BLUEGREEN ALLIANCE

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

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Re: Request for Information: Commercial Leasing for Wind Energy Development on the Gulf of Maine Outer Continental Shelf [Docket BOEM-2022-0040]

On behalf of the BlueGreen Alliance, our partners, and the millions of members and supporters they represent, we thank the U.S. Bureau of Ocean Energy Management (BOEM) for the opportunity to comment on the Request for Information regarding commercial leasing for wind energy development on the Gulf of Maine Outer Continental Shelf (OCS).

The BlueGreen Alliance (BGA) 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 once-in-a-generation opportunity to advance this mission if developed in an environmentally responsible manner, with high road labor standards and attention to environmental justice. We thank BOEM for its diligent efforts to advance offshore wind in the U.S. and attention to doing it right, in a way that lifts up the working class with family-sustaining union jobs, delivers benefits for communities that are hardest hit by climate change and economic inequality, and protects wildlife, critical habitat, and our nation's natural resources.

Offshore wind energy is critical to meet our nation's climate goals, particularly in New England where its technical energy resource potential is greater than all other clean energy resources combined.[1] Adding even a modest amount of offshore wind to the New England grid could drive down wholesale energy costs, especially during cold snaps and storms when ratepayers often see a sharp spike in energy prices.[2] The levelized cost of offshore wind energy has declined more than 50% since 2014 for fixed bottom technologies with similar declines for with floating offshore wind expected by 2030.[3] Maine has a leader in floating offshore wind, working to advance this technology for a decade with the University of Maine's Aqua Ventus demonstration project. These efforts were bolstered by Governor Janet Mills in 2019 in establishing the Maine Offshore Wind Initiative with the goal of creating a Maine Offshore Wind Roadmap to advance research and explore pathways towards commercial development.[4] The Initiative has completed several studies and facilitated interagency collaboration and stakeholder engagement creating a strong foundation for developing a floating offshore wind industry in Maine. This RFI represents a significant and necessary step towards fully securing that foundation and tapping into the world class wind energy resource offshore Maine in a way that uplifts communities, creates quality union jobs, equitably distributes community benefits, protects wildlife and marine habitat, and ensures coexistence with marine industries.

As BOEM works to advance the U.S. offshore wind industry, we urge the agency to ensure the maximum beneficial impacts are fulfilled by creating a high-road, responsibly developed offshore wind industry that:

- Maximizes the creation of quality, high-paying, union jobs over projects lifetime;
- Expands domestic manufacturing along robust domestic, regional, and local supply chains;
- Delivers community benefits with attention to improving access to disadvantaged communities;
- Protects fisheries, wildlife, and marine ecosystems by avoiding, minimizing, mitigating, and monitoring environmental impacts; utilizing data sharing and adaptive management strategies; and providing community benefits to impacted ocean users; and
- Is guided by robust and inclusive stakeholder engagement, including labor organizations, Tribal nations, historically underrepresented or disadvantaged communities, low-wealth communities, communities of color, and impacted ocean users.

The BlueGreen Alliance believes that these standards are consistent with state and federal statutes. The Biden Administration in particular has reinforced in various executive orders that it is the policy of the federal government to pursue solutions to the climate crisis with attention to union labor, environmental justice, protection of natural resources, and national security. The announcement of the National Offshore Wind Target (NOWT) to deploy 30 gigawatts (GW) of offshore wind by 2030 further underscored this approach to climate solutions. In the White House Fact Sheet containing that announcement, the White House declared:

> "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, as illustrated by the 10,000 tons of domestic steel that workers in Alabama and West Virginia are supplying to a Texas shipyard where Dominion Energy is building the Nation's first Jones Act compliant turbine installation vessel.
>
> "Federal leadership, in close coordination with states and in partnership with the private sector, unions and other key stakeholders is needed to catalyze the deployment of offshore wind at scale.
>
> "…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."[5]

The White House also recently released strategies for "Advancing Equity and Racial Justice Through the Federal Government" as mandated in Executive Order 13985, including action plans for each federal department to fulfill the whole-of-government equity agenda.[6] The strategies included in the U.S. Department of Interior (DOI) action plan should be integrated in BOEM offshore wind activities and include employment opportunities for historically disadvantaged and low-wealth communities.[7] Another White House report, "Working Organizing and Empowerment" states that union approval is at its highest since 1965, with 68% of Americans approving of labor unions.[8] Support rates increase to 74% for workers aged 18 to 24, 75% for Hispanic workers, 80% for Black workers, and 82% for Black women workers.[9] The Department of Labor's White House Task Force

on Organizing and Empowerment has published guidance for how unions advance equity for underserved populations, including greater transparency around pay and higher wages, greater job security, and increased access to career pathways for women and workers of color.[10]

These standards are also aligned with requirements under Outer Continental Shelf Lands Act (OCSLA) which established a pathway for renewable energy development in the OCS when amended by Energy Policy Act in 2005. In amended Section 8 of that policy, Congress declared that it is the authority of the Secretary (delegated to BOEM) to "grant a lease, easement, or right-of-way on the [OCS]" for activities that "produce or support production, transportation, or transmission of energy from sources other than oil and gas" 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;
> (I) Prevention of interferences with reasonable uses 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 related to a lease, easement, or right-of-way under this subsection."[11]

In addition to this authority granted to BOEM by Congress, the president also has authority to direct requirements on leases of the OCS and notable precedent exists for the president to do so. Current BOEM leases of the OCS include lease terms mandated by presidential executive order (EO), specifically Executive Order 11246, which prohibits employment discrimination and establishes affirmative action requirements for nonexempt federal contractors and subcontractors.[12] Article II, § 1 of the United States Constitution provides that "executive power shall be vested in" the president. Such power gives the president the right—in the absence of an express congressional declaration to the contrary—to control the terms upon which public lands or property may be sold, leased, or used by private individuals or entities.[13] Additionally, the president has been delegated "broad-ranging authority" over governmental procurement under various laws including, for instance, the Federal Property and Administrative Services Act, 40 U.S.C. 101 et seq. which authorizes the president to "prescribe such policies and directives . . . as he shall deem necessary" for the promotion of an economical and efficient system for procurement and supply."[14]

Additional recent executive orders commit to revitalizing U.S. supply chains and creating well-paying union jobs. Specifically, EO 14008 § 204 states:

> "It is the policy of my Administration to lead the Nation's effort to combat the climate crisis by example—specifically, by aligning the management of Federal procurement and real property, public lands and waters, and financial programs to support robust climate action.

> By providing an immediate, clear, and stable source of product demand, increased transparency and data, and robust standards for the market, my Administration will help to catalyze private sector investment into, and accelerate the advancement of America's industrial capacity to supply, domestic clean energy, buildings, vehicles, and other necessary products and materials."[15]

In § 206, President Biden further directed all agencies to "adhere to the requirements of the Made in America Laws in making clean energy, energy efficiency, and clean energy procurement decisions" consistent with Executive Order 14005, Ensuring the Future Is Made in All of America by All of America's Workers.[16]

Further EO 14008 includes the goal of doubling offshore wind by 2030 while creating well-paying union jobs and economic growth; delivering environmental justice; an equitable, clean energy future; and ensuring robust protection for our lands, waters, and biodiversity. In this EO, President Biden also 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."[17] 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."

President Biden's February 4, 2022 EO 14063, "Use of Project Labor Agreements for Federal Construction Projects" also demonstrates the importance of utilizing project labor agreements (PLAs) for large-scale construction projects. Specifically, EO 14063 §1b states:

> "Project labor agreements…provide structure and stability to large-scale construction projects…[and] avoid labor-related disruptions by using dispute-resolution processes to resolve worksite disputes and by prohibiting work stoppages, including strikes and lockouts. They secure the commitment of all stakeholders on a construction site that the project will proceed efficiently without unnecessary interruptions."[18]

All of these statements make clear that it is the policy of the United States to ensure that all agencies should take action to develop clean energy technologies and combat climate change while also strengthening domestic supply chains and an equitable, high-quality union workforce. To achieve this will require high road employment practices such as PLAs and domestic content requirements and incentives to be solidified into offshore wind lease contracts and permitting activities. PLA's have been proven to reduce project costs for developers, save public funds in the long run, and result in increased economic benefits for the local community.[19] In addition, PLAs often lead to safer working conditions as a result of a more skilled workforce. Data suggests that the construction industry is volatile and accidents are more common in states with low-road contractors.[20] Union firms are also 16% less likely to report difficulty in filling open positions, 13% less likely to fail in retaining skilled workers and 21% less likely to report project delays due to retention issues,[21] which is key to timely and efficient deployment during construction labor shortages. Also, reports indicate that PLAs decrease the significant gap between expected and realized energy savings in various energy efficiency measures.[22]

The utilization of domestic content in offshore wind projects is also relevant to a number of the United State's offshore wind goals. First of all, securing a domestic offshore wind supply chain is essential to ensure that offshore wind projects can be deployed effectively and on time. The March 2022 offshore wind energy supply chain report by the National Renewable Energy Laboratory (NREL) states that supply chain constraints caused by global bottlenecks are one of the greatest

risks for achieving the NOWT.[23] The modeling in the report also shows that average and maximum job creation utilizing 25% domestic content versus 100% domestic content in offshore wind projects results in a difference of approximately 30,000-40,000 jobs from 2023-2030.[24] Secondly, across renewables, even a 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.[25] Further, domestic content requirements are unlikely to influence wind power capital costs.[26]

National security is also protected by utilizing domestic content. A jointly-commissioned summary report of the U.S. Department of Energy (DOE) and the North American Electric Reliability Corporation (NERC), assessing risks to the U.S. electricity generation and distribution infrastructure observed that the "bulk power system is dependent on long supply chains, often with non-domestic sources and links" and determined that the "increased reliance on foreign manufacturers, with critical components and essential spare parts manufactured abroad (e.g. HV transformers)" means the "supply chain itself represents an important potential vulnerability."[27] The report recommends that "efforts should be considered to bring more of the supply chain and manufacturing base for these critical assets back to North America."[28]

Utilizing domestic content in renewables also has equity implications. Data shows that decline in U.S. manufacturing has been devastating to the middle-class, especially for Black and Hispanic workers and other workers of color who disproportionately do not hold college degrees and whom experience discrimination limiting access to better-paying jobs.[29] Manufacturing wages are substantially larger for median-wage, non-college-educated employees, with Black workers in manufacturing earning 17.9% more than in non-manufacturing industries; Hispanic workers earning 17.8% more, Asian American Pacific Islander (AAPI) earning 14.3% more; and white workers earning 29% more.[30] And finally, 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 U.S. producers on average."[31] 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. [32]

Environmental protection is also of utmost importance, especially in this planning phase that has the critical role of removing areas of conflict, sensitive habitat, migratory corridors, and other areas of concern from parcels being considered for development. To comply with state and federal policies and achieve all necessary permits, all offshore wind energy must be developed in an environmentally responsible manner that avoids, minimizes and mitigates impacts to marine life and ocean users, meaningfully engages stakeholders from the start, and uses the best available science and data to ensure science-based and stakeholder-informed decision making. This includes analysis of cumulative impacts and adaptive management strategies, obtaining all necessary and relevant data, and requires BOEM to identify all methodologies, and indicate when information is incomplete or unavailable, acknowledge scientific disagreement and data gaps, and evaluate intermediate adverse impacts based on approaches or methods generally accepted in the scientific community. Avoiding sensitive habitat areas, requiring strong measures to protect wildlife throughout each state of the development process, and comprehensive monitoring of wildlife and habitat before, during, and after construction, are all essential for the responsible development of offshore wind energy.

Conclusion

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 while also avoiding, minimizing, and mitigating environmental impacts. Thank you for considering how BOEM might further strengthen its role in ensuring that offshore wind energy is developed responsibly, with attention to equity, maximizing quality jobs and career pathways, and protecting the environment. We appreciate your effort to solicit stakeholder input to inform the offshore wind energy leasing process.

Signed,

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Endnotes

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