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April 10, 2017

To: Mike Catanzaro, Special Assistant to the President
for Energy and Environmental Policy

From: Larry Pearce

Subject: ***Follow Up Memo to March 29 Meeting***

Thanks for taking the time to visit with Carol, Jon, David and me. We were encouraged by your interest in our work.

This memo summarizes the topics we talked about, provides additional information, and suggests several White House initiated actions you might consider. We're prepared to help you in any way possible as you work on the challenging issues we discussed.

- **Presidential Renewable Energy Message**

Because of gubernatorial leadership and smart state and federal policies, the renewable energy industry has now become an important economic foundation in many states. Missing from the Administration's energy messages is any reference to renewable energy. That omission is noticed. A short Presidential message that honors many of the nation's governors who have been leaders in renewable energy development and recognizes the thousands of jobs created by billions in renewable energy investments would be appropriate.

We would welcome the opportunity to draft that message.

- **Infrastructure Legislation, Grid Modernization, and Transmission Development**

Like other basic infrastructure needs, the nation must address the electrical transmission challenges that a large expansion of renewable energy production will create, including the integration and transport of significant new renewable energy to all areas of the nation.

As we discussed, any national infrastructure legislation introduced in Congress should provide significant funding for grid modernization. Legislation such as the *Prepare Act (S.888)*, which provides support for state and gubernatorial participation in transmission planning, is a welcomed acknowledgement of the state role in transmission and should be part of any national infrastructure legislation.

The complexity of the nation's aging, multi-state grid makes the need for sophisticated modeling and analysis critically important to the states. In order to address these needs, the Administration could support a governor-led task force of states and regional transmission organizations. This gubernatorial transmission task force, reflecting Governor Branstad's message last year to regional transmission organizations, would examine options to modernize and streamline state and federal regulatory processes in ways that will stimulate private sector and utility investments in a reliable electric system — capable of withstanding security threats and delivering low cost electricity to every region of the nation.

Action for further discussion: *White House Convened Governors' Transmission Task Force*

- **Comprehensive Long-term Offshore Wind Development Legislation**

As we discussed, offshore wind is an abundant source of renewable energy located near some of our nation's largest cities, but the nation has only one functioning project, Block Island, off the coast of Rhode Island.

A new American offshore wind industry could create thousands of jobs in businesses ranging from R&D and engineering to manufacturing and marine construction. The Department of Energy's 2015 *Wind Vision Report* predicted that the nation's offshore wind resources could add 22 GW of new wind by 2030 and 86 GW by 2050. The [latest job projection analysis](#) indicates that offshore development would create over *100,000 jobs*.

Offshore wind is different from onshore wind and is more challenging to develop, resulting in longer construction times and higher initial costs. In addition, most of the nation's best offshore winds are found in federal waters — requiring federal permits and other logistic efforts that can add years to the construction timeline.

Because of these offshore development challenges, different tax incentives, infrastructure investments, and research are needed for offshore wind to be successful. That is why the governors recently alerted Congressional leadership that the nation's offshore wind industry will not grow without specific federal policy foundations that will encourage offshore wind development in both shallow and deep water. The governors have [urged](#) Congress to approve comprehensive offshore development legislation as soon as possible (see attached letter to Congressional leadership).

It is also our hope that your Administration and Congress will support a long-term extension of a thirty percent investment tax credit for offshore wind. Congress already has two pieces of legislation from the last session that would address this issue. Bills authored by Senators Markey and Whitehouse (S.3036) would extend the ITC for offshore wind through 2025, so the industry would have sufficient time to develop these projects. Other legislation authored by Senators Carper and Collins (S.1736), would allow the first 3,000 megawatts of offshore wind to qualify for the ITC, providing policy certainty for early developers regardless of construction timing. Both bills had companion legislation in the House. We support these efforts and other options that encourage offshore wind development.

Action for further discussion: *White House Convened Governors' Offshore Wind Development Task Force*

- **Regulatory Barriers to Solar and Wind Energy Projects**

It is very difficult to permit wind and solar projects on public land and private land because of current wildlife regulations. Wildlife permitting should allow wildlife-friendly projects to advance. An especially effective approach used by past Administrations to address permitting and siting issues is to direct assistant secretary level appointees from key agencies to meet quarterly and report on progress on removing regulatory barriers. Consistent high-level attention and White House oversight can deliver results.

Also the U.S. Department of the Interior's Bureau of Ocean Energy Management should work with other federal agencies and other interested parties to implement the recent [National Offshore Wind Strategy](#), which is a joint project of the Departments of Energy and Interior. The *Strategy* sets forth a pathway to ensure job creation and infrastructure investment.

- **Periodic Letters from the Governors to the President Recommending Wind and Solar Energy Administrative Actions**

cc: Carol Grant
Jon Hummell
David Terry

S.888 - PREPARE Act

114th Congress (2015-2016)

BILL Show Overview

Summary (1)

Text (1)

Actions (2)

Titles (3)

Amendments (0)

Cosponsors (1)

Committees (1)

Rel.

Text: S.888 — 114th Congress (2015-2016)[All Bill Information](#) (Except Text)

There is one version of the bill.

Text available as: XML/HTML | [XML/HTML \(new window\)](#) | [TXT](#) | [PDF](#) (PDF provides a complete and accurate display of this text.)[?]**Shown Here:**

Introduced in Senate (03/26/2015)

114TH CONGRESS
1ST SESSION**S. 888**

To promote Federal-State partnerships for developing regional energy strategies and plans to mitigate risks in changing energy systems, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 26, 2015

Mr. SCHATZ (for himself and Mr. HEINRICH) introduced the following bill; which was read twice and referred to the Committee on Energy and Natural Resources

A BILL

To promote Federal-State partnerships for developing regional energy strategies and plans to mitigate risks in changing energy systems, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in



Terry E. Branstad
GOVERNOR

OFFICE OF THE GOVERNOR

Kim Reynolds
LT. GOVERNOR

February 18, 2016

Mr. John R. Bear
President & Chief Executive Officer
MidContinent Independent System Operator (MISO)
P.O. Box 4202
Carmel, IN 46082-4202

Mr. Nick Brown
President & Chief Executive Officer
Southwest Power Pool (SPP)
201 Worthen Drive
Little Rock, AR 72223-4936

Dear Mr. Bear and Mr. Brown:

Development of and access to reliable, affordable and increasingly clean electricity remains a top priority. Put simply, electricity is the engine that powers economic growth and enables businesses to prosper.

I am aware that the MidContinent Independent System Operator (MISO) and Southwest Power Pool (SPP) are working hard to ensure that the transmission grid can accommodate changes in generation. I appreciate MISO's and SPP's diligent and forward-looking work in recent years, particularly throughout the Multi-Value Project (MVP) process and the SPP adoption of the Integrated Transmission Planning process and the Highway/Byway cost allocation mechanism. The MVP and SPP projects will continue to drive economic development, improve grid reliability, and further access to least-cost energy resources in the region. I would welcome MISO and the SPP building on these successful models.

Many states were actively involved in the planning and approval process for the MVP portfolio and the SPP High Priority Projects, and Iowa looks forward to future involvement. As a result of forward thinking, the development of renewable energy in the region has resulted in billions of dollars of investment. Based on this successful model, building the infrastructure to deliver this energy to other regions outside of MISO and SPP seems prudent and would further increase the flow of investment into our renewable-rich region. The potential for additional investment in our region's electric system is encouraging.

I write to support on-going efforts to plan for the next phase of infrastructure development in the Midwest and to express support for effective planning to accommodate robust amounts of emerging resources, like wind and solar energy, early in the planning processes. The Iowa Utilities Board has expressed that they share my commitment to regional planning, and board members and staff are poised to participate in stakeholder conversations.

Future economic demands and the need to connect energy supply with energy demand support additional transmission infrastructure planning at the regional level. Our region's uniquely strong renewable energy resources present an opportunity for our states as the energy sector further diversifies. With the recent cost declines of renewable energy, this trend will likely continue and therefore, MISO and SPP planning will be very important.

An inclusive planning process, focused on achieving economic savings, reliability, diversified energy production, and robust economic growth will help our states maximize the benefits of the energy transition that is emerging in the Midwest.

Thank you for your consideration and for your work to examine important regional transmission issues.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is fluid and cursive, with a prominent initial "T" and "B".

Terry E. Branstad
Governor of Iowa

cc: Governors of states within MISO and SPP
Members, Iowa Utilities Board
Debi Durham, Director, Iowa Economic Development Authority
Larry Pearce, Executive Director, Governors' Wind & Solar Energy Coalition
Jesse Heier, Executive Director, Midwest Governors Association

Job Estimates for Offshore Wind Support in the United States

Several recent reports from the DOE-NREL Wind Program examine employment likely to be needed to support the expected expansion of offshore wind. Together these reports cover most but not all of the nation's coastal area suitable for offshore wind development, including the Mid Atlantic, the Great Lakes, the Gulf of Mexico, the Southeast, and California. Not included are the Northeast and the Oregon-Washington coast. Estimates for the covered regions are summarized in a table below. Since several significant regions have not been addressed, estimates for the entire nation could be higher than the totals shown.

Actual historical experience from Europe provides both a backdrop and a reality check for the US estimates. The European Wind Energy Association reports that, as of the **end of 2014, slightly over 8,000 MW** of offshore wind had been installed [1]. By the end of 2016, cumulative European offshore wind installations had grown to 12,630 MW [2]. The International Renewable Energy Agency reported in early 2015 that, **at the end of 2014, European offshore wind employed 75,000 workers** [3].

The DOE-NREL studies [4,5] generally estimate jobs in three categories: project development and onsite labor, supply chain, and induced. The first two are directly associated with the construction of projects and the provision of the components, engineering and management needed. Those employed in these categories purchase goods and services such as living quarters, food and other retail sales, child-care, entertainment and leisure expenses. These purchases support jobs in those sectors of the economy – generally referred to as induced jobs. In the table below, induced jobs represent 35% to 40% of the job totals.

These studies also report jobs estimates in two other groupings: project construction, and operations and maintenance (O&M). In addition, they generally consider several prospective wind deployment scenarios – low, medium and high estimates. In the table below, aggregated estimates are shown, which include all of the above three categories as well as the two groupings combined together. A detailed breakout can easily be provided, but would likely be too detailed for the current purpose. The table shows medium-scenario estimates for the years 2020 and 2030.

The studies indicate a strong relationship between offshore wind installation rates and construction-job numbers – the greater the installation rate, the greater the number of jobs supported. Over the regions studied and the scenarios examined, construction jobs supported vary over a wide range from about 10 to about 40 jobs per MW. O&M jobs, however, are related to MW installed rather than under construction. Over the regions studied and scenarios examined, O&M jobs per MW installed ranged from 0.7 to 1.7, with a reasonable typical number of 1 job per MW installed. Again the table below combines these two job types into a single number for each region and year.

Region	2020		2030	
	MW	Jobs	MW	Jobs
Mid Atlantic	1,912	8,380	7,832	31,630
Great Lakes	500	1,590	2,000	4,840
Gulf of Mexico	400	5,620	4,000	22,450
Southeast	252	4,638	4,027	26,800
California	0	1,370	1,500	4,640
Total	3,064	21,598	19,359	89,960



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Iowa

Gov. Terry E. Branstad
Chairman

Rhode Island

Gov. Gina M. Raimondo
Vice Chairman

June 29, 2016

The Honorable Mitch McConnell
Majority Leader
U.S. Senate
317 Russell Senate Office Building
Washington, DC 20510

The Honorable Harry Reid
Minority Leader
522 Hart Senate Office Building
Washington, DC 20510

The Honorable Paul Ryan
Speaker
U.S. House of Representatives
H-232 U.S. Capitol Building
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
H-204 U.S. Capitol Building
Washington, DC 20515

Dear Speaker Ryan, Leader McConnell, Leader Reid, and Leader Pelosi:

We write as a governor of a state with a long history of innovation and success in the wind industry and a governor of a state poised for tremendous economic and energy benefits of offshore wind energy. Offshore wind can become an abundant source of renewable energy for many of our states and the nation's largest cities, yet today there is only one commercial project underway off the coast of Rhode Island. In contrast, the United Kingdom has 6 GW of offshore wind, and installation of new turbines continues. Congressional support for the nation's offshore wind sector would create tens of thousands of jobs in businesses ranging from research and development to engineering to manufacturing to marine construction.

This vast offshore energy resource — which stretches from Washington to Texas to Maine and the Great Lakes states — cannot be developed without a long-term and stable federal and state policy foundation that reassures private sector developers to make major investments in the nation's offshore wind industry. The offshore market is enormous and can help further diversify our nation's energy portfolio: nearly 60 percent of the nation's population lives in coastal states. Other nations have adopted policy incentives that have created a strong international wind industry. The U.S. has a tremendous opportunity to adopt policies that will allow the United States to be a leader in offshore wind development.

Planning, obtaining various siting approvals, and negotiating power purchase agreements make it very difficult to meet existing investment tax incentive deadlines. The adoption of a longer-term national policy foundation is critical to the development of the offshore wind industry.

Our assessment of the U.S. Department of Energy's *Wind Vision* report and the *Offshore Wind Market and Economic Analysis* is that the states' offshore wind industry, including locations in the Great Lakes, will not grow without a policy foundation that enables deep water wind development and signals that the nation is serious about offshore development.

Suggested national policy options have included a long-term investment tax credit, support for development of state port facilities through the Department of Energy's Loan Guarantee Program and the Modified Accelerated Cost-Recovery System (MACRS), and streamlined offshore siting by various federal agencies.

Regardless of the legislative mechanism you select, we respectfully urge you to act promptly. Thank you for your support of the nation's offshore wind energy sector.

Sincerely,



Terry E. Branstad
Chairman and
Governor of Iowa



Gina M. Raimondo
Vice Chairman and
Governor of Rhode Island

cc:

Members, Senate Energy and Natural Resources Committee

Members, Senate Finance Committee

Members, House Ways and Means Committee

The Honorable Ernie Moniz, Secretary, U.S. Department of Energy

The Honorable Sally Jewell, Secretary, U.S. Department of the Interior

The Honorable Brian Deese, Counselor to the President

The Honorable Christy Goldfuss, Chair, White House Council on Environmental Quality