



Ideas + Action for a Thriving Central Coast

U.S. House of Representatives Committee on Natural Resources

Subcommittee on Energy and Mineral Resources

“Power in the Pacific, Unlocking Offshore Wind Energy for the American West”

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**Testimony by Joshua Boswell, Vice President of Policy and Economic Development,
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Dear Chair Lowenthal, Ranking Member Stauber, Members of the Subcommittee:

Thank you for inviting me to provide testimony to the House Subcommittee on Energy and Mineral Resources at this field hearing on “Power in the Pacific, Unlocking Offshore Wind Energy for the American West.” Our evolving energy landscape and its economic impacts could not be more important for the future of the Central Coast, the state of California and our country. We appreciate the opportunity to discuss how our region is preparing for offshore wind and how we can collectively partner to advance these critical efforts and unlock economic benefits.

By way of background, REACH is a nonprofit, economic impact organization with a mission to increase economic prosperity on the Central Coast of California through big thinking, bold action and regional collaboration. The north star of our work is collaboration with business, education, government and nonprofit partners to create 15,000 good-paying jobs in the region by 2030 and establish the Central Coast as a place where current and future generations have the opportunity to thrive. The energy transition of the Central Coast — one of our largest sources of good-paying jobs — has been a key pillar of our regional economic work.

California’s Central Coast: Energy Powerhouse for the State and Nation

In light of our country’s energy transition and its acute effect on the Central Coast, we have been proactively planning and preparing for our role as a national leader in renewable energy innovation.

The Central Coast has critical energy assets to build upon. One of the world’s largest energy storage projects is being planned here in Morro Bay, and San Luis Obispo County is home to one of the world’s largest solar farms. Diablo Canyon has critical transmission capabilities, and the region has come together to develop a [vision](#) for the creation of a Clean Tech Innovation Park under the leadership of Cal Poly San Luis Obispo to catalyze renewables, offshore wind and marine science research and ensure this site remains an economic engine for decades to come. Vandenberg Space Force Base has the largest solar array project in which all energy is produced and consumed by the Air Force. The University of

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California, Santa Barbara is a global leader in energy and environmental research and innovation. Many leading renewables installation and service companies are also based here on the Central Coast.

The Central Coast has a world-class energy workforce, and an urgent need to ensure a just and seamless economic transition. Santa Barbara County and San Luis Obispo County are among the top 10 oil-producing counties in California. Next year a major refinery in the region is slated for closure and offshore platforms are being decommissioned. While the Diablo Canyon Power Plant — the region's largest private-sector employer and state's largest single source of electricity — may be extended temporarily as a stopgap measure, its ultimate closure and the broader energy transition requires us to plan proactively for our economic future. This is crucial as the energy sector has long been a critical source of good-paying jobs in a region where 53% of jobs pre-COVID were low wage and half of middle-class residents say they are considering leaving the region.

Our region has the will to ensure our part in the future of this new industry and is taking concrete steps to advance offshore wind and renewables:

- Cleantech and renewable energy was identified as one of the **priority industries** in the [REACH 2030 plan](#), which was approved by the Economic Development Administration as the region's current comprehensive economic development strategy.
- REACH released an [economic impact report](#) in April 2021 outlining the potential job and economic opportunities associated with the development of offshore wind.
- San Luis Obispo County approved a **resolution** on June 22, 2021 recognizing the need of renewable wind power generation and clean energy infrastructure as long-term economic benefits to the County and resolving to support Federal and State initiatives aimed at developing wind, and take action to advocate for state and federal funding to advance feasibility studies for locating a clean energy port and supporting infrastructure in SLO County for offshore wind.
- Regional leaders came together to outline our joint commitment in a [letter to President Biden and Governor Newsom](#) in July 2021 and have been working to advance planning for waterfront infrastructure on the Central Coast to support the offshore wind industry, with the belief that offshore wind is an essential ingredient in our regional economic diversification strategy.
- REACH is now leading a [waterfront infrastructure study](#) with support from three government agencies on the Central Coast to identify and outline a roadmap of options for developing waterfront infrastructure to support offshore wind.
- The Central Coast has **collaborated closely with federal and state policymakers and regulators** to support the upcoming BOEM auction and advance planning efforts pursuant to AB 525 to support the responsible development of offshore wind.
- We have **engaged closely with offshore wind developers** to ensure our region is prepared to hit the ground running and enable the scale-up of this important new industry to meet state and federal offshore wind targets and renewables goals.



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In short, there is broad regional commitment to position the Central Coast as a hub for our nation's renewable energy and clean tech future in partnership with the state and federal government. A concerted effort is needed to advance our shared economic, energy and climate goals. We are eager to collaborate to make this a reality.

Morro Bay Wind Energy Area: Climate and Economic Opportunity

Offshore wind is central to our region's climate and economic efforts. The Morro Bay Wind Energy Area is slated to be the first and largest offshore wind area on the West Coast. This presents two critical opportunities: to advance state and national climate goals and to jumpstart a new, clean energy sector and supply chain that can provide good jobs to residents displaced by the energy transition, positioning the West Coast and our country at the forefront of the 21st century economy. We can and must work together to seize both opportunities.

With an eye to the future, REACH commissioned and released an [economic impact report](#) last year on the impacts of the Morro Bay Call Area for offshore wind energy development to the Central Coast. This study found that the development of a 3 GW wind farm – if supported through regional waterfront infrastructure – would equate to \$262M in annual economic impact and 650 good paying, long-term jobs for San Luis Obispo and Santa Barbara Counties – and over a thousand jobs for California overall. These significant jobs and economic benefits would be augmented further under a 7 GW scenario. It also identified significant opportunity associated with the build-out of the waterfront infrastructure to support offshore wind, including a \$412 million annual economic impact to San Luis Obispo and Santa Barbara Counties and creation of over 2,411 annual jobs over a 5-year project. These are likely conservative estimates, as the report made the assumption that none of the material is sourced from California, and so any economic stimulus is driven only by direct construction employment. The report recognized that all of these economic benefits are contingent on the development of waterfront infrastructure to support the wind farms, and that this infrastructure is currently underdeveloped on the Central Coast.

These potential economic benefits are vital to ensure a just transition for our energy community. The Diablo Canyon Power Plant has been a critical economic engine for our region, but these benefits are largely associated with operations of the plant and thousands of direct and contractor jobs, not with the transmission. The same will be true for offshore wind – while existing transmission infrastructure at Diablo Canyon and on the Central Coast can play a crucial role in enabling offshore wind, the economic benefits will be associated with the actual development and support of the wind farms and associated waterfront infrastructure. With the potential temporary extension of Diablo Canyon's operations, there is an opportunity to ensure a seamless and just transition and double down on federal goals to support long-term, high-quality green jobs for affected communities and our world-class energy workforce.

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Waterfront infrastructure is a critical element to enable the development of offshore wind in California and across the country and ensure that this translates into future-oriented, good-paying jobs with salaries averaging \$89k. The coast of California is 840 miles, just shy of the coastline from Maine through Maryland. We know the East Coast is rapidly scaling up a broad network of waterfront infrastructure, supply chains, and manufacturing to advance offshore wind. Europe is even further ahead in investing in this emerging industry. It is critical that stakeholders across California and the West are coordinating to scale up a similar infrastructure and supply chain network. The scale of the task requires us to work in concert to accomplish our offshore wind and jobs goals.

To advance these efforts, this year the County of San Luis Obispo, County of Santa Barbara and City of Morro Bay came together to support and fund REACH to undertake a study to assess and identify options for waterfront infrastructure on the Central Coast to support the emerging offshore wind industry. This initiative was launched in June 2022 and we expect to have the final study later this fall. We are working closely with local harbor and waterfront officials, government, industry and other stakeholders, as well as coordinating with related state and federal efforts. This initiative aims to outline where, how, and when waterfront infrastructure can be enhanced on the Central Coast to support the development of this critical new sector, including the development of the Morro Bay Wind Energy Area. We are working tactically, at the ground level, so that we have a concrete action plan to realize these opportunities, recognizing the importance and benefits of proximity between offshore wind farms and onshore waterfront infrastructure. This information is intended to provide a roadmap to support state, federal and industry efforts – in collaboration with partners across the West Coast – to develop the network of waterfront infrastructure necessary to advance offshore wind and ensure it delivers on the economic opportunities for our region, state and country.

Opportunity for a Regional-State-Federal Partnership to Achieve Bold Offshore Wind Goals

The federal government – in partnership with the Central Coast region and state of California – can play a critical role in enabling this energy transition and ensure it translates into good-paying jobs and positive economic impacts for affected communities. California has recently established bold offshore wind planning goals of at least 25 GW by 2045, and there is significant opportunity to scale up an entire workforce and supply chain ecosystem with the development of the Morro Bay Wind Energy Area in the vanguard. Targeted investments, appropriate incentives and a long-term roadmap for the expansion of offshore wind on the Central Coast will be critical to make this opportunity a reality:

- **Coordinate federal resources and investments in offshore wind infrastructure and innovation with affected communities and across agencies.** To date our initiatives to prepare for offshore wind, including mapping the economic impacts, identifying infrastructure options, and planning for offshore wind research and innovation, have been regionally funded. As we pivot toward the rapid scale-up of these efforts post-auction to meet our national goals, there is an opportunity to ensure federal resources support communities that have been leading the way to prepare for

and enable the build out of offshore wind and set the standard for how to advance offshore wind responsibly with respect for local communities. As we map out actionable opportunities to enhance Central Coast waterfront infrastructure, catalyze offshore wind research and innovation, and develop the workforce to support this new industry, federal partnership and investment will play a critical role.

- **Establish a Final Sale Notice that supports affected communities and stakeholders, mitigates impacts and advances jobs and economic goals.** The Community Benefit Agreement (CBA) bidding credit for agreements with groups such as the fishing community should be increased to ensure sufficient incentive to support these communities. As a coastal region, fishing and related industries remain an important part of the Central Coast's economic fabric. The San Luis Obispo County resolution on offshore wind resolved to work in partnership with the commercial fishing industry to analyze the economic impact of this new industry. It is crucial that these affected stakeholders and communities be consulted, engaged and supported, and a higher bidding credit percentage is necessary to advance these efforts. A general CBA bidding credit should also be established to promote job creation, education opportunities, and increased engagement to mitigate the potential impacts of the development of the Lease Areas. The development of offshore wind including necessary enabling infrastructure and transmission will require building strong community buy-in and trust, and empowering developers to integrate into the communities adjacent to the Wind Energy Area through a general CBA will position these efforts for success and be critical for expediting broader renewables efforts. Additional stipulations to encourage hiring of the local base of skilled workers and high standard job creation and enhance regional supply chains are also key to fully realizing the economic benefits of offshore wind.
- **Partner with the Central Coast to achieve our state and nation's offshore wind goals beyond the Morro Bay Wind Energy Area auction.** Achieving California's offshore wind planning goal of at least 25 GW by 2045 will require an all-hands-on-deck effort and proactive planning and investment. The development of the Morro Bay Wind Energy Area was the result of intensive discussions between federal, state and local partners and stakeholders to serve environmental, energy and national security interests. These discussions were enabled by a bold vision on the potential for offshore wind energy and a willingness by stakeholders to work through these important issues toward this overarching goal. We appreciate Congressman Carbajal's leadership in advancing this dialogue and enabling the opportunity being discussed today. As we look beyond the immediate auction, it is vital that the Central Coast play a long-term role in this new energy ecosystem. Ambitious new state goals must be matched by a willingness by all stakeholders to continue this dialogue, work through important issues and plan for the long-term future and expansion of offshore wind energy on the Central Coast.

Thank you for the opportunity to provide testimony on this important topic for our economic, energy and climate future.