

Biden-Harris Administration Approves First Major Offshore Wind Project in US Waters

Article By:

Carl J. Fleming

Christopher Gladbach

Brian Ingram

Elle Hayes

On May 11, the Biden Administration approved the first major offshore wind project in US waters. The Vineyard Wind project, located approximately 12 nautical miles offshore Martha's Vineyard, will consist of 800-megawatts and will serve as a milestone towards the administration's goal of deploying a minimum of 30 gigawatts of offshore wind in the US by 2030.

IN DEPTH

Today, the Biden Administration approved the first major offshore wind project in US waters. The Vineyard Wind project, located approximately 12 nautical miles offshore Martha's Vineyard, will consist of 800-megawatts and will serve as a milestone towards the administration's goal of deploying a minimum of 30 gigawatts of offshore wind in the US by 2030.

Prior to this announcement, Energy Secretary Jennifer Granholm released a statement reinforcing the administration's commitment to investing resources in offshore wind. The Secretary expects offshore wind to provide a boom to the American economy and boost job growth nationwide through a joint effort by the departments of Energy, Interior and Commerce.

To support the goal of deploying 30 gigawatts of energy from offshore wind by 2030, the Bureau of Ocean Energy Management (BOEM) will conduct new lease sales and finalize the review of more than a dozen construction and operating plans for wind development by 2025. Additionally, the Biden Administration plans to accelerate the permitting of projects, which will give developers, owners and investors the opportunity to build projects quicker, inevitably creating more jobs and stimulating the economy.

In addition, the Biden Administration announced the designation of an 800,000-acre area of federal waters off the coast of Long Island and New Jersey for the development of offshore wind projects.

The decision is part of the Biden Administration's broader initiative to expand US wind production, marking offshore development as a particular priority. With this announcement, the amount of renewable energy projects are expected to significantly increase.

The Biden Administration believes that over \$12 Billion of debt will need to be invested annually in renewable energy projects. Industry leaders have noted that the increase in renewable energy projects is not likely to impact terms of project finance deals; as such terms are usually driven by banking and other markets. However, there remains an open question about whether the current size of the tax equity market (around \$16 Billion a year) will be sufficiently large to support financing of the offshore wind market. Industry players have long advocated for an expansion of the tax equity market to corporate investors and other non-financial companies to support ongoing growth of the sector.

According to BOEM, many sectors will benefit from the goals set by the Biden Administration, as there will be the need for, among others things, upgrading ports, creating turbine installation vessels and wind turbine manufacturing. More than \$2 Billion of infrastructure investments to support offshore wind developments have been announced to date.

The Biden Administration also announced an information sharing arrangement with Denmark based renewable energy company Orsted and the National Oceanic and Atmospheric Administration (NOAA). Orsted is constructing a 1,100-megawatt wind farm 15 miles off the southern coast of New Jersey, which is expected to power a half million homes. The data-sharing plan relates to data gathered in federal waters leased by Orsted to assist in future development in the area. BOEM will prepare an environmental impact statement for the project, which will be the third commercial-size offshore wind project in the nation. This arrangement will serve as a boost to jobs, economic growth and create clean energy opportunities, not only for investors and developers, but also for Americans across the nation.

In an effort to increase funding opportunities for offshore wind projects, the US Department of Transportation's Maritime Administration announced a grant program to allow port authorities and other eligible applicants to request grants from a \$230 million infrastructure fund and the Department of Energy unveiled a \$3 billion Innovative Energy Loan Guarantee Program.

Offshore wind developments received an additional boost following the unveiling of the [American Jobs Plan](#), which is aimed at rebuilding America's infrastructure to be in a position to fight climate change and bolster the economy. As part of the comprehensive plan, the offshore wind industry will be impacted through upgrades to the nation's transmission system, revitalization of ports vital to offshore wind operations and investments into research and development projects such as floating offshore wind. The American Jobs Plan demonstrates the central role offshore wind will play in the Biden Administration's goal to fight climate change and position the US as the global leader in clean energy. One specific goal of the plan is to "position the US to out-compete China." Meeting this goal will, according to the Biden Administration, "require an investment in America in a way we have not invested since we built the interstate highways and won the Space Race."

These announcements follow through on Biden's January 27th [Executive Order](#), which confronts climate change by calling for doubling the nation's offshore wind capacity over the next decade. Biden's executive order also encourages the development of other renewable infrastructure on federal and tribal lands.

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