

# Hard Road Ahead: Supportive Policies for Offshore Wind

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2018 California Offshore Wind Industry Summit

March 13, 2018

# Next steps – tougher than they seem

- Exhaustive planning by BOEM and CEC: important progress
- But most work to date has been for Central-Southern California
- What does that DOD red zone really mean?

# Next steps with DOD

- Central/Southern California – red zone means veto, for now at least – until next president?
- Humboldt – yellow zone – not red, but not green. Will DOD allow only pilot, or mid-scale, or large-scale?
- More negotiations & uncertainty ahead.
- Clarity needed ASAP

# Humboldt: “Go big or go home”?

- Small project for local markets only, or export to state grid? → Pilot for SoCal, or major development?
- Port improvements: who pays?
- Lowering costs: LCOE must be competitive
- Transmission expansion: who will pay \$1 billion?
- Local and statewide economic impact: devil in the details re jobs (quantity/quality), community benefits
- Green jobs potential vs. hype

# ARB Scoping Plan

Renewable energy  
mentions:

Offshore wind: 0

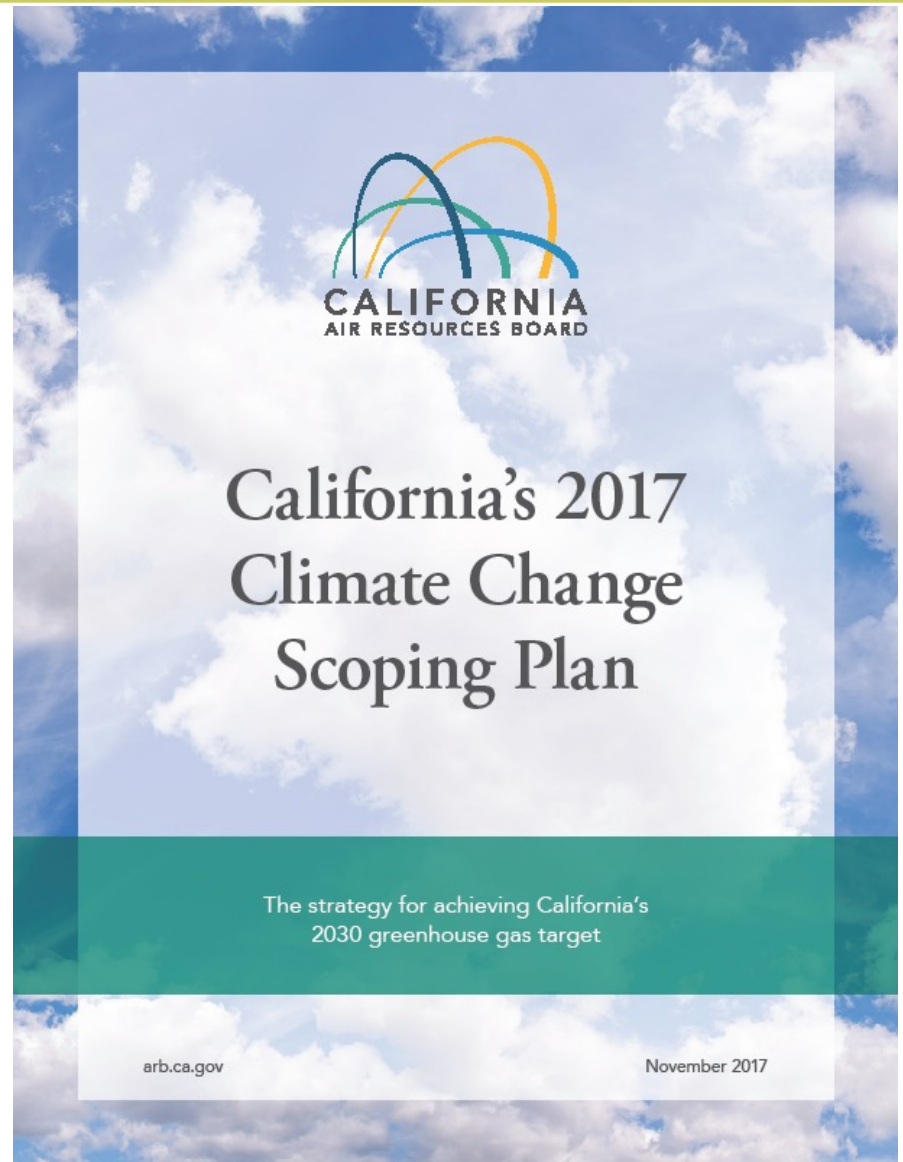
Land-based wind: 13

Solar: 28

Energy storage: 23

Biomass: 26

Geothermal: 3



# Very competitive power market

- Need to be competitive with desert solar, Pac NW hydro, Wyoming wind. Can developers beat 10 cents/KWh? When?
- Sacramento is unconvinced: “Show me the price and I’ll show you the market.”

# Who will buy offshore wind power?

- Will IOUs purchase offshore wind? Might need no new renewable capacity to 2030.
- CCAs – share of California retail load expected to reach 85%. So will be only buyers for offshore wind.
- But CCAs can't rate-base like IOUs. Limited ability to pay higher LCOE, invest in infrastructure. Cost recovery is a problem for CCAs.

# Governor, Legislature, regulatory agencies

- LCOE – will state subsidize rates until prices come down?
- Port improvements – will state pay?
- Transmission capacity expansion – will state pay?
- Politics, politics
- Need to build alliances



# Political strategy: High road, not low road

- Maximize local jobs, not imported
- Maximize in-state supply chain
- Ensure local sustainable development: O&M, long-term
- Lessons from the East Coast: Building Trades unions played a big role in wind policymaking – from the start.
- California politics – unions are key players on climate. In 2017: outcomes of AB 398 versus SB 100.
- Labor in California can be allies on permitting, regulations, legislation.

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