

“even large changes in labor costs have a relatively small influence on installed wind...project costs” and does not meaningfully affect that scale or pace of wind development.

BOEM should also actively encourage development of programs necessary for training and expanding the domestic workforce with an emphasis on ensuring opportunities for displaced energy workers, as well as fostering equitable access to career pathways in the industry. Particular attention should be paid to creating jobs in construction as well as operations and maintenance for residents of the impacted region and investing in programs that have affiliation agreements with trade unions, and employers.

When done right, offshore wind power will create thousands of high-quality, family-sustaining jobs in manufacturing, construction, operations and maintenance, and in the development of port facilities, transmission, and other associated infrastructure. We appreciate your effort to solicit stakeholder input into the leasing process.

Signed,

A handwritten signature in black ink, appearing to read 'Jason Walsh', written in a cursive style.

Jason Walsh  
Executive Director  
BlueGreen Alliance