

RECHARGE

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US offshore wind could blow past Biden 2030 target on 'strong' federal tailwinds: WoodMac

Wind turbines at the Block Island Wind Farm. Photo: DON EMMERT/AFP via Getty Images



Research group bucks more pessimistic analyst forecasts for emerging Atlantic play, predicting 34GW by end of decade, buoyed by 'really positive' support from Washington

By **Tim Ferry**

The US will not only reach but surpass the Biden administration's goal of bringing online **30GW of offshore wind capacity by 2030**, with fast-rising federal support driving the build out of plant at sea to nearly 34GW by 2030 and reaching 38GW the following year.

The analyst group's outlook – which includes a “bull case” of a staggering 50GW by 2031 but also a “bear case” of 22GW – is a departure from other research group views, including Bloomberg NEF (BNEF), Rystad and IHS Markit, **which see as little as 21GW** turning by the end of the decade due to domestic supply chain development bottlenecks and installation vessel constraints.

“There's a lot of momentum in the industry,” said Wood Mackenzie North American senior wind analyst Lucas Stavole said, speaking to *Recharge*. “The support at the federal level has been so strong, they're committed, so that's a really big positive.”

Decidedly more bearish views than that taken by WoodMac in its *Next Decade in US Offshore Wind* webinar yesterday (Wednesday) cite the multiple bottlenecks confronting US efforts to roll out so much offshore wind capacity in such a compressed timeline. These challenges range from **inadequate grid capacity** to integrate vast volumes of variable power through a looming **shortage of Jones Act-compliant wind turbine installation vessels**, constrained **port infrastructure**, to lack of local supply chain capacity.

BNEF's forecast actually declined over the past year to less than 26GW by 2030 due to these sector expansion pinch-points. “We maintain our view that the US will fall short of its 30GW target due to long development timelines and other bottlenecks,” BNEF noted in a recent report. Rystad's vice president for research **Alexander Flotre** is even more pessimistic, forecasting 22GW by 2030, while **IHS Markit** clean energy technology principal analyst Andrei Utkin sees 21GW.

Stavole acknowledged the range of obstacles facing the US sector, but believes that the government and industry are united in efforts to overcome the issues and roll out the industry: “It's realistic but there are barriers. If they don't figure out those barriers that's where you lead to significant, costly delays.”

A key roadblock is the lengthy permitting process offshore wind farms have to undergo to get into production. To overcome this, the Bureau of Ocean Energy Management (BOEM), the federal agency charged with managing development in federal waters, has vowed to work closely with the multiple agencies involved in project approval.

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BOEM has approved two projects that have now moved into construction, the 800MW Vineyard Wind 1 off Massachusetts and the 130MW South Fork in New York, and has promised to **greenlight a total of 16 construction and operations plans (COP) by 2025**, totalling more than 15GW of capacity.



“Those 16 COPs represent a lot of capacity -- most of the capacity in that forecast up through 2028 and 2029, it's in those COPs,” Stavole observed. “If they get that done – which all indications are they're going to, and possibly more -- that puts those projects... at a point of no return, because they're able to start construction.” Stavole sees capacity installation of turbines ramping up to over 4GW annually from 2025 on, with over 5GW installed in 2031.

Significantly, over half of this projected 38GW is in capacity that has not been legally mandated by states, such as **North Carolina's 8GW goal and Louisiana's recent 5GW target** announcement.

"Targets are good but they're not strong enough to really depend on," he said, noting that a change of governor could easily see those targets thrown out. "There needs to be solidification of those targets."

The WoodMac outlook, said Stavole, stems in part from "a confidence that the industry, [as] it's in their interest, [will] figure it out. The more time they waste, the more money [will go] out the door".

"The signs point towards the industry figuring this out before those bottlenecks become a real issue," said Stavole.