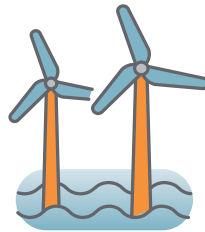




Building All Of America's Energy Potential: Offshore Resources

OFFSHORE WIND PROJECTS CREATE ECONOMIC GROWTH

\$65 billion will be invested in offshore wind project by 2030, supporting 56,000 American jobs.



Source: American Clean Power, cleanpower.org

AMERICA'S ABUNDANT OFFSHORE WIND RESOURCES

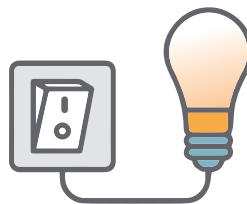


22 million U.S. homes can be powered by our nation's world-class offshore wind resources.

Source: American Clean Power, cleanpower.org

WIND ENERGY PROJECTS ARE UNDERWAY

52,687 megawatts of offshore wind generating capacity are available today or under construction.



Source: USDOE "2023 Offshore Wind Market Report," May 2023

Issue background:

Offshore wind is America's next major energy source, representing a generational opportunity to create jobs and bolster the economy. The U.S. has world-class offshore wind resources, capable of supplying large amounts of affordable, reliable power.

The offshore wind sector is projected to invest \$65 billion in projects by 2030, creating 56,000 U.S. jobs. The U.S. Department of Energy found that the U.S. could install a total of 86,000 megawatts (MW) of offshore projects by 2050.

NUCA advocates for the development of all U.S. energy sources. For offshore wind energy, utility construction contractors are engaged to build the onshore subsurface infrastructure needed to support the offshore electric power generators and shore connections.

The U.S. continues to lag behind other countries in operating offshore wind capacity, but following the successful launch of offshore wind projects this year, the U.S. is ramping up the sector to play a crucial role in an energy system powered by clean power. However, many projects on the East Coast have been delayed because of lengthy permit regulations and investment requirements.

U.S. states are playing an important role in driving America's offshore wind development. State solicitations could award procurement contracts for an additional 8,800 – 12,200 MW of offshore wind projects in the second half of 2024, all located off the U.S. Northeast coast. States with ongoing or upcoming solicitations include New Jersey, New York, Massachusetts, Rhode Island, and Connecticut.

What is NUCA's position?

NUCA advocates for developing all of our nation's primary energy resources for generating electric power, including natural gas, hydropower, nuclear, petroleum, wind, solar, and hydrogen. There are many solutions available to achieve U.S. energy independence, and all must be explored and utilized. Our industry does not favor one over the other.

Underground utility construction contractors are engaged to build the onshore support infrastructure needed to support the offshore electric power generators and shore connections. These include power conditioning and transmission equipment such as transformers, inverters, and converters. It also includes subsurface electrical cables located onshore and offshore. Offshore wind also taps into the skills of U.S. oil & gas workers, who have decades of experience with ocean energy infrastructure.

According to the American Clean Power Association, the offshore wind power industry is projected to invest \$65 billion in offshore wind projects by 2030, which will support 56,000 jobs in the United States. There are currently 12 gigawatts (GW) of projects with active offtake agreements, including 4 GW under active construction at Vineyard Wind (MA), Revolution Wind (CT & RI), and Coastal Virginia Offshore Wind (VA).

While there are just two domestic offshore wind farms currently in operation, many more are in development. Across 37 U.S. leases, there are now 56 GW (56,363 MW) of capacity under development, enough electricity to power the equivalent of 22 million homes. Market analysts forecast that there will be 14 GW of offshore wind deployed by 2030, 30 GW by 2033, and 40 GW online by 2035. However, projects on both U.S. coasts are facing delays due to lengthy permitting requirements, investment challenges, and uncertainty from state and federal legislative activities.

An October 2022 USDOE National Renewable Energy Laboratory first-of-its-kind report estimates that the offshore wind industry will need an average of between 15,000 and 58,000 full-time jobs every year from 2024 to 2030, depending on the amount of American-made infrastructure content used in construction – an increase from less than 1,000 jobs today. Most of these new jobs would be in manufacturing, bolstering a domestic supply chain for offshore wind energy. Other jobs are likely to be added in project development, wind turbine installation (which includes ports and vessels), and ongoing operations and maintenance.

The economic impact of offshore wind on domestic manufacturing industries cannot be understated. NUCA looks forward to working with Congress over the coming years to further our commitment to developing all of our nation's primary energy resources for generating electric power.

What can Congress do to help?

NUCA strongly supported the **Infrastructure Investment and Jobs Act of 2021 (H.R. 3684, 117th Congress)**. NUCA strongly urges a reauthorization of its water infrastructure programs in FY2026.

Pass the Manchin-Barrasso "Energy Project Permitting Reform Act of 2024" (S. 4753). This NUCA-supported bill would take important steps to streamline and reform the federal permitting process. The reforms in this bill, passed by the Senate Energy & Natural Resources Committee on July 31, 2024, place important guardrails and timelines on legal challenges that often indefinitely delay projects, accelerate timelines for leasing and permitting of energy projects on federal lands, and backstops approval authority for vital electric transmission projects. While this bill will mainly affect oil and gas, renewable energy, and electric infrastructure construction projects, NUCA supports expanding the scope of these reforms to include water infrastructure, broadband, and other underground utility projects.

Retain energy tax credits. Congress should NOT repeal the energy tax credits included in the 2022 Inflation Reduction Act (IRA)(HR 5376, 118th Congress). The IRA enhanced or created more than 20 tax incentives for clean energy and manufacturing. A number of clean energy development companies have already broken ground on investments assuming the credits would remain intact. As of August 2024, about \$133 billion in clean energy investments have been announced. These billions of dollars could be at risk if these energy tax credits are eliminated as some in Congress and candidates have suggested.

Update tax credits. The U.S. Dept. of the Treasury and the Internal Revenue Service issued proposed regulations on Nov. 17, 2023, to update rules for the investment tax credit (ITC) under Code Section 48 that have not been changed since 1987. One of the key changes addressed by the Proposed Regulations was the definition of which components should be included as energy property, particularly in the context of offshore wind facilities.

Update federal regulations. The U.S. Dept. of Interior should update its regulations for offshore wind energy project on the U.S. Outer Continental Shelf.

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