



119 Washington Avenue, Suite 103
Albany, NY 12210
518.482.1405
info@aceny.org | www.aceny.org

Memo in Support

S.6327 (Kavanagh)

An act to amend the executive law, in relation to defining CLCPA targets for the purposes of the major renewable energy development program

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The New York Offshore Wind Alliance (NYOWA), a collaboration of the world's leading developers of offshore wind generation, environmental organizations, and other interests joined to support the timely and responsible development of offshore wind (OSW) in New York State support S.6327. The bill would increase and expand New York's offshore wind procurement targets, setting incremental 5-year targets with a terminal goal of 20 GW by 2050. The bill would help retain and firmly secure New York's hard-earned position as the center of gravity for the growing U.S. offshore wind sector, and spur continued private and public sector investment in ports, people, and production facilities.

The 2019 Climate Leadership and Community Protection Act (CLCPA) has mandated the procurement of 9 GW of offshore wind by 2035 as an important means of achieving the state's broader goal of decarbonizing its electric grid by 2040. Considerable progress is being made towards achievement of the 2035 OSW target. Specifically, through procurements conducted by the New York Energy Research and Development Authority and the Long Island Power Authority, New York State has assembled the Nation's largest portfolio of offshore wind development projects, with five projects under contract totaling over 4,300 MW of generation capacity, sufficient to serve the electricity needs of nearly 3 million households. This portfolio is expected to generate over \$12 billion in increased gross state product and create over 6,800 jobs.

Accompanying these generation additions, investments are being made downstate and Upstate in the modernization of New York's ports to serve the varied needs of this new industry. These include port improvements to serve as centers for pre-assembly and load out of massive components to the offshore site, the repurposing of harbor facilities for operations and maintenance activities, manufacturing, and other industrial purposes.

Similarly, investments are being made in OSW workforce development programs undertaken by project developers, state and community colleges, unions and others. Offshore wind holds the promise of thousands of union jobs with multi-generational employment with opportunities across the state along with new jobs and careers in underserved communities who will be provided worker training.

NYSERDA has recently issued a third OSW procurement for a minimum of 2,000 MW. The third solicitation places a heavy emphasis on growing New York State's nascent OSW manufacturing sector, by allocating \$300 million in matching state funding for port redevelopment and manufacturing, leveraging other non-state sources of funding on at least a 3 to 1 basis. Recent announcements by global equipment suppliers of their plans, contingent on award, to locate marquee manufacturing facilities in NYS demonstrates that this strategy is paying dividends.

Importantly, the ongoing NYSERDA procurement has no cap and it is conceivable that the state will shortly announce awarded capacity sufficient to fully meet the 2035 target. It is therefore critical that the state continue to expand and extend its OSW targets to protect and build on nation-leading position in this new heavy industry.

Apart from these economic and social imperatives, it is essential for the legislature to align OSW development targets with climate goals. The legislatively mandated Climate Action Council's Final Scoping plan relies critically and increasingly on OSW generation as an essential part of New York State's clean and carbon-free electric sector portfolio. Indeed, under all scenarios developed and studied by the Climate Action Council, at least 18 GW of new offshore wind will be required by 2045. This analysis lends strong support to the procurement trajectory set forth in S.6327.

For the above reasons, the New York Offshore Wind Alliance supports this legislation. For more information contact Fred Zalcman, NYOWA Director at (c) 475-204-4762 or Deb Peck Kelleher, Alliance for Clean Energy Deputy Director, at (c) 518-698-3211. All of NYOWA's memos on legislation are available at <https://www.nyowa.org/policy-and-advocacy>.