A-Engrossed
House Bill 3375

Ordered by the House April 16
Including House Amendments dated April 16

Sponsored by Representative SMITH DB

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

Establishes goal of planning for development of **up to** three gigawatts of [*commercial scale*] floating offshore wind energy projects within federal waters off Oregon Coast by 2030. **Establishes policy position of State of Oregon related to offshore energy research and development in federal waters off Oregon Coast.**

[*Establishes Task Force on Floating Offshore Wind Energy. Requires task force to develop floating offshore wind development strategic plan and to submit plan to interim committees of Legislative Assembly related to energy no later than September 15, 2022. Sunsets December 31, 2022.*] **Directs State Department of Energy to conduct literature review on benefits and challenges of integrating up to three gigawatts of floating offshore wind energy into Oregon's electric grid by 2030. Directs department to submit report on findings to appropriate interim committees of Legislative Assembly no later than September 15, 2022. Sunsets January 2, 2023.**

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to floating offshore wind energy; and prescribing an effective date.

Whereas Oregon's coastal communities rely on electricity that is imported through catastrophe-prone supply lines to meet their most basic human needs; and

Whereas Oregon's southwestern coast is isolated from recovery resources and at high risk for wildfires, seismic events and increasing frequencies of catastrophic events; and

Whereas Oregon's coastal communities, tribes and commercial fisheries are hit first and hardest by climate change and must prioritize rapid adaptation in practices and infrastructure; and

Whereas wind resources within the federal waters of the outer continental shelf off the southern Oregon coast are world class and can be responsibly harnessed to deliver clean, reliable electricity to the communities of the Oregon coast and the Willamette Valley; and

Whereas floating offshore wind turbines can be located in much greater depths and further from the shore than fixed bottom offshore wind turbines and can be designed to minimize conflicts with and multiply benefits to Oregon's fishing communities; and

Whereas renewable energy development within the federal waters of the outer continental shelf off the Oregon coast will result in diversified economic development and increased energy security for this state; and

Whereas floating offshore wind energy projects within the federal waters of the outer continental shelf off the Oregon coast can greatly contribute to the energy resilience of Oregon's coastal communities and provide electricity for catastrophic event recovery activities; and

Whereas floating offshore wind energy can contribute to a diverse, secure, reliable and affordable renewable energy resource portfolio to serve the electricity needs of Oregon rate payers and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

improve air quality, particularly in disadvantaged communities; and

Whereas floating offshore wind energy development presents an opportunity to attract investment capital and to realize community economic development and workforce development benefits in Oregon, such as long-term job creation and development of a floating offshore wind energy supply chain; and

Whereas three gigawatts of floating offshore wind energy can contribute significantly to Oregon's existing renewable portfolio standards; and

Whereas Oregon's coastal transmission system can accommodate a significant amount of floating offshore wind energy for coastal consumption with potential delivery to the Willamette Valley along existing coast range transmission corridors; and

Whereas floating offshore wind energy has the potential to contribute positive benefits to the Pacific Northwest transmission grid and to help resolve transmission constraints; and

Whereas floating offshore wind energy can be used to electrolyze water into renewable hydrogen and its clean derivatives, which can be utilized to decarbonize the maritime, fishing and transportation sectors; and

Whereas when responsibly developed and deployed at scale, the development of floating offshore wind energy can provide economic, resilience and environmental benefits to this state and to the nation; and

Whereas Oregon's estuarine ecosystem health is essential to global carbon balance and must be protected; and

Whereas Oregon's commercial and recreational ocean fishers, as shared ocean users, should be engaged in designing policies for floating offshore wind energy project development that promote coexistence and shared net benefits; and

Whereas Oregon State University is a global leader in marine energy technology development and evaluation as well as in balancing multiple stakeholder objectives for the management of public resources; and

Whereas Oregon State University can play a supportive role in designing floating offshore wind energy projects to be coexistent with Oregon's commercial fishing, maritime and coastal manufacturing and fabrication facilities; and

Whereas responsible planning for floating offshore wind energy should, from the initial planning phases throughout the extent of developing any floating offshore wind energy project, incorporate the interests of the people of Oregon; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Legislative Assembly finds that:

(a) Oregon offshore wind holds tremendous potential and promise for this state to diversify its energy portfolio.

(b) Oregon has an opportunity to participate in a growing global market by contributing to the development of the nascent offshore wind energy supply chain.

(c) An intergovernmental task force led by the Bureau of Ocean Energy Management has reengaged and is expected to reveal offshore wind call areas in 2021 for the development of floating offshore wind energy within the federal waters off the Oregon coast.

(d) Oregon has an opportunity to participate in holistic west coast planning for the strategic integration of floating offshore wind energy within the next decade and to position itself for potential market expansion thereafter.

(e) The Department of Land Conservation and Development has an established role as the

lead state agency coordinating with the federal process for floating offshore wind development and, as the lead agency of the federally approved Oregon Coastal Management Program, the department implements the state's federal consistency authority pursuant to the Coastal Zone Management Act of 1972 and associated federal regulations. The department implements federal consistency review by evaluating federal activities for compliance with state enforceable policies and their reasonably foreseeable effects to coastal uses and resources of the Oregon coastal zone, and the department will coordinate with networked agency and local government partners to evaluate floating offshore wind development activities for consistency with the Oregon Coastal Management Program.

(f) The Oregon Business Development Department has established a leadership role in facilitating attracting the floating offshore wind energy industry to this state and in facilitating floating offshore wind energy supply chain development.

(g) Understanding the impacts, benefits, opportunities and barriers of floating offshore wind energy with respect to Oregon's fishing communities, ocean and shore-side recreational users, tribes, ports, coastal ecosystems, natural resources, manufacturing industry, maritime sector, disaster recovery planning, workforce development and electricity ratepayers can maximize the benefits to this state, while minimizing the conflicts between floating offshore wind energy, the ocean ecosystem and ocean users.

(h) Defining a pathway for Oregon to take advantage to the fullest extent possible of the federal offshore wind investment tax credit and other federal infrastructure investment programs that could benefit Oregon's ports and transmission system can facilitate immediate economic investments as well as long term ratepayer savings.

(i) Understanding the feasibility of using offshore wind as a clean power source for the future in-state generation of renewable fuel such as renewable hydrogen will strengthen state and regional energy decarbonization planning scenarios.

(j) Investigating potential mechanisms to integrate floating offshore wind energy into Oregon's future energy mix will strengthen state and regional energy decarbonization strategies.

(2) In furtherance of the findings set forth in subsection (1) of this section, the Legislative Assembly finds and declares that:

(a) It is the goal of this state to plan for the development of up to three gigawatts of floating offshore wind energy projects within the federal waters off the Oregon coast by 2030;

(b) It is further the goal of this state that the planning described in this subsection be conducted in a manner that will maximize benefits to this state while minimizing conflicts between floating offshore wind energy, the ocean ecosystem and ocean users; and

(c) Consistent with applicable federal law, it shall be the policy position of the State of Oregon that:

(A) Any federal planning or permitting process for offshore energy research and development in federal waters off the Oregon coast and for any related transmission and other facilities, particularly those that transverse Oregon's territorial sea, shall adequately consider the prompt decommissioning of any offshore facility after permanent cessation of use of the facility; and

(B) Adequate consideration as described in this paragraph must include consideration of the removal or decommissioning of anchors, cables and any other equipment related to the facility in a manner that will serve to avoid future conflicts between the equipment and

fishing operations conducted by persons who hold licenses issued pursuant to the commercial fishing laws.

SECTION 2. (1) The State Department of Energy shall conduct a literature review on the benefits and challenges of integrating up to three gigawatts of floating offshore wind energy into Oregon's electric grid by 2030.

(2) In addition to conducting the literature review required by this section, the State Department of Energy shall:

(a) Gather input and consult with other interested or appropriate state, regional and national entities, including but not limited to the Department of Land Conservation and Development, the Oregon Business Development Department, the State Department of Fish and Wildlife, the Public Utility Commission, the Northwest Power and Conservation Council, the Bonneville Power Administration, the Bureau of Ocean Energy Management, the National Renewable Energy Laboratory, the United States Department of Defense and the Pacific Northwest National Laboratory, on the effects, including benefits and challenges, of integrating up to three gigawatts of floating offshore wind energy on reliability, state renewable energy goals, jobs, equity and resilience; and

(b) Hold no less than two public remote meetings with interested stakeholders to provide a summary of the literature review and consultation required by this section and to gather feedback from stakeholders on the benefits and challenges of integrating up to three gigawatts of floating offshore wind energy into Oregon's electric grid.

(3) The State Department of Energy shall provide a summary of the key findings from the literature review and consultation required by this section, including opportunities for future study and engagement, in a report and in the manner provided by ORS 192.245, to the appropriate interim committees of the Legislative Assembly no later than September 15, 2022.

SECTION 3. Section 2 of this 2021 Act is repealed on January 2, 2023.

SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.