OFFSHORE ENERGY

Trump says to drill oil, but states are choosing wind

Brittany Patterson, E&E News reporter • Published: Monday, February 5, 2018

An oil rig off the coast of California. The Trump administration’s push to produce offshore energy could force wind and oil developers to cooperate. Pete Markham/Flickr

Atlantic coast states might be protesting President Trump’s plan to expand offshore oil drilling, but they’re increasingly embracing a different kind of seaborne energy: wind.

States bordering the outer continental shelf are looking for carbon-free electricity, even as the Trump administration rolls back rules requiring it. Last week, New Jersey Gov. Phil Murphy (D) announced that his state will aim for 3,500 megawatts of installed offshore wind by 2030, enough to power 1 million homes. Massachusetts has a goal to build 1,600 MW of offshore wind power by 2027, and New York has committed to 2,400 MW by 2030.

At the same time, wind technology is quickly advancing, thanks to its popularity in Europe. Ten countries across Europe had deployed 12,600 MW of offshore wind power by the end of 2016. In the United States, the Interior Department’s Bureau of Ocean Energy Management (BOEM) has issued 13 wind energy leases off the Atlantic coast. In late 2016, the first offshore wind farm in the United States came online about 4 miles off the coast of Block Island, R.I.

It’s unclear how the growth in offshore wind might be affected by Trump’s plan to open nearly all U.S. waters to oil and gas drilling.

But there are hints that the two types of development could come into contact on the open water.

According to BOEM’s draft proposed 2019-24 offshore oil and gas leasing plan, any drilling off the Atlantic Seaboard would have to “coordinated” with current and future offshore wind development. The agency predicts
that more wind projects are likely to be built between 2019 and 2024, when oil and gas lease sales are slated to be held.

Experts said it's unlikely there would be direct competition for the same slice of ocean between the two industries. But that's a hard question to answer.

Kevin Book, managing director of research for ClearView Energy Partners LLC, said it's too early to know how offshore wind and oil and gas development might interact off the East Coast. Historically, offshore wind has been a nascent industry, and no one has drilled for oil in the Atlantic for decades. It's been so long that developers have little idea what type of oil reserves lie under the sea, or if oil companies will want to tap them.

It's possible that the wind and oil industries may compete for the same blocks of ocean seabed. That could create strife. Generally, when BOEM grants renewable energy rights on the outer continental shelf, they are exclusive rights to the seafloor.

The federal government generally manages resource development up to 200 miles offshore. The states have jurisdiction over the first 3 miles. Recently, oil and gas producers in the Gulf of Mexico have gravitated toward leasing in shallower waters, which are generally less expensive to drill in than deep water. A map assembled by BOEM in the new draft five-year drilling plan shows that leased offshore wind projects are located relatively close to shore in shallower waters.

"In most of those cases, however, I see more complementarity than conflict," Book said in an email. "Shared leasing of onshore staging, shipping and exploration vessels, etc."

America's offshore drilling industry has already participated in the burgeoning offshore wind sector. When the 30-MW wind farm near Block Island was being constructed, Louisiana-based Gulf Island Fabrication Inc. constructed the foundations for the turbines. They were designed by another oil and gas firm, Keystone Engineering Inc. based out of Mandeville, La.

"The reality is that the [draft proposed plan], and ability to open the Atlantic to development, would bring more of the suppliers to where the wind operators are at," said Timothy Charters, senior director of government affairs for the National Ocean Industries Association. "If we have more suppliers in order to service offshore platforms in the Atlantic, there would be more suppliers for wind, too."

The trade group has recently welcomed a number of offshore wind developers, like Cape Wind, Ørsted A/S and the wind division of StatOil ASA, to the fold. Businesses that service the oil and gas supply chain — tugboat operators, caterers, drilling contractors — see an opportunity to expand as offshore wind takes off, Charters said.

Stephanie McClellan, director of the special initiative on offshore wind at the University of Delaware, said the two industries share characteristics, including in their supply chains.

"The U.S offshore oil and gas industry has the trained people and equipment to do this, and the use of which for offshore wind has been identified and discussed well before this new proposal," she said.

The administration's proposal to open the Atlantic coastline to oil drilling was criticized by many of the governors along the Eastern Seaboard.

But offshore wind energy has its own critics. Notably, the first major proposal — Cape Wind's 130-turbine project off the coast of Martha's Vineyard — was mired in controversy and eventually died.

Now some wonder if the appeal of offshore wind might be improved against the backdrop of potentially having oil rigs along the coast.

Alison Bates, a lecturer in the Department of Environmental Conservation at the University of Massachusetts, Amherst, said studies show that the public has come around to the idea of having wind turbines on the horizon, in the last 10 years.

"Offshore wind has been in the media long enough that coastal residents have heard about it and thought through what it’s going to mean," she said. "Certainly, communities differ in how they view these installations, but overall, people may be more supportive if the choice is wind or oil and gas."

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