



February 6, 2024

Chair Holvey
House Committee on Business and Labor
Oregon State Capitol
Salem, OR 97301

Re: HB 4080 – Support

Chair Holvey, Vice Chairs Elmer and Sosa, members of the Committee:

MCAT (Mobilizing Climate Action Together) is a community of volunteers working to ensure that Oregon builds a healthy climate and a green-energy economy for future generations. We support this measure. It authorizes state agencies to develop a structured process (Roadmap) that gives stakeholders another voice, provides additional resources and strives for strong labor standards for offshore wind energy development.

The -1 amendment ([here](#)) establishes as policy of State to support engagement between offshore wind developers and impacted organizations, communities, and tribes in the development of Offshore Wind Roadmap. It requires State Department of Energy (ODOE) to develop Offshore Wind Roadmap to define and specify standards to be considered in the development process for offshore wind energy. It requires the Department of Land Conservation and Development (DLCD) to conduct, or support, consistency reviews on offshore wind leasing decisions and actions related to offshore wind energy development of Oregon Coast made by federal Bureau of Ocean Energy Management (BOEM). It establishes labor and supply-chain standards for offshore wind energy development projects.

Currently, about half the electricity used in Oregon is already generated with renewables, mostly hydro. The other half is generated with gas and coal from both in-state and out-of-state sources. Within several decades demand for electricity is expected to double due to our efforts to electrify most of transportation, buildings and industry. That means we will need to triple the amount of clean electricity for use in Oregon to meet the 100% clean mandate of HB-2021.

Offshore wind provides the optimal path to achieve those goals **and do it with in-state generation**. It can also lead to many sustainable family-wage jobs in coastal areas where the fishing and timber industries have suffered significant declines. Two decades of offshore wind development in Europe have demonstrated that a robust stakeholder engagement process can have significant results. “2023 saw a record 4.2 gigawatts of new offshore wind farms come online, up 40% on 2022” (see [here](#)). The European supply chain is growing rapidly also with “new factories announced in Poland, Denmark, Germany, the Netherlands and Spain”.

To meet the Biden administration’s goal of reaching 30 gigawatts (GW) of offshore wind energy by 2030, the new industry would need to employ more than 44,000 workers in offshore wind energy by 2030 and nearly 33,000 more in communities supported by offshore wind energy activity ([here](#)). Achieving that target would unlock a pathway to 110 GW by 2050, generating 77,000 offshore wind jobs and more than 57,000 additional jobs in communities supported by offshore wind activity.

Some of the most productive and consistent winds in the world are located off the southwest Oregon coast and stretch into Northern California according to the Oregon Department of Energy and other sources. Studies indicate Oregon’s southwest coast winds can deliver capacity factors as high as 61% ([here](#)). This extraordinary value compares favorably to other northwest averages like onshore wind (33%) and solar (20%). Capacity factor is a ratio of actual energy delivered relative to the nameplate capacity which the turbines could theoretically deliver running full time with optimal wind speeds. Although comparisons with dispatchable generation are complicated, it’s worth noting that state-of-the-art combined cycle natural gas plants have capacity factors of about 56% ([here](#)).

Another key attribute is the excellent hourly and seasonal load complementarity that offshore wind in Oregon has with other utility-scale renewable resources, especially Columbia Gorge wind, southern Oregon solar and NW hydropower ([here](#)). This complementarity means offshore wind can help meet system peak loads and significantly reduce the amount (and cost) of energy storage required as these clean resources are integrated into the grid. Offshore wind may also help alleviate some of the problems caused by loss of snowpack which has already shrunk by a third and could dwindle up to 70% more by 2080 due to rising heat in the atmosphere ([here](#)). Hydropower currently supplies most of Oregon’s clean energy.

The Pacific Northwest National Labs have summarized another set of key grid values that are unique to offshore wind resource on the California/Oregon border ([here](#)): “Over 2 gigawatts of offshore wind can be carried by current transmission to strengthen coastal grids, allow for additional renewable energy integration from the east, and reduce power flows into Oregon without exporting significant power.” These 3 factors can provide significant benefits.

First, it's worth noting that this exceptional wind resource extends south into Northern California where there is no available transmission capacity from the coast. But there is in Oregon which will enable the power to be delivered to the grid without the cost and long lead times needed to build new transmission. Second, by providing a substantial generating resource on the Oregon coast, offshore wind would also provide grid value by improving local power quality and mitigating the risk of failed or interrupted power delivery to coastal communities (which suffer blackouts more often than the rest of the state). Improved power quality may allow the expansion of industries with stringent power quality requirements. Finally, deploying offshore wind from the coast eastward to loads along the I-5 corridor reduces the predominant East-West power flow to these load centers, and thus opens transmission capacity from eastern Oregon and the Columbia River Gorge into northwest and central Oregon. This can help more renewables in other parts of Oregon like land-based wind and solar connect to the grid.

Community Benefit Agreements (CBA) can help ensure that Oregon's transition to offshore wind creates economic opportunity and equitable development by providing up to 30% of the lease bid amounts for workforce training, supply chain development, etc. In 2022, the New York Bight auction resulted in winning bids totaling \$4.37 billion ([here](#)). In 2023 the auction in California winning bids totaled \$757 million ([here](#)). It's worth noting that \$4.37 billion was the largest amount ever paid for U.S. offshore energy leases — including over 4 decades of oil and gas leases! CBAs are new and are not a required part of the BOEM offshore wind permitting process, but developers can choose (and some have chosen) to pursue them. These agreements are intended to mitigate potential impacts to communities, tribes, or other stakeholder groups and may assist fishing and related industries by supporting their resilience and ability to adapt to impacts that could arise from the development of the lease area. Participating lessees will negotiate CBAs directly with community, fishermen, Tribal governments, and others in parallel with BOEM-permitted activities.

Thank you for your consideration,

Michael Mitton, MCAT lead for Offshore Wind

MCAT Steering Committee

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