

**(Without Reference to File)**

## CONCURRENCE IN SENATE AMENDMENTS

AB 525 (Chiu, et al.)

As Amended September 3, 2021

Majority vote

**SUMMARY**

Requires the California Energy Commission (CEC) to establish 2030 and 2045 planning goals, as specified, for electricity generated by offshore wind (OSW). Additionally requires the CEC, in coordination with specified agencies, to develop a five-part strategic plan for OSW development and to submit the plan to the Natural Resources Agency (NRA) and the Legislature by June 30, 2023.

**Senate Amendments**

- 1) Move the date by which the OSW strategic plan is due to NRA and the Legislature from December 31, 2022, to June 30, 2023. Additionally move the date by which the 2030 and 2045 planning goals for OSW are due from March 1, 2022 to June 1, 2022.
- 2) Add a fifth chapter to the OSW strategic plan to include potential impacts and strategies for addressing those impacts on coastal resources, fisheries, Native American and Indigenous peoples, and national defense, and includes consideration of those groups in the other relevant assessments conducted as part of the strategic plan.
- 3) Clarify that the CEC shall provide an opportunity for public review and comment on the draft strategic plan.
- 4) Set interim targets of December 31, 2022 for the CEC to complete both a preliminary assessment of the economic benefits of OSW, as related to seaport investments and workforce development, and a permitting roadmap that describes timeframes and milestones for efficient permitting of OSW facilities and associated transmission infrastructure.
- 5) Add consideration of subsea high-voltage transmission and network upgrades to the assessment conducted by the California Public Utilities Commission and California Independent System Operator on transmission investments necessary to support the 2030 and 2045 OSW planning goals.
- 6) Strike the requirement that the CEC convene a working group to develop a permitting roadmap, and instead requires the CEC consult with those groups in developing the report.
- 7) Clarify "stakeholders" for this bill include, but are not limited to, fisheries groups, labor unions, industry, environmental justice organizations, environmental organizations, and other ocean users.
- 8) Specify that nothing in this bill is intended to create a technology set-aside or mandatory minimum for any type of eligible renewable energy resource.
- 9) Repeal the provisions of this bill on January 1, 2027.

## COMMENTS

California has ambitious environmental goals for the energy sector. The Renewables Portfolio Standard (RPS) requires every retail seller of electricity to procure 60% of its retail electricity sales from eligible renewable energy resources by 2030 and thereafter. State law defines those resources to include biomass, solar thermal, photovoltaic, wind, geothermal, renewable fuel cells, small hydroelectric, digester gas, limited non-combustion municipal solid waste conversion, landfill gas, ocean wave, ocean thermal or tidal current. Existing law additionally establishes state policy that a diverse mix of RPS-eligible and zero-carbon resources supply 100% of all retail sales of electricity to California end-use customers no later than December 31, 2045.

Despite the requirement that the state's mix of energy resources be diverse, thus far, solar energy has accounted for the majority of California's renewable energy resources. Nonetheless, the state has other renewable resources Californians might be able use to meet their energy needs. Among those other renewable energy resources is OSW. According to the National Renewable Energy Laboratory, California has 200 gigawatts of OSW technical potential. However, the potential to produce electricity in a given location is not the same as the actual production of energy from that location. There are many barriers to developing OSW electricity generation off the California coast and delivering that electricity where Californians need it, ocean depths and lack of transmission lines not least among them.

The CEC is aware of the potential of OSW and has been researching the issue for several years. In August of last year, the CEC released a report on the topic which focused on identifying opportunities to remove or reduce technological, manufacturing, logistics and supply chain barriers to OSW energy projects. Absent this bill, it is likely the CEC, and other state agencies, would continue their work to identify barriers to develop OSW resources, assess ways to overcome those barriers and, possibly, to promote its development. This bill obligates the CEC to do so, and on an accelerated schedule, while requiring megawatt planning goals be established for 2030 and 2045.

### **According to the Author**

AB 525 would further the state's goal of 100% clean energy by 2045 by planning for the development of utility-scale offshore wind energy in the state. On the East Coast, states have set a total of 29 GW worth of offshore wind development goals, resulting in 16 projects under contract and counting. President Biden has made offshore wind a priority, with a goal of doubling offshore wind energy nationally. California has fallen behind and has yet to make a significant investment in offshore wind power. This is despite the fact that offshore wind could create over ten thousand jobs in the green economy and accelerate progress toward the state's clean energy and decarbonization requirements.

### **Arguments in Support**

Supporters of this bill note OSW as a critical resource for California achieving its ambitious clean energy goals, while also adding to a diverse portfolio of energy resources to ensure system reliability. They also identify the potential for job creation that an OSW industry could have in the state, to modernize the ports, build transmission lines, and install the wind turbines offshore.

### **Arguments in Opposition**

None on file.

## FISCAL COMMENTS

According to the Senate Appropriations Committee, this bill will result in ongoing costs of approximately \$1.5 million annually (special fund) for the CEC to analyze each of the development and implementation requirements of the feasibility study report and the strategic plan. CEC staff expects these costs to diminish substantially following the completion of the development of the strategic plan.

## VOTES:

### **ASM UTILITIES AND ENERGY: 14-0-1**

**YES:** Cristina Garcia, Bauer-Kahan, Burke, Carrillo, Chen, Cunningham, Eduardo Garcia, Chau, Mayes, Muratsuchi, Quirk, Reyes, Santiago, Ting

**ABS, ABST OR NV:** Patterson

### **ASM NATURAL RESOURCES: 11-0-0**

**YES:** Luz Rivas, Flora, Chau, Friedman, Cristina Garcia, Mathis, McCarty, Muratsuchi, Seyarto, Stone, Wood

### **ASM APPROPRIATIONS: 13-1-2**

**YES:** Lorena Gonzalez, Calderon, Carrillo, Chau, Fong, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Holden, Luz Rivas

**NO:** Davies

**ABS, ABST OR NV:** Bigelow, Megan Dahle

### **ASSEMBLY FLOOR: 71-1-6**

**YES:** Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Burke, Calderon, Cervantes, Chau, Chen, Chiu, Choi, Cooley, Cooper, Cunningham, Daly, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Lackey, Lee, Levine, Low, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Seyarto, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wood, Rendon

**NO:** Davies

**ABS, ABST OR NV:** Bigelow, Carrillo, Megan Dahle, Lorena Gonzalez, Kiley, Maienschein

## UPDATED

VERSION: September 3, 2021

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