

**Offshore Wind Jobs and Economic Development Act**

Senate Bill 747 v1

**WHY OFFSHORE WIND ENERGY**

**JOBS** – It is estimated that developing 2,500 MW of offshore wind would create over 10,000 construction jobs and 2,000 long-term operations and maintenance jobs, in addition to jobs associated with future manufacturing exports to other markets.

**PRICE STABILITY** – Provides stable-priced energy since the fuel, the wind, is always free. Fixed price contracts also hedge against rising and volatile fossil fuel prices.

**ENERGY SECURITY** – Helps reduce our long-term dependence on foreign sources of energy.

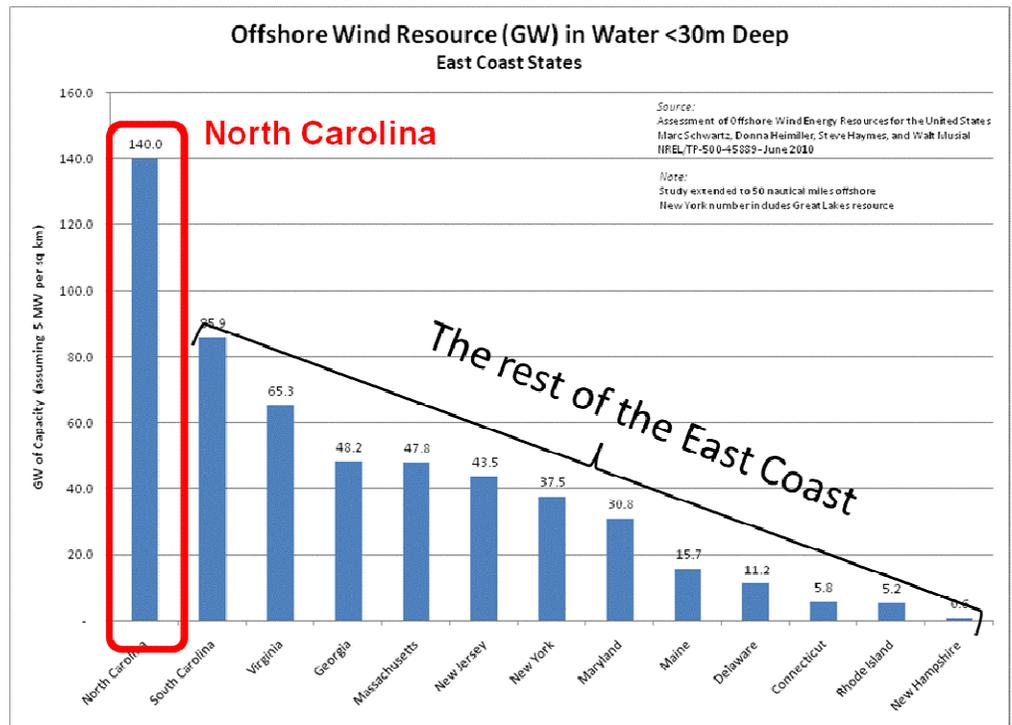
**IN-STATE RESOURCE** – Reduces the amount of money leaving NC every year to buy fossil fuels.

**PROVEN TECHNOLOGY** – Offshore wind energy is a proven technology that has been in commercial operation in Europe for 20 years. The EU is continuing with large-scale, long-term expansion.

**HEALTH AND ENVIRONMENT**– Reduces emissions and any related environmental or public health costs.

**WHY NORTH CAROLINA**

- According to the National Renewable Energy Laboratory (NREL), North Carolina has the largest offshore wind resource on the East Coast.
- According to the U.S. Department of Energy’s Energy Information Administration, North Carolina is the least expensive place in the nation to build new offshore wind generation.



***“It is concluded that North Carolina is well positioned to develop utility scale wind energy production and it is the opinion of the project team that the State should pursue it aggressively.”***

-- UNC Coastal Wind Study, Prepared for the NC General Assembly, June 2009

## WHY NOW

The offshore wind industry in the U.S. is nascent, but is gaining momentum quickly. By acting now, we **position North Carolina to compete for the manufacturing facilities** that will be built, creating long-term export opportunities. If we wait, we risk missing those opportunities and will likely be importing equipment from those states that engaged early. States aggressively pursuing offshore wind manufacturing right now include SC, VA, MD, DE, NJ, NY, RI, and MA.

## WHAT THIS BILL DOES (AND DOES NOT DO)

Passing this bill does not create a mandate to purchase offshore wind energy. Instead, it initiates a process to receive and evaluate actual bids and allows the state to decide later whether or not to accept those bids based on their total economic impact to the state. Contracts with utilities would only be signed if they are in the best economic interest of the state, which would include any impacts to existing industries like tourism and fishing. **This policy lets the state see what offshore wind has to offer at no risk, uses zero state appropriated funds, and would put NC at the forefront of states competing to attract offshore wind industry jobs.**

## SUMMARY OF KEY BILL PROVISIONS

- Creates a state-managed **competitive request for proposal (RFP)** for development of 2,500 MW of offshore wind energy starting in 2017 and spread over a 7-10 year period. Sets a non-binding state goal of 5,000 MW by 2030.
- The state would receive competitive bids from industry and the Department of Commerce would analyze those proposals, with help from other agencies, to **determine the net economic impacts of each proposal.** If proposals are not in the best interest of the state (i.e. result in a net economic benefit), then the state is not obligated to award a contract.
- **If the state determines there is a positive net economic impact,** then investor owned utilities (IOUs) would be required to sign 20-year contracts to purchase power. Incremental ratepayer costs or savings will appear as a rider on customers' utility bills, with a limit on the impact to very large electricity users like industrial customers.
- Co-ops and municipalities may opt-in at their discretion. All participating **utilities have the option to co-invest or purchase an ownership interest** in the projects.
- Extends an existing **manufacturing tax credit** for wind through 2020 to help attract manufacturing jobs.

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