

WEDNESDAY, JANUARY 5, 2022

NEW CALIFORNIA LAWS 2022

AB 525: Laying the foundation for California's offshore wind industry

By John M. Ugai

Through Assembly Bill 525, California joined the flurry of activity in the offshore wind industry in 2021 led by the Biden administration. While offshore wind development in California has lagged behind efforts on the east coast, AB 525 recognizes the vital role that floating offshore wind must play in helping California achieve its goal of 100% carbon-free electricity by 2045 and sets a blueprint for California's offshore wind development efforts.

A California Blueprint for Offshore Wind Development

AB 525 directs the California Energy Commission to evaluate, set and report on key offshore wind development steps and goals for California. First, by June 1, 2022, the commission must evaluate and quantify California's maximum feasible offshore wind capacity and establish megawatt offshore wind planning goals for 2030 and 2045.

Second, by June 30, 2023, the commission must submit a strategic plan for offshore wind development to the Natural Resources Agency and Legislature. The strategic plan must cover five areas:

- (1) A plan identifying suitable offshore areas to meet the commission's 2030 and 2045 offshore wind planning goals;
- (2) An economic and workforce development and infrastructure plan to improve waterfront facilities to support offshore wind development activities;
- (3) An analysis of the transmission invest-

ments and upgrades necessary to support the 2030 and 2045 goals;

(4) A permitting roadmap that describes the timeframes and milestones for offshore wind energy facilities and the supporting electricity and transmission infrastructure; and

(5) An overview of the potential impacts on coastal resources, fisheries, Native American and Indigenous peoples, and national defense, and strategies for addressing those potential impacts.

In developing the strategic plan, the commission must consult with relevant federal, state and local agencies, including the California Coastal Commission, State Lands Commission, Department of Fish and Wildlife, the Governor's Office of Business and Economic Development, Independent System Operator, and Public Utilities Commission.

Catalyzing the Offshore Wind Industry on the Federal Level

AB 525 arrived as the Biden administration took several significant steps in 2021 to ignite the offshore wind industry. In March, the administration announced its goal to deploy 30 gigawatts offshore wind in the U.S. by 2030. Then, in October, Secretary of the Interior Deb Haaland announced the administration's plan to auction off as many as seven new offshore wind leases by 2025, including offshore California. The Department of the Interior further demonstrated the administration's commitment to the industry by approving the first two commercial-scale offshore wind projects in the U.S. this year.

The Bureau of Ocean Energy Management, which oversees offshore wind develop-

ment in federal waters, intends to announce the first lease sales offshore California as early as 2022. Specifically, in July 2021, the agency designated the Humboldt Wind Energy Area and announced that it will proceed with an initial environmental review under the National Environmental Policy Act. The agency announced a second designation and environmental review four months later in November 2021 — the Morro Bay Wind Energy Area. The latter came after the Biden administration resolved an impasse between the Department of Interior and the Department of Defense, who expressed concerns regarding the potential impacts to its offshore training and testing operations.

Through AB 525 and the Biden administration's actions, California's offshore wind industry is poised to catch up to east coast states like Massachusetts, Rhode Island and New York, which have led the U.S.'s offshore wind industry. The growth of offshore wind in California will play a critical role in diversifying California's clean energy portfolio and generating jobs for local communities. It will also further California's and the Biden administration's environmental justice goals by supporting the transition away from the gas power plants disproportionately located in low-income neighborhoods and communities of color.

John M. Ugai is an environmental law associate in Farella Braun + Martel LLP's San Francisco office, where he is a member of the firm's Energy + Infrastructure Industry Group. He can be reached at jugai@fbm.com or (415) 954-4983.