



July 12, 2024

Governor Gavin Newsom  
State of California  
1021 O Street, Suite 9000 Sacramento, CA 95814

**Re: Proposed Decision for the Central Procurement of Offshore Wind and Diverse Energy Resources**

Dear Governor Newsom,

As the California Public Utilities Commission prepares to issue a ruling on *Centralized Procurement of Specified Long Lead-Time Resources*, we, the undersigned organizations, respectfully urge the state to plan for the procurement of 10 GW of offshore wind through 2035.

To achieve our climate protection and clean air goals, California needs clean energy all hours of the day. This means deploying renewable resources like offshore wind that generate consistently at night and across months of the year which can reduce our reliance on fossil-fuel power plants and guarantee their retirement. The clean energy transition should also be equitable, providing opportunities for local economies, communities, and California workers. For these reasons, the central procurement program should uplift new industries that provide non-energy benefits, such as pollution reduction, local economic development, and job creation.

Offshore wind typifies the benefits that can be unlocked through central procurement of long-lead-time resources at scale. It presents California with an unmatched opportunity to produce high-capacity clean energy in large quantities and spur significant economic development. This resource is essential to achieving a clean, net-zero electric system by 2045, and it would position

the state at the center of a new, infrastructure-based industry with tens of thousands of good-paying jobs.

Without demand certainty, however, this offshore wind opportunity is in jeopardy. When the Legislature passed Assembly Bill (“AB”) 1373, it was an acknowledgment that California’s ambitious climate goals required new tools to be realized — namely, a central procurement mechanism for large-scale, capital-intensive resources like offshore wind. The legislation is the latest in California’s legacy of using sound public policy to spur climate innovation, just as it has done with low emission vehicles and solar panels. As the CPUC puts AB 1373 into action, it is imperative we set California up for similar success with offshore wind.

California’s energy transition requires a rapid, transformative approach. The benefits of offshore wind can be best realized through an initial large-scale procurement that will set a strong foundation for the market to take off. By establishing a target on the order of 10 GW by 2035, California, its ratepayers, and its grid will get the most out of its investment in offshore wind, and we will be further on track to meet our climate and air quality commitments.

This level of procurement would allow multiple offshore wind projects to proceed by creating economies of scale that bring down costs over time and supporting the development of ports, transmission and supply chain infrastructure. Large-scale build-out is essential to the success of offshore wind and will help reshape regional economies.

Adequate central procurement is also essential to protect ratepayers. Ratepayers will not pay a dime until power comes online, but they will see long-term benefits from reduced unit costs and expanded clean energy supply. Clean air and affordable bills are compatible goals that will only be achieved through the upfront investments needed to establish supply chains and infrastructure that enable reduced costs over time. Central procurement will set a clear, achievable target that the growing offshore wind market can gradually meet through a series of solicitations beginning in 2026-2028. This will also provide time for the CPUC and DWR to plan and to ensure costs and benefits are shared fairly and economically across load serving entities. It will also enable progress and planning on workforce development and community benefits, also vital aspects for the success of offshore wind.

Today, California has the opportunity to choose tools for offshore wind procurement that will determine its ability to respond to the climate crisis, protect public health, promote reliability, and decarbonize the grid at the scale and pace necessary for the climate and for our communities. With a procurement target large enough to drive demand certainty, California can become the hub of this growing industry and continue its legacy of innovation on the global stage. Without an adequate procurement target, the industry and state’s net-zero targets are at risk.

The scale of California’s planning must be commensurate with the scale of its clean energy, clean air, and climate ambitions. Decisive, long-term planning today is necessary to protect ratepayers and the environment while spurring investment in California’s green economy. We ask the Commission to issue a decision on long lead-time central procurement that includes a request for the Department of Water Resources to begin the process of procuring 10 GW of offshore wind by 2035.

CC:

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