



SEMAPHORE

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Offshore Wind Energy Sets Sail in Biden Era

United States offshore wind energy stakeholders are expecting President Joe Biden's reported commitment to renewable energy development to herald "dramatic industry growth" for the nascent sector.

President Biden has signed an executive order that is expected to double offshore wind power generation in United States federal waters by 2030. The order has also directed the nation's Department of Interior to conduct a full assessment of processes that will align public lands and water management practices with administration goals to advance renewable energy production.

Business Network for Offshore Wind chief executive Liz Burdock (pictured) says President Biden's actions "confirm the critical role that offshore wave energy will play in creating a clean United States energy grid and achieving White House commitments to combat climate change".



"His call to double offshore wind production in United States federal waters sends a clear signal of support to our industry, which will generate billions in new investments," says Ms Burdock.

"Over the next few years, the offshore wind industry will dramatically scale up development of the United States supply chain, growing tens of thousands of new jobs in the process. The offshore wind [sector] has been on the precipice of significant growth thanks to states' bold leadership and President Biden's executive order further pushes the industry to new heights with a new sense of urgency."

With recent federal legislative action also introducing a 30% tax credit specifically for the industry, Ms Burdock predicts offshore wind developers and businesses will now be incentivised to confidently invest.

"This is the opportunity the offshore wind industry has waited for. President Biden's unwavering commitment to develop renewable energies will usher in a new era for the offshore wind industry and for the United States supply chain.

"We are excited to work with the Biden Administration to build the next great American industry that will inject at least US\$166 billion dollars into the future United States economy."

Jones Act to Prevail

Meanwhile, it is understood that following lobbying by United States offshore wind energy stakeholders, Congress recently amended the National Defense Authorization Act to specify that the Merchant Marine Act of 1920 (also known as the Jones Act) must apply to vessels and cargo involved in the sector.

Addressing the Business Network for Offshore Wind's Ports and Vessels online conference in January, Winston & Strawn chair of maritime practice Charlie Papavizas reportedly stated those amendments had "cleared up any ambiguity" that all United States laws governing offshore energy apply equally to the new wind sector.



“Prior to that, it wasn’t so clear ... all those laws are crystal-clear now,” reportedly said Mr Papavizas.

With the Jones Act requiring that cargos moved between United States ports be carried by United States-flagged and crewed vessels, the development is expected to be a facilitator for the nation’s offshore wind energy interests.

However, it has been speculated that United States Customs and Border Protection – which provides rulings on issues arising under those laws – may be called upon to adjudicate over potential exemption applications from foreign vessels and crews seeking to operate in the sector.

Stakeholders are also understood to be waiting to ascertain what impact on offshore wind energy development regulations a long-running litigation between oil companies and offshore operators over the Jones Act could may have.

Leadership 100 Summit

Establishing benchmarks for future industry success was a key goal of the Business Network for Offshore Wind’s first Leadership 100 Summit held in 2018.

Since then, the network has striven to support industry growth and development by expanding the Supply Chain Connect registry, increasing data collection and launching a public engagement campaign.

It has also led key discussions on grid and transmission planning, both regionally and at federal level, leading to the publication of the 2020 Offshore Wind Transmission White Paper.

The network’s latest summit – which convened such supply chain stakeholders as developers, turbine manufacturers, cabling companies, vessel makers, environmental planners, finance and investment and legal experts as well as representatives of partner organisations – was held just prior to President Biden’s inauguration.

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