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PACIFIC OCEAN ENERGY TRUST

WASHINGTON MARITIME blue

Northwest Offshore Wind Supply Chain Summit 2023

Executive Summary

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On November 16, 2023, POET—in partnership with **Washington Maritime Blue**, **National Renewable Energy Laboratory**, and the **U.S. Department of Energy**—welcomed over 200 members of the offshore renewables community to the first **Northwest Offshore Wind Supply Chain Summit**. In preparation for potential Offshore Wind (OSW) leases in 2024, this free event sought to provide insights into the state of the offshore wind sector while exploring the opportunities and challenges facing ports and supply chains as momentum builds. Presentations from a diverse array of speakers highlighted the unique appeal of offshore wind development for communities in the Pacific Northwest, the barriers to implementing utility scale floating offshore wind (FOW), and the many innovative solutions that stakeholders have provided in support of the blue economy.

Throughout the day, several industry-spanning themes emerged, pointing towards common policy, development, and investment pathways to hasten our renewable energy transition. Speakers emphasized the transformational **opportunities** offered by OSW and identified a need for further **collaboration** between producers, distributors, and investors to integrate supply chains, while returning the maximum benefit to maritime communities. As the technologies and the FOW sector continue to mature, and public enthusiasm grows, vital investments in port infrastructure and wind farms remain risky to private financiers. Organized advocacy is necessary to help local, state, and federal officials bring the **leadership** necessary to provide certainty in the market, de-risk investment, and ensure we maximize benefits for our citizens.

Opportunity – p. 2

With proper investment and support, floating offshore wind has the potential to help meet our energy and carbon goals and bring transformative benefits to communities across the region.

Collaboration – p. 3

Collaboration and technical assistance between ports, supply chain members, and the economic development community is essential to make the most of the opportunity.

Leadership – p. 4

Without strong government support, ocean renewable energy faces an uphill battle to establish itself as a reliable commercial investment.

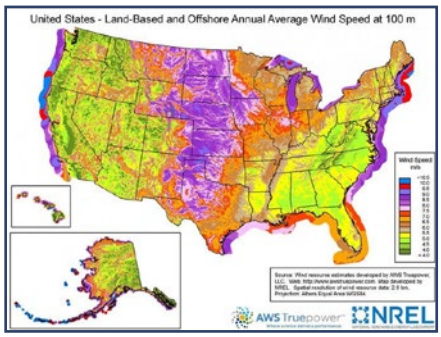
> *"Offshore wind has the potential to be the most impactful maritime development since the invention of the shipping container."*
>
> – Cassidy Fisher, WA Maritime Blue

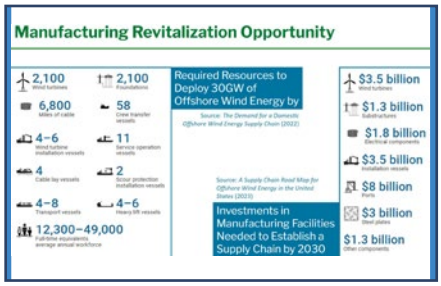
Opportunity

Throughout the day, speakers made clear the unparalleled potential of offshore wind to not just help address climate concerns, but also revolutionize the American energy industry.

As we conclude the hottest year in recorded history, it is clear that OSW and FOW are indispensable to our climate goals. As part of our energy future, these technologies complement our land-based renewables by harnessing consistent ocean winds. This "flattens" the demand curve that occurs when other renewables are producing at diminished capacity, thus reducing the need for expensive and polluting supplementary fossil fuel power stations.

Indeed, the growth of the blue economy supply chain promises transformative commitments to the "triple bottom line," uniting developer interests with those of local communities and the environment in ways that have historically been neglected. As we rebuild the energy grid for the 21st century and beyond, we can distribute resources in a just and equitable manner. Among the foreseeable benefits are investments in domestic workforces, producing thousands of good jobs for skilled workers along the West Coast, and returning billions of dollars worth of offshore investments to coastal communities, industry, and infrastructure through the development process.



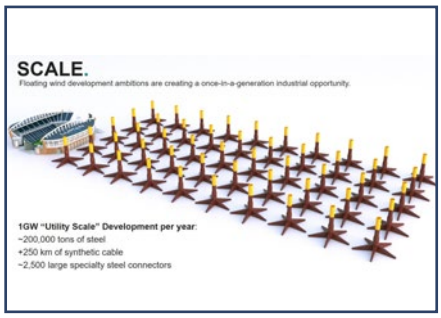


Finally, the West Coast is uniquely positioned to capitalize on FOW development. With FOW representing two-thirds of the American offshore wind resource, and the nation's strongest ocean winds being located over Oregon and California's deep Pacific waters, the industry will have to leverage the region's renowned maritime, advanced manufacturing, and academic potentials. Bolstered by programs like Floating Offshore Wind Shot, the U.S.—and the Pacific Northwest especially—can become the cradle of a worldwide, sustainable, and lucrative energy sector.

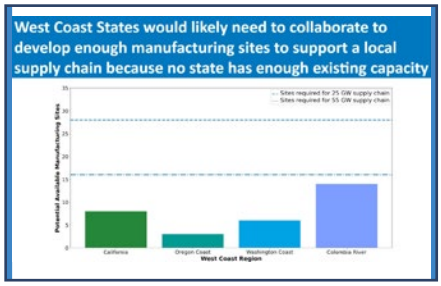
> *"Who can do hard things? This is enormous…and complex, but we do hard things."*
>
> – Ben Akers, Pelastar

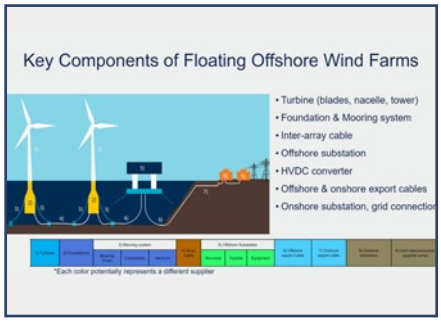
Collaboration

Harnessing the world's wind energy resource requires solving unprecedented engineering and logistical problems. The immense scale of deployment, complex manufacturing requirements, and specialized workforce call for equally unprecedented collaboration between governments, researchers, developers, and communities. Now more than ever, OSW cannot get bogged down by a competitive, scarcity mindset.



While FOW grows rapidly in prominence, it is still a new technology. With 100+ designs for platforms and turbines growing ever-larger, there is a pressing need for design convergence to aid the implementation of modular designs and serial manufacturing – critical facets of future supply chains. Experts must also collaborate with suppliers to source the great variety of necessary materials and technologies, developing a resilient and diverse supply chain in partnership with businesses of all sizes. This union of industry, designers, and interested communities has already proven critical to OSW on the East Coast, and will be even more important on the West Coast where great distances separate resources, ports, and projects.





Simultaneously, planners must connect groups up and down the coast to allocate resources most effectively. OSW requires a host of new service vessels be commissioned, robust port networks established, regulatory processes standardized, and a modern grid to capitalize on OSW. No one state has the industrial capacity to make utility scale OSW work by itself, so we must organize around local strengths and weaknesses to achieve success.

Lastly, no supply chain can function without a skilled and engaged workforce. For employees and communities to commit to OSW, efforts must be taken to stabilize workforce supply with demand. For the West Coast to establish FOW dominance, we must organize together or slip behind competitors overseas.

> *"The cost of not developing offshore wind is so much higher…"*
>
> – Genevra Harker-Klimes, U.S. Department of Energy

Leadership

The message is clear: while state and federal policy slowly pushes the needle towards OSW, limited private investment and cynical public perceptions remain the greatest hurdles for utility scale OSW. To overcome these headwinds, developers and advocates must secure clear and ambitious OSW commitments from government and educate the public on the community benefits of OSW in order to de-risk the industry.

Great strides have been made already, with DOE programs working to educate communities, convene industry groups, and fund research. Recent legislation has also incentivized OSW development through a variety of tax incentives and grant programs. However, as global demand for turbine components increases, these incentives are rapidly being outpaced by rising costs, leaving investors to wonder whether they can wholly commit to expensive projects. Compared to more 'established' technologies, like oil and gas platforms, OSW simply carries more associated risk. Thus, governments must step in to stabilize the market and provide certainty for the future of OSW. Government communications like New York's OSW Master Plan accomplish just that, streamlining investment in and rollout of essential infrastructure projects.

To this end, industry coalitions must include working relationships with communities and legislators. The energy industry's history of negative externalities must be clearly demarcated from the blue economy, and a new equitable national industrial strategy has to be communicated. Without the top-down reassurance of a 'pathed market,' commercial finance will lag. The huge scale of effective OSW demands long-term planning and strong leadership to make the most of this unprecedented opportunity.

Northwest Offshore Wind

Supply Chain Summit 2023

*Thank you for your support of the **Northwest Offshore Wind Supply Chain Summit 2023**. Continue the conversation at the **Northwest Offshore Wind Conference** in January 2024!*

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