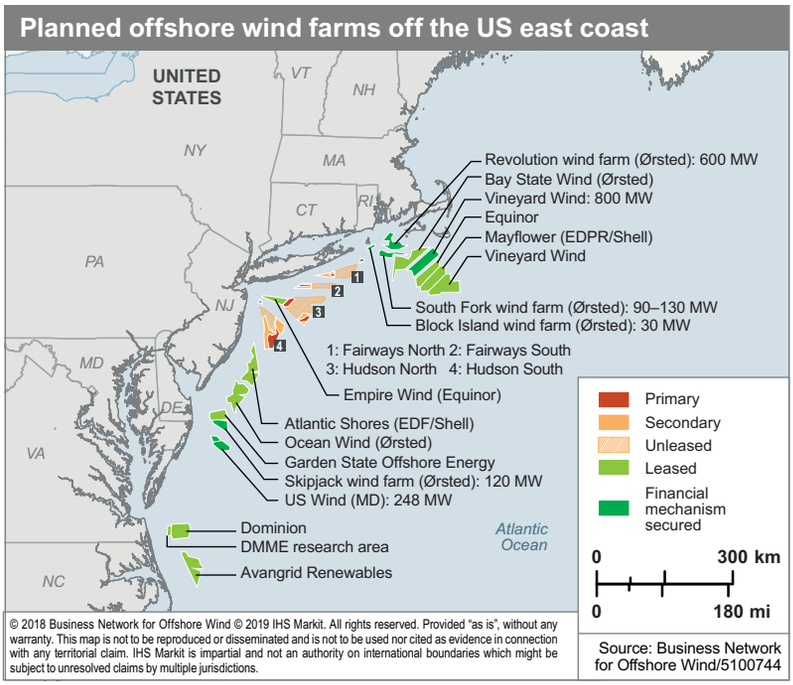

Growing together

The burgeoning US offshore wind market presents opportunities for port, vessel, and turbine construction, writes Joan Bondareff, Of Counsel, Blank Rome, and chair of the Virginia Offshore Wind Development Authority

The US has finally made a commitment to offshore wind (OSW) development as a pipeline of OSW farms is beginning to appear off the Atlantic Coast. So far, the Department of the Interior has auctioned off 16 leases in designated Wind Energy Areas (WEAs) to the highest bidder(s) and plans are being put in place to bring the wind farms located in the WEAs to fruition.

The leases are located on the outer continental shelf (OCS) of the US adjacent to the Atlantic Coast. The winds blow strongly on the OCS and the waters are shallow, making the positioning of fixed platforms feasible even out to 40–48 km from the shore. There is also growing interest in OSW along the west coast adjacent to California where waters are deeper and floating platforms are the likely solution. Experienced European developers, such as Ørsted, Equinor, Avangrid, Copenhagen Infrastructure Partners, Shell, and EDP Renewables, have successfully purchased these leases or partnered with local developers to construct and operate the projected wind farms (see map). This extensive European experience has enabled the cost of OSW to be reduced and become more competitive in the US with natural gas, which the US has in abundance.


Blank Rome:5111580

'There is also growing interest in offshore wind along the west coast adjacent to California where waters are deeper'

Joan Bondareff, Of Counsel, Blank Rome

The wind, naturally, has to be brought ashore by cables and other transmission lines and integrated into the US energy grid. Thus, there is a growing need for a robust supply chain to meet these demands for assembly of the nacelles, other equipment, and trained workers. Some experts have estimated this as high as USD70 billion.

States are thus providing port opportunities for siting of turbines and construction of the OSW farms. For example, Massachusetts has invested millions of dollars in the Port of New Bedford and Vineyard Wind has signed a lease for the terminal, Deepwater Wind and US Wind both committed to invest money in port upgrades at Sparrows Point, Maryland, and the Governor of Virginia commissioned a study that identified five potential ports in the state that could be used to support OSW.

Finally, and getting to a topic of great interest, how can European vessel owners and operators participate in this new and growing market with the Jones Act? Is it an impediment or not? In this author's opinion, the Jones Act has not been an impediment to offshore wind development in the US and we have been able to combine the expertise of European vessel owners with the Jones Act vessel owners to accomplish the first commercial offshore wind project, the Deepwater Wind project mentioned above. To date, no US company or shipyard has made a commitment to build the heavy-lift vessels required to install the turbines on top of the platforms. This may happen in the future but has not yet occurred. Cost is certainly one factor as is the limitation of the geographic scope for a heavy-lift vessel built to US standards in a US yard and not able to compete for work in foreign waters.

While the Jones Act requires point-to-point transportation of merchandise on a Jones Act-qualified vessel, there is still uncertainty among US federal agencies about whether the OSW platform is a fixed point for purposes of the Jones Act.

US shipyards such as Blount Boats of Warren, Rhode Island, have invested in building support vessels to transport equipment and workers from the shore to the offshore wind farm. Other yards may follow this model. These transport vessels do comply with the Jones Act as they are US owned, built, and crewed. In conclusion, the US is embarking on the construction of a series of offshore wind farms that will benefit from European experience and US-skilled labour. The Jones Act has not been an impediment to the development of these wind farms, but has been an incentive for US yards to build the smaller supply and crew transport vessels that these wind farms require. If a larger foreign-built vessel does not come in to a US port, it may be used for heavy-lift purposes.