

RECHARGE

September 15, 2023

California passes route-to-market bill key to unlocking 25GW floating wind goal

California Governor Gavin Newsom. Photo: Gage Skidmore/Flickr



Golden State's clears one hurdle to gigascale growth, but transmission, ports, and workforce still need resolving

By **Tim Ferry**

California's overwhelmingly Democratic legislature passed a bill Thursday night that centralises procurement for large-scale renewable energy projects into a single entity, a major step towards resolving route-to-market bottlenecks.

The bill, AB 1373, which **authorises the Department of Water Resources** to take on the additional role of central buyer of uncontracted clean energy resources, now heads to governor Gavin Newsom, Democrat, who is expected to sign it shortly.

This bill "is an important milestone that will establish a robust mechanism to facilitate procurement and provide a clear path to market for large-scale clean energies like offshore wind," said Adam Stern, executive director of industry trade group Offshore Wind California (OWC).

California has the largest US offshore wind target at 25GW by 2045 but faces multiple challenges that led to an underwhelming result in the federal leasing round last year.

Only seven out of some 43 qualified bidders turned up to bid on five leases in Central and Northern California holding some 7GW of potential capacity, netting the federal government \$750m, around \$2,000/acre, far off demand seen in the established markets of the Northeast.

Lack of clarity around procurement was seen as a major hindrance, along with extreme water depths averaging 1,000 metres requiring floating platforms, and lack of port and transmission capacity.

"This new procurement authority is essential to unlocking the billions in new investments needed for port redevelopments, vessels, supply chain expansions, and manufacturing facilities," said Liz Burdock, CEO of trade group Business Network for Offshore Wind.

"Once signed into law, the bill will lead to thousands of new jobs and clean, reliable energy for millions of homes."

Sponsored by assemblyman Eduardo Garcia, Democrat, it also fast-tracks **grid development**, another industry worry, particularly for the Humboldt wind energy area (WEA) off Northern California where wind resources are especially rich, but which has very limited transmission infrastructure.

Incorporating even 10GW of floating wind will require some \$8bn in additional investment, the California ISO (Caiso) has warned. Caiso operates the grid for most of the state.

The state also faces a serious shortfall in available port capacity despite its lengthy coastline.

California has 11 deepwater ports including San Francisco and San Diego, but only the **Port of Humboldt Bay** located near the Humboldt WEA has been tipped for floating wind marshalling and installation.

The **Port of Long Beach in Southern California** has put its hat in the ring with proposals for a 400-acre Floating Wind Terminal proposal that would cost between \$4-\$7bn.

The port is more than 241 nautical miles (446km) from the closest leases at Morro Bay, though, and floating wind turbines assembled there would need to be towed through the heavily congested sea lanes of the Channel Islands while contending with potential height restrictions near Los Angeles International Airport and Vandenberg Space Force Base.

OWC's Stern added the state must also move forward to "set a clear permitting roadmap, build a sustainable supply chain and workforce training, engage key stakeholders, and identify suitable sea space" to achieve the 25GW goal.