81st OREGON LEGISLATIVE ASSEMBLY--2021 Regular Session

House Bill 3375

Sponsored by Representative SMITH DB

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced.**

Establishes goal of planning for development of three gigawatts of commercial scale floating offshore wind energy projects within federal waters off Oregon Coast by 2030.

Establishes Task Force on Floating Offshore Wind Energy. Requires task force to develop floating offshore wind development strategic plan and to submit plan to interim committees of Legislative Assembly related to energy no later than September 15, 2022. Sunsets December 31, 2022.

Takes effect on 91st day following adjournment sine die.

A BILL FOR AN ACT

Relating to floating offshore wind energy; and prescribing an effective date.

Whereas Oregon's coastal communities rely on electricity that is imported through catastrophe-prone supply lines to meet their most basic human needs; and

Whereas Oregon's southwestern coast is isolated from recovery resources and at high risk for wildfires, seismic events and increasing frequencies of catastrophic events; and

Whereas Oregon's coastal communities and commercial fisheries are hit first and hardest by climate change and must prioritize rapid adaptation in practices and infrastructure; and

Whereas wind resources within the federal waters of the outer continental shelf off the southern Oregon coast are world class and can be responsibly harnessed to deliver clean, reliable electricity to the communities of the Oregon coast and the Willamette Valley; and

Whereas renewable energy development within the federal waters of the outer continental shelf off the Oregon coast will result in diversified economic development and increased energy security for this state; and

Whereas floating offshore wind energy projects within the federal waters of the outer continental shelf off the Oregon coast can greatly contribute to the energy resilience of Oregon's coastal communities and provide electricity for catastrophic event recovery activities; and

Whereas floating offshore wind energy can contribute to a diverse, secure, reliable and affordable renewable energy resource portfolio to serve the electricity needs of Oregon rate payers and improve air quality, particularly in disadvantaged communities; and

Whereas floating offshore wind energy development presents an opportunity to attract investment capital and to realize community economic development and workforce development benefits in Oregon, such as long-term job creation and development of a floating offshore wind energy supply chain; and

Whereas three gigawatts of floating offshore wind energy can contribute significantly to Oregon's existing renewable portfolio standards; and

Whereas Oregon's coastal transmission system can accommodate a significant amount of floating offshore wind energy for coastal consumption with potential delivery to the Willamette Valley along existing coast range transmission corridors; and

NOTE: Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

Whereas floating offshore wind energy has the potential to contribute positive benefits to the Pacific Northwest transmission grid and to help resolve transmission constraints; and

Whereas floating offshore wind energy can be used to electrolyze water into renewable hydrogen and its clean derivatives, which can be utilized to decarbonize the maritime, fishing and transportation sectors; and

Whereas when responsibly developed and deployed at scale, the development of floating offshore wind energy can provide economic, resilience and environmental benefits to this state and to the nation; and

Whereas Oregon's estuarine ecosystem health is essential to global carbon balance and must be protected; and

Whereas Oregon's commercial and recreational ocean fishers should be engaged in designing policies for floating offshore wind energy project development that promote coexistence and shared net benefits; and

Whereas Oregon State University is a global leader in marine energy technology development and evaluation as well as in balancing multiple stakeholder objectives for the management of public resources; and

Whereas Oregon State University can play a supportive role in designing floating offshore wind energy projects to be coexistent with Oregon's commercial fishing, maritime and coastal manufacturing and fabrication facilities; and

Whereas responsible planning for floating offshore wind energy should, from the initial planning phases throughout the extent of developing any floating offshore wind energy project, incorporate the interests of the people of Oregon; now, therefore,

Be It Enacted by the People of the State of Oregon:

SECTION 1. (1) The Legislative Assembly finds that:

(a) A federal leasing process led by the Bureau of Ocean Energy Management is underway for the development of floating offshore wind energy within the federal waters off the Oregon and California coasts;

(b) A planning scenario for developing three gigawatts of floating offshore wind energy capacity within the federal waters off the Oregon coast by 2030 would trigger immediate economic benefits to this state, including economic benefits related to planning activities at the local, regional and state levels; and

(c) Proactive planning for floating offshore wind energy with effective engagement from Oregon's fishing communities, ports, conservation interests, manufacturing industry, maritime industry, disaster recovery planning stakeholders, workforce development stakeholders, electricity rate payers and tribes will maximize the benefits to this state related to floating offshore wind energy, while minimizing the conflicts between floating offshore wind energy, the ocean ecosystem and ocean users.

(2) In furtherance of the findings set forth in subsection (1) of this section, the Legislative Assembly declares that it is the goal of this state to plan for the development of three gigawatts of commercial scale floating offshore wind energy projects within the federal waters off the Oregon coast by 2030. It is further the goal of this state that the planning described in this subsection be conducted in a manner that will maximize benefits to this state while minimizing conflicts between floating offshore wind energy, the ocean ecosystem and ocean users.

SECTION 2. (1) The Task Force on Floating Offshore Wind Energy is established.

(2) The task force consists of at least 11 members appointed as follows:

(a) The President of the Senate shall appoint two members from among members of the Senate, one from the majority party and one from the minority party.

(b) The Speaker of the House of Representatives shall appoint two members from among members of the House of Representatives, one from the majority party and one from the minority party.

(c) The following shall serve as ex officio voting members of the task force:

(A) The Director of the State Department of Energy or a designee of the director;

(B) The Director of the Department of Land Conservation and Development or a designee of the director;

(C) A representative, appointed by the Governor, of the Office of the Governor;

(D) The Director of the Oregon Business Development Department or a designee of the director;

(E) The State Resilience Officer or a designee of the officer;

(F) A member of the Public Utility Commission or a designee of the commission; and

(G) The Director of the Department of Environmental Quality or a designee of the director.

(d) The Governor may appoint to the task force a representative of each state agency not represented by the members required under paragraph (c) of this subsection that has an interest in or jurisdiction over aspects of the development of floating offshore wind energy projects in federal waters off the Oregon coast.

(3) In order to ensure effective planning in Oregon for the development of floating offshore wind energy projects in federal waters off the Oregon coast, the task force shall develop a floating offshore wind development strategic plan for Oregon. The strategic plan shall:

(a) Examine the potential for floating offshore wind energy development in federal waters off the Oregon coast;

(b) Evaluate actions necessary to promote development of floating offshore wind energy;

(c) Recommend a comprehensive and efficient state and federal permitting timeline for development of floating offshore wind energy projects in federal waters off the Oregon coast that:

(A) Includes a coordinated, timely state permitting process;

(B) Clearly defines state agency roles, responsibilities and decision-making authorities; and

(C) Identifies the timing, sequencing and coordination with federal agencies and tribal governing bodies necessary for permitting of a floating offshore wind energy project;

(d) Include a progressively adaptive management and development approach to meeting the goal set forth in section 1 of this 2021 Act and, in furtherance of that goal, to developing, by 2025, 500 megawatts in floating offshore wind energy capacity in federal waters off the southern Oregon coast to power an associated renewable hydrogen production facility;

(e) Identify measures for minimizing conflicts with existing ocean users in areas of federal waters off the Oregon coast that are leased for the development of floating offshore wind energy;

(f) Identify mechanisms, measures and other opportunities for the development of floating offshore wind energy to provide net benefits to existing ocean users;

(g) Include a full evaluation of the impacts of floating offshore wind energy on the coastal, state and regional electricity transmission grid, which must include but is not limited to evaluation of the impacts in grid reliability, grid resilience, regional resource value stacking and seasonal load balancing;

(h) Identify or recommend local or state initiatives designed to maximize the benefits to the people of this state of developing floating offshore wind energy;

(i) Evaluate options for integrating the development of floating offshore wind energy with Oregon's ports and evaluate the potential economic, ecological, workforce and functionality impacts on Oregon's ports related to the development of floating offshore wind energy;

(j) Be the result of and promote regular, collaborative engagement with other Pacific coast states, tribal nations and provinces with relation to the development of floating offshore wind energy; and

(k) Assess the opportunities and challenges of developing floating offshore wind energy in federal waters off the Oregon coast as those opportunities and challenges relate to:

(A) The resilience and reliability of the coastal and regional electricity transmission grid;

(B) State and regional electricity transmission grid integration;

(C) Fire risks related to electricity transmission lines;

(D) Decarbonization of the energy sector across the Pacific Northwest;

(E) The development of floating offshore wind energy as a complementary energy resource with other renewable energy resources such as renewable hydrogen, pumped storage and other forms of energy storage;

(F) The contributions of floating offshore wind energy to meeting capacity peak demands;

(G) The interests of electricity rate payers;

(H) State energy independence;

(I) Tribal energy sovereignty and other related interests of federally recognized coastal Oregon Indian tribes;

(J) Economic diversification in this state;

(K) Workforce development;

(L) The use of local content in floating offshore wind energy development and local supply chain development related to floating offshore wind energy;

(M) The contributions of floating offshore wind energy to the economic and geographic energy equity in this state;

(N) The interests of this state's commercial and recreational fishing industries and subsistence fishers and the specific interests of this state's coastal fishing and tribal communities;

(O) Estuarine ecosystem functions;

(P) Port functionality; and

(Q) Any other issues that the task force determines to be relevant.

(4) In developing the strategic plan described in subsection (3) of this section, the task force shall solicit input from representatives of relevant local, regional and federal entities that may include, but are not limited to, the commercial and recreational fishing industries, Oregon State University, ports, conservation interests, the manufacturing industry, the maritime industry, disaster recovery planners, workforce development advocates, electricity rate payers, the United States Department of Energy, the Bonneville Power Administration, federally recognized Oregon Indian tribes and federal agencies with jurisdictional interests

related to floating offshore wind energy development.

(5) A majority of the voting members of the task force constitutes a quorum for the transaction of business.

(6) Official action by the task force requires the approval of a majority of the voting members of the task force.

(7) The Director of the State Department of Energy or the designee of the director shall serve as chairperson of the task force.

(8) If there is a vacancy for any cause, the appointing authority shall make an appointment to become immediately effective.

(9) The task force shall meet no less than once per month at times and places specified by the call of the chairperson or of a majority of the voting members of the task force.

(10) The task force may adopt rules necessary for the operation of the task force.

(11) The task force shall submit the plan required under subsection (3) of this section, in the manner provided by ORS 192.245, which may include recommendations for legislation, to the interim committees of the Legislative Assembly related to energy no later than September 15, 2022.

(12) The State Department of Energy shall provide staff support to the task force.

(13) Members of the Legislative Assembly appointed to the task force are nonvoting members of the task force and may act in an advisory capacity only.

(14) Members of the task force who are not members of the Legislative Assembly are not entitled to compensation or reimbursement for expenses and serve as volunteers on the task force.

(15) All agencies of state government, as defined in ORS 174.111, are directed to assist the task force in the performance of the duties of the task force and, to the extent permitted by laws relating to confidentiality, to furnish information and advice the members of the task force consider necessary to perform their duties.

SECTION 3. Section 2 of this 2021 Act is repealed on December 31, 2022.

SECTION 4. This 2021 Act takes effect on the 91st day after the date on which the 2021 regular session of the Eighty-first Legislative Assembly adjourns sine die.
