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AB-3 Offshore wind energy: reports. (2023-2024)



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Assembly Bill No. 3

CHAPTER 314

An act to amend, renumber, and add Section 25991.8 of, and to add Section 25991.9 to, the Public Resources Code, relating to energy.

[Approved by Governor October 07, 2023. Filed with Secretary of State October 07, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 3, Zbur. Offshore wind energy: reports.

Existing law requires the State Energy Resources Conservation and Development Commission, in coordination with relevant federal, state, and local agencies, to develop a strategic plan for offshore wind energy developments installed off the California coast in federal waters, and requires the commission to submit the strategic plan to the Natural Resources Agency and the Legislature on or before June 30, 2023. Existing law requires the commission, on or before June 1, 2022, to evaluate and quantify the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits and to establish megawatt offshore wind planning goals for 2030 and 2045. Existing law requires the commission, in coordination with specified state entities, to work with stakeholders, other state, local, and federal agencies, and the offshore wind energy industry to identify suitable sea space for wind energy areas in federal waters sufficient to accommodate those offshore wind planning goals. Existing law requires the commission, in coordination with relevant state and local agencies, based on those identified sea spaces, to develop a plan to improve waterfront facilities that could support a range of floating offshore wind energy development activities. Existing law requires the commission, in consultation with specified state entities, to assess the transmission investments and upgrades necessary to support those offshore wind planning goals. Existing law requires the commission to develop and produce a permitting roadmap that describes timeframes and milestones for a coordinated, comprehensive, and efficient permitting process for offshore wind energy facilities and associated electricity and transmission infrastructure off the coast of California. Existing law repeals these provisions on January 1, 2027.

This bill would require the commission, in consultation with the State Lands Commission, other specified state entities, and the California Coastal Commission, to develop a 2nd-phase plan and strategy for seaport readiness that builds upon the recommendations and alternatives in the strategic plan for offshore wind energy developments, as specified. The bill would require the commission to submit a report on its recommendations for a seaport readiness strategy to the Governor and the Legislature on or before December 31, 2026. The bill would additionally require the commission, in consultation with the California Workforce Development Board, to conduct a study on the feasibility of achieving 50% and 65% in-state assembly and manufacturing of offshore wind energy projects and specified federal domestic content thresholds for offshore wind energy projects, as provided. The bill would require the commission to submit a report on the study to the Governor and the Legislature on or before December 31, 2027. The bill would repeal these provisions, including the existing law provisions described above, on January 1, 2031.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

- SECTION 1. This act shall be known, and may be cited, as the California Offshore Wind Advancement Act.
- SEC. 2. Section 25991.8 of the Public Resources Code is amended and renumbered to read:
- 25991.10. This chapter shall remain in effect only until January 1, 2031, and as of that date is repealed.
- SEC. 3. Section 25991.8 is added to the Public Resources Code, to read:
- **25991.8.** (a) (1) The commission, in consultation with the State Lands Commission, the Ocean Protection Council, the Department of Fish and Wildlife, the Governor's Office of Business and Economic Development, the Office of Planning and Research, and the California Coastal Commission, shall develop a second-phase plan and strategy for seaport readiness that builds upon the recommendations and alternatives in the strategic plan for offshore wind energy developments developed pursuant to Sections 25991 and 25991.3.
 - (2) (A) The commission shall make a draft report, with recommendations for implementation of a port development strategy, available for public review and comment for at least 60 days and shall submit a final report on its recommendations for a seaport readiness strategy to the Governor and the Legislature on or before December 31, 2026.
 - (B) The plan submitted to the Legislature pursuant to subparagraph (A) shall be submitted in compliance with Section 9795 of the Government Code.
- (b) For purposes of the second-phase plan described in subdivision (a), the commission shall do all of the following:
 - (1) Identify feasible seaport locations for offshore wind turbine assembly to serve Central Coast and North Coast offshore wind energy projects.
 - (2) Recommend and prioritize only port alternatives where site control can be obtained by a port authority or state agency within five years.
 - (3) Recommend and prioritize alternatives only with sufficient landside and water acreage or capacity to support maximum instate assembly and manufacturing of offshore wind energy components.
 - (4) Recommend and prioritize port locations that minimize impacts to cultural and natural resources, including the marine and onshore environments, sensitive species, and habitats.
 - (5) Identify and prioritize ports that maximize in-state workforce opportunities, including workforce opportunities for low-income and environmental justice communities.
 - (6) Consider transportation and other infrastructure investments needed to develop the identified seaports and waterfront facilities needed for offshore wind energy activities.
 - (7) Collaborate with tribal governments to develop appropriate seaport siting criteria that minimize adverse impacts to natural and cultural resources and maximize economic and workforce benefits to the tribal governments.
 - (8) Consult with key stakeholders, including, but not limited to, environmental organizations, environmental justice organizations, fisheries groups, labor unions, electric ratepayer advocates, offshore wind energy developers, oceangoing vessel operators, and related industry stakeholders, local governments and public port authorities, and other ocean users, to develop appropriate seaport siting criteria that minimize adverse impacts to cultural and natural resources, minimize adverse impacts to local communities, maximize local and in-state economic and workforce benefits, incorporate equity and environmental justice in seaport development, minimize impacts to California electric ratepayers, and avoid delays in the seaport entitlement process.
 - (9) Collaborate with the oceangoing vessel operator and commercial maritime industry to identify appropriate ocean spatial planning policies and siting criteria that minimize adverse impacts to vessel navigation and maximize maritime safety. The commission shall seek to coordinate and collaborate with the United States Coast Guard for purposes of this paragraph on matters that fall within the Coast Guard's authority and jurisdiction.
 - (10) Assess the estimated cost and identify potential funding and financing strategies for necessary port development and redevelopment that support offshore wind energy activities, including the potential to leverage federal funding.
- SEC. 4. Section 25991.9 is added to the Public Resources Code, to read:

- **25991.9.** (a) (1) The commission, in consultation with the California Workforce Development Board, shall conduct a study on the feasibility of achieving 50 percent and 65 percent in-state assembly and manufacturing of offshore wind energy projects and the domestic content thresholds for offshore wind energy projects, as specified in the federal Inflation Reduction Act of 2022 (Public Law 117-169). The commission may coordinate with the Governor's Office of Business and Economic Development for purposes of the study. The commission shall submit a report on the study to the Governor and the Legislature on or before December 31, 2027.
 - (2) The report submitted to the Legislature pursuant to paragraph (1) shall be submitted in compliance with Section 9795 of the Government Code.
- (b) For purposes of the study, the commission shall do all of the following:
 - (1) Assess current manufacturing capabilities within California that are potentially suitable to support the offshore wind energy supply chain and identify the tier one, tier two, and tier three components of the offshore wind energy supply chain that are best suited to in-state manufacturing of offshore wind energy projects.
 - (2) Identify gaps in the current supply chain and workforce for achieving the in-state assembly and manufacturing targets and domestic content thresholds described in subdivision (a), including identifying the facilities and infrastructure required to meet these in-state assembly thresholds and the estimated geographic distribution of these facilities, and estimating the number, geographic distribution, and types of jobs that will be created.
 - (3) When estimating the number and types of jobs required for achieving the in-state assembly and manufacturing targets and domestic content thresholds described in subdivision (a), include roles in related and supporting activities, including, but not limited to, environmental monitoring, research and development, construction, engineering and design, and manufacturing, operations, and maintenance.
 - (4) Identify supply chain and workforce investments needed by the state to support achieving the in-state assembly and manufacturing targets and domestic content thresholds described in subdivision (a).
 - (5) Identify available federal and state funds to support bringing or retaining jobs related to the manufacturing and assembly of offshore wind projects in the state.
 - (6) Study and estimate the potential impacts on economic activity and job growth, and resulting state tax revenues, resulting from achieving the in-state assembly and manufacturing targets and domestic content thresholds described in subdivision (a).
 - (7) Study and evaluate any potential impacts to project development timelines and costs as a result of achieving the in-state assembly and manufacturing targets and domestic content thresholds described in subdivision (a).
 - (8) Study and estimate potential impacts to electric ratepayers as a result of achieving the in-state assembly and manufacturing targets and domestic content thresholds described in subdivision (a).
 - (9) Develop recommendations for incorporating equity and environmental justice in economically and environmentally sustainable supply chain development.
 - (10) Coordinate with tribal governments to develop recommendations for tribal workforce development opportunities.
 - (11) Consult with environmental and environmental justice groups, fisheries groups, labor unions, including manufacturing, transportation, maritime, and longshore unions, oceangoing vessel operators, the commercial maritime industry, public port authorities, and business groups to develop recommendations for workforce development opportunities.
 - (12) Develop recommendations for workforce development investments at community colleges, by the California Workforce Development Board for maritime and longshore workforces, at state universities, and in apprenticeship programs necessary to meet the workforce needs resulting from the in-state targets described in this section.
 - (13) Consult with building and construction trades councils to develop recommendations on the use of project labor agreements to achieve workforce development and apprenticeship goals.