

Energy NL Submission on the Draft Agreement and Draft Terms of Reference for the Regional Assessment of Offshore Wind Development in Newfoundland and Labrador



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Introduction

Energy NL was founded in 1977 to represent the supply and service sector of the energy industry. Today Energy NL represents over 460 member organizations worldwide which are involved in, or benefit from, the energy industry of Newfoundland and Labrador. Energy NL members are a diverse representation of businesses involved in a range of activities related to both renewable and non-renewable energy development, construction, and operations. This includes, but is not limited to, areas such as direct offshore and onshore supply; health and safety equipment and training; engineering solutions and fabricators; law firms and human resource agencies.

Energy NL is pleased to have the opportunity, via this submission, to provide input into the Draft Agreement and the Draft Terms of Reference for the Regional Assessment of Offshore Wind Development in Newfoundland and Labrador.

Background

Offshore wind is globally recognized as one of the principal energy sources for regions to reach net zero. Last year was a record year for the deployment of offshore wind installations across the world, with 17,398MW of new projects commissioned, and global installed capacity now growing past 50GW.¹ The United States has initiated an aggressive set of policy and program measures to rapidly advance the production of offshore wind in that country, with a goal of deploying 30 gigawatts (GW) of offshore wind by 2030. This is a key component of that country's plans to make the nation's electricity grid carbon-free by 2035, and is expected to provide enough power to supply 10 million homes and spur \$12 billion per year in private investment.

In Canada, offshore wind is in its infancy and Newfoundland and Labrador is becoming recognized as having some of the best wind resources in North America. While the province has sufficient crown land availability to meet shorter-term needs for onshore wind projects for local consumption and export requirements, eventually development can expect to focus on offshore projects.

The most immediate opportunities for offshore wind development in Newfoundland and Labrador are in supporting existing and future offshore oil and gas projects. In partnership with econext and Oilco, Energy NL is participating in the Net Zero Project, an initiative which is determining pathways for Newfoundland and Labrador's oil and gas industry to reach net zero. One of the pathways showing promise is the use of offshore wind turbines to power offshore oil and gas platforms.

Energy NL's Comments

Energy NL is fully supportive of the Regional Assessment of Offshore Wind Development in Newfoundland and Labrador and commends the Governments of Canada and Newfoundland and Labrador for undertaking this initiative. We agree with the objectives, approach, and timelines outlined and offer the following comments for consideration:

- The completion of the Regional Assessment of Offshore Oil and Gas Exploration Drilling East of Newfoundland and Labrador, in 2022, resulted in an exemption from a project specific

¹ Offshore Wind Market Report: 2022 Edition, Office of Energy Efficiency & Renewable Energy, U.S. Department of Energy

environmental assessment for such future projects which meet certain criteria or conditions. We understand that implementation of an exemption is not a specific objective of the offshore wind regional assessment. We strongly encourage consideration for such an outcome as the regional assessment progresses and full impacts become better understood and appropriate conditions are identified.

- The regional assessment study area includes areas in the Jeanne d'Arc Basin with existing and potential future offshore oil and gas operations. As indicated above, offshore wind development is expected to play an important role both in existing and future offshore oil and gas developments. Operators in our offshore are currently assessing such technologies and other jurisdictions are implementing offshore wind to provide supplementary power to offshore installations. Offshore wind is also a potential source of power for carbon, capture and storage facilities, another pathway for emissions reduction in our offshore area.

Although the water depths of potential future petroleum production facilities are at the limits of existing and perhaps even foreseeable wind power facilities, we should not preclude the possibility that future technologies will progress to those depths. Given this, we recommend expanding the study area to include highly prospective oil and gas areas of our offshore jurisdiction, including the Orphan Basin and Flemish Pass Basin.

- As the objective of the regional assessment includes a focus on economic conditions, in addition to environmental, health and social considerations, we recommend an Advisory Committee on economic issues. Such a committee can ensure that an understanding of the potential economic benefits of offshore wind development are included as part of the regional assessment and considered as part of any resulting recommendations or future actions.
- Offshore wind is in its infancy in Canada. Much can be learned from other jurisdictions which are further ahead in development of this industry and which are in step with the latest technologies. Ensuring input from developers and other experts in the field, many of whom are outside the country, will be critical to having the best information upon which to complete the regional assessment. Energy NL recommends including expertise for best practices from those jurisdictions as part of this regional assessment.

Concluding Remarks

Newfoundland and Labrador is ideally positioned to take advantage of opportunities associated with offshore wind energy development. Not only does the province have strong wind resources, but we also have supporting port infrastructure and marine knowledge, expertise, and ocean technology developed over many years due to our close relationship with the sea, and specifically from our participation in the oil and gas and fishing industries. Offshore wind can expect to have an important role in reducing emissions associated with existing and future offshore oil and gas operations. Industry developments which allow the shipment of energy derived from wind, via various forms/carriers (i.e. hydrogen; ammonia) offer huge potential for energy export. Energy NL is supportive of development of offshore wind resources for the benefit of residents of Newfoundland and Labrador and we view the completion

of a regional assessment of offshore wind development, as outlined in the draft Terms of Reference and Agreement, as an important step which can lead to a new industry and a more diverse energy source/mix for the province.