



Regulatory Issues Affecting The Offshore Wind Industry: An Update

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KEY CONSIDERATIONS

- **Substantial Progress Has Been Made Over the Last Two Decades**
 - Technology continues to mature
 - Costs / LCOE continue to decline
 - Regulatory system has developed
- **But Much Remains to be Done**
- **Regulatory Improvements Need to be Fully Implemented and Remaining Challenges Timely Resolved for Industry to Reach its Full Potential**



1. WHERE WE STARTED (CAPE WIND)

- **No Renewable Energy Leasing Program under OCSLA**
 - Uncertainty over seabed ownership / ability to construct
- **Section 10 of Rivers and Harbors Act of 1899**
 - Regulation of obstructions in Navigable Waters
 - “Public Interest” standard
- **Limited State Interest in PPAs / Incentives**
- **Climate Change Concerns not as Pronounced**
- **Technology Not Proven and Still Evolving**

RESULT: Major Challenges for Financing and Development of Offshore Wind Projects

2. WHAT HAS BEEN ACCOMPLISHED

- **Formal OCSLA Renewable Energy Leasing Program**
- **Development / Refinement of BOEM Regulatory Process**
 - State-specific stakeholder process
 - Project Design Envelope Guidance
 - Future: SAP Process / Decommissioning
- **Streamlining of Federal Permitting Process**
 - FAST-41 / One Federal Decision MOU
- **Proliferation of State OSW Programs**
 - Increased emphasis on addressing climate change
 - Desire to capture economic / employment benefits
- **Improvement in Technology = Reduction in Cost**

3. REMAINING CHALLENGES TO ADDRESS

- **Can the Stakeholder Process Produce Consensus?**
 - Energy production, fisheries, visual
 - Ability to shape Administrative Record
- **Will the Regulatory and Permitting Process Improvements Succeed?**
 - Information sufficiency for NEPA / ESA / MMPA reviews
 - Ability to analyze Cumulative Impacts
 - *Supply Chain build-out, phased development, multiple projects and leases*
 - Ability to deliver timely / defensible results
- **Response of Stakeholders**
 - *Is the perfect the enemy of the good?*
 - *Is Fisheries Survival Fund an indication of more to come?*
- **What about Offshore Transmission?**
- **Ability to Capture and Move Beyond State Incentive Programs**

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