

RECHARGE

November 9, 2021

US offshore wind cheers \$1.25trn infrastructure package but urges speed on 'build back better' bill

US Secretary of Interior Deb Haaland Photo: Samuel Corum/Getty Images



Passage of far-ranging climate change resilience and clean power bill, which includes funding for grid and port upgrades, anticipates bigger proposal that would directly support emerging sector

By Tim Ferry

The US offshore wind industry has roundly lauded the passage through Congress of the \$1.25trn Bipartisan Infrastructure and Jobs bill into law as a major victory for the environment and the administration amid **domestic political turmoil** and the **COP26 climate conference** in Glasgow, Scotland.

But sector bodies at the same time urged Washington to now move swiftly to “finish the job” by voting through the more expansive \$1.75trn Build Back Better (BBB) bill that would give a significant uplift to the offshore wind industry’s first wave of plant build-out.

The infrastructure package passed on 5 November provides up to \$50bn for climate change resilience and clean power initiatives, as well as \$65bn for transmission infrastructure upgrades and \$17bn for **port upgrades**, both seen as crucial to the success of the US offshore wind sector – which is targeting 30GW of plant by 2030 but faces grid and port infrastructure bottlenecks that could hamper the build-out.

“The bipartisan infrastructure deal is an historic down-payment on ensuring that future generations have clean air, drinkable water, fertile soil, and an overall quality of life that is currently threatened by the worsening climate crisis,” Secretary of the Interior Deb Haaland said in a statement.

“The Interior Department stands ready to implement this transformational investment in our country as quickly as possible.” The Department of the Interior oversees the Bureau of Ocean Energy Management, which manages development on the US Outer Continental Shelf, including leases for offshore wind projects.

The bill’s passage, said the American Council on Renewable Energy, “represents tangible progress on the infrastructure and climate agenda in Washington, DC... [as it] contains important new policies and federal investments that will accelerate the large-scale transmission we need to build a modern and decarbonised grid.”

The legislation earmarks \$17bn for port infrastructure and waterways “to address repair and maintenance backlogs, reduce congestion and emissions, and drive electrification and other low-carbon technologies,” according to a statement released by the White House.

State mandates and a committed project pipeline point to as much as 12GW of offshore wind capacity installed by 2025, but only a fraction of the necessary port marshalling infrastructure is on track for this scale of deployment. “As of now, all current and planned US marshalling ports equal half of projected area demand,” noted University of Delaware researcher Sara Parkison, presenting at the recent American Clean Power (ACP) Offshore Windpower conference.

Erik Milito, president of the offshore industry advocacy body the National Ocean Industries Association, called the bipartisan infrastructure deal “a milestone that will support the ascendant American offshore wind opportunity”.

“Access to the capital will help ports invest and improve their operational capabilities in support of American offshore wind and the generational opportunity it provides,” he said, noting that the new law nearly doubles the Department of Transportation’s Port Infrastructure Development Program every year for the next five years, from 2021’s \$230m to \$450m through 2026.

“Developing our ports and other infrastructure will help the US maximise the economic and environmental benefits from offshore energy, specifically offshore wind,” Milito added.

The new infrastructure law includes funds for “grid reliability and resiliency and support for a so-called grid deployment authority, as well as for critical minerals and supply chains for clean energy technologies including carbon capture, hydrogen, direct air capture, and energy efficiency, and energy demonstration projects,” according to the 129-page summary of the law released by Congress.

While the offshore wind sector cheered the passage of the act, it is the \$2trn BBB bill is now the key priority, given that it would double current funding for clean energy and climate change mitigation to \$550bn, and is seen as directly targeting the needs of the fast-emerging sector, particularly in supply chain and port development.

On the same day that Congress passed the bipartisan infrastructure bill, the House set administrative rules enabling a vote on the BBB, although it declined to vote directly on the bill until further evaluation of its long-term impacts on US debt by the bipartisan congressional budget office. The BBB is set for a vote of no later than 20 November.

“The BBB Act investment in infrastructure will continue the rapid growth of job creating clean energy projects and help meet our emissions reduction targets,” said Heather Zichal, CEO of ACP.

The BBB includes “mission critical investments” in US offshore wind manufacturing, port investment, and expanded transmission funding, highlighted Liz Burdock, CEO of business development body the Business Network for Offshore Wind, in a statement. “To create a local supply chain that will grow jobs and compete on the global stage, Congress must finish the job,” she said.