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**Attn:** Committee for the Regional Assessment of Offshore Wind Development  
in Newfoundland and Labrador  
OffshoreWindNL-EolienneExtracotiereTNL@iaac-aeic.gc.ca

**Re:** Draft Report: Regional Assessment of Offshore Wind Development  
in Newfoundland and Labrador

November 29, 2024

Committee members,

On behalf of *econext*, I would like to express the association's appreciation for the work the Committee for the Regional Assessment of Offshore Wind Development in Newfoundland and Labrador ('the committee') has undertaken since its appointment, and for the opportunity to provide feedback on its draft final report.

### **About *econext***

*econext* is a not-for-profit association with a mission to accelerate clean growth in Newfoundland and Labrador (NL) by: (1) stimulating research, development, and innovation; (2) preparing its workforce for a greening economy; and (3) acting as a catalyst for climate change action within its industries, businesses, and communities. *econext* has been working for over 30 years on behalf of its members across many sectors to support environmentally sustainable economic development. More information can be found at <https://econext.ca>.

*econext's* members have safely and effectively provided oceans and energy-based environmental products and services for many years, and we lean on their experience and expertise when it comes to providing feedback on such matters as the Regional Assessment (RA). Our feedback is informed by continuous engagement with our membership throughout the RA process.

### **Laying a Foundation for the Offshore Wind Industry in Newfoundland and Labrador**

It is clear that the Committee has undertaken an enormous amount of work since its appointment in 2023. We understand that this was a volunteer commitment, and we would like to thank members for the many hours that they have dedicated to this important work.

The RA is a valuable early step in setting the state for a future offshore wind industry in NL. The environmental effects, socio-economic impacts, stakeholders identified and engaged with, and opportunities and challenges thoroughly articulated in the report help lay a solid foundation from which future steps can build upon. It is immediately clear that

future project-specific environmental assessment (EA) can benefit from the types of analysis and consideration undertaken in the RA.

*econext's* commentary is mostly with respect to some of the methodology employed in the decision-making and to adding additional context to some of the Committee's recommendations. Our objective in making these observations and comments is in the spirit of doing our part to help unlock the great potential that NL's offshore wind could provide for the province and country. We trust that the Committee will understand it is with this mutual interest that we react to the draft final report.

### **Lingering Concerns about Focus Area**

*econext* understands that the decision around the RA's focus area was one that was made in 2023 following much discussion. We accept that the decision was made, however we do feel it important to be on the record as disagreeing with the rationale used in making these decisions.

The Committee is of the view "*... that a precautionary approach should be taken whereby commercial offshore wind development should not be allowed in regions where icebergs could be present, until demonstration projects provide proof of concept.*" We believe this view to be problematic for four reasons.

- First, 'could be present' is a very vague qualifier which, if strictly interpreted, has significant ramifications.
- Second, NL has become world-renowned for its work predicting iceberg presence, trajectories, and impacts – and industry has demonstrated it can operate safely in areas where icebergs 'could be present' for more than 30 years.
- Third, we found no evidence of the Committee weighing the environmental benefits of offshore wind production versus the environmental impacts of an iceberg collision. Are the impacts of a damaged wind turbine so great that they would negate the greenhouse gas (GHG) emissions reduced through the operational life of the farm? Perhaps the risk is more so a financial one than an environmental one, in which case such a decision should be left to investors and developers. We believe this to be a worthy area of exploration.
- Finally, we do not believe it necessary to launch a full-scale demonstration project before development is allowed in regions where icebergs could be present. At this scale of industry, appropriate analysis and engineering de-risks and mitigates impacts of environmental threats on a regular basis with a great deal of confidence without requiring a real-world demonstration of their effectiveness in advance. Requiring a demonstration project in advance adds a very significant financial barrier and risk to future investment and development.

*econext* also disagrees with the rationale for the Committee to only include areas with water depths less than or equal to 300 m in its focus area. The Committee references "*the Hywind Tampen project, in full operations since summer 2023 at depths up to 300 meters.*" For context, Norway approved development of the Hywind Tampen project in 2020 based on plans submitted by developers in 2019. As with any major energy project, engineering and analysis would have been taking place for years – if not many years – in advance of a final investment decision like that which would have led to a formal application in 2019. As Equinor's CEO [said](#) in 2019: "*We have been systematically maturing technologies for floating offshore wind for almost 20 years.*"

The reality is that advancing floating offshore wind technology is a priority for a number of the industry's leading jurisdictions around the world. Operational water depth for floating offshore wind is a key area of research. Limiting the focus area to depths up to 300m because this is the deepest development operational at present is a choice that is made based on engineering that took place likely a decade ago. The Committee's supporting comment that "*... floating options*

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*may not be commercially feasible at this time*” is selective and speaks to project economic considerations which should be left to developers and investors.

*econext* recognizes that that the geographic area outlined for the Committee to assess was vast, and that it was reasonable for the Committee to confine its work to a more reasonable area. (With this in mind, perhaps the name of the final report should be re-considered to reflect the chosen focus as to not confuse outsiders.) However, we strongly disagree that decisions around licensing areas by the appropriate regulators should be informed by the criteria used by the Committee to decide on its own Focus Area. This would, among other things, remove areas where *econext* sees as being the most likely use case for offshore wind in the medium term for NL – to decarbonize offshore oil and gas operations.

*econext* is highly supportive of the Committee’s related recommendation that “... *the Governments of Canada and Newfoundland and Labrador, in collaboration with industry and researchers, support research and development regarding offshore wind turbines under various local conditions (e.g., icebergs and deeper waters). This includes exploring technologies and management approaches in areas where offshore oil and gas platform operators are exploring reducing emissions via electricity from offshore wind turbines.*”

### **Constraining the Focus Area**

*econext* has concern with the Committee’s use of the ‘Precautionary Principle’ to further constrain its recommended future offshore wind licensing areas for NL.

The Committee’s commentary that, with reference to experience with the local offshore oil and gas industry and expertise from the offshore wind sector in other jurisdictions, “... *it would be imprudent to assume these effects and mitigation measures can be applied to offshore wind development activities in Newfoundland and Labrador without first having on-the-ground study and monitoring of local projects to address current knowledge and data gaps*” is not realistic. Best practices drawn from evidence obtained through lived experience and other jurisdictions is common in all of industry.

Another example is the exclusion of all geography associated with the proposed South Coast Fjords National Marine Conservation Area (NMCA). This proposal is undergoing a 5-step process, currently being in the stage of assessing the feasibility of the establishment of an NMCA. It is unknown how long this process will take or what its outcome will be. *econext* suggests that the prospect of offshore wind development in the area could inform the NMCA process just as much as the NMCA process has affected the RA, in that those interested in the creation of a new NMCA may seek to avoid excluding all of this area with information in hand that there is the potential for significant positive benefits for nearby communities and the province at-large from potential green economic activity. The decision to exclude such a massive area of ocean from licensing consideration based on the possibility that an NMCA may be established in the future is far too cautious.

We also suggest that the presence of one activity (i.e., fishing) in an area should not definitively preclude offshore wind development in addition to those activities. The approach taken by the Committee seems to be that areas where activities already exist are excluded for future consideration. In practice, it may be perfectly reasonable and agreeable for geography to have multiple uses and be shared by those users. While regulators must be aware of existing uses, stakeholders should have the opportunity to at least explore the potential for multi-use and mutual benefit. To assume that such relationships are not possible limits the possibilities for all involved. We recognize that the Committee does recommend ‘*consideration of co-location, which is in place in jurisdictions where offshore wind farms and fisheries co-exist*’, however we found that the Committee assumed no possibility of co-location in its own analysis.

Objective (C) of the committee as prescribed in its Terms of Reference was to identify and recommend ‘*mitigation and follow-up measures and other approaches for addressing potential positive and adverse effects (both project specific and cumulative) as part of future decision-making for offshore wind development activities.*’ Overall, ‘avoidance’ was the

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primary mitigation measure proposed by the Committee. We found the Committee's use of the 'precautionary principle' when applying its constraints to be unreasonable when there are many other options and approaches that have been used successfully in other jurisdictions for many years.

## **Licensing and Our Message to the World**

Within the report there were many recommendations relating to the need for more data and more investigation. We do think it is important to keep these recommendations contextualized in the reality that the offshore wind industry has been operating for over 30 years. While specific geographies are unique and different circumstances require customized approaches to mitigation, such activities are best left to project-specific EAs when and if necessary.

Overall, the report dwells on the negative impacts of offshore wind development with little commentary on the positive effects. For example, great detail is provided on the potential GHG impacts of construction and operations, but there is little discussion about how the resulting clean energy generated as a result of that development compares. We found similar imbalance when impacts on communities were explored – with significant detail provided on existing demographics, economic circumstances, and the potential for negative socio-economic impacts – but very little text exploring how meaningful such economic activity could be for the region of the province near the focus area.

Collectively, decisions around focus area and additional constraints applied via the precautionary principle result in the appearance there are extremely limited opportunities for offshore wind development in NL. This is difficult to reconcile given the vast coastlines that the province features along with its extremely small population (by global standards).

This would not be as concerning if the RA was meant to be used to simply inform regulators and developers on the environmental and other circumstances that they should be aware of. In that regard the final report is highly effective. However, in the report the Committee makes a clear recommendation that regulators consider licensing only in the areas as prescribed by the RA.

The resulting message here is that NL is not very interested in offshore wind development and that the industry is a lower priority than any other factor or potentially competing use of geography. This is not consistent with the stated interests of both federal and provincial governments to support and offshore wind industry that will provide clean energy and good, green jobs for many years. In our reading of the Committee's Terms of Reference, we question if recommendations around licensing are within its mandate.

*econext* and its members are appreciative of the work undertaken by the Committee and believe that it provides excellent information from which future project-specific EAs will greatly benefit from. We recognize that the Committee's recommendations are not binding and are pleased to see that this is acknowledge by the Committee itself. However, we do feel it important to be on the record urging that regulators do not to accept the limited options the Committee is presenting for licensing in its final report.

## **Education and Awareness**

It became clear throughout the RA process that there is a general lack of education and awareness on the purpose of the RA and offshore wind in general. Stakeholders seemed to regularly confuse the Committee's work with the various onshore wind development projects being pursued in the province. Stakeholders seemed to regularly interpret the RA's purpose as being related to specific and definitive offshore wind development plans on behalf of industry.

This confusion is understandable. There are a number processes and projects being explored in NL at the same time, and it would not be reasonable to expect the public to be able to understand and differentiate between each of them.

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However, this does speak to an overall need for education and awareness on offshore wind in NL – and more generally clean energy – in NL.

We think it would be reasonable for the final report to speak to these challenges and make some specific recommendations relating to creating greater education and awareness in NL on the prospect of offshore wind development – and the positive and negative impacts thereof. Even if offshore wind development in the province is not imminent or in the near term, engagement with key stakeholders in this regard is important. For example, there is the potential for conflict between the fishing industry a new offshore wind industry as both are oceans-based industries. Early conversations around the potential for these industries to co-exist (or defining exactly when and where they cannot) could be highly beneficial in the medium to long term.

To that end, *econext* fully supports the Committee placing a priority throughout its report on the advancement of marine spatial planning (MSP) in NL. MSP can have many benefits, one of which being increased education and awareness amongst key stakeholders on various uses of geography and where co-location of activity is (or is not) possible.

## Conclusion

*econext* applauds the Government of Newfoundland and Labrador and the Government of Canada for taking the initiative to pursue an RA for offshore wind in the province and is thankful to the Committee for its important work.

The RA is a valuable early step in setting the stage for a future offshore wind industry in NL. The environmental effects, socio-economic impacts, stakeholders identified and engaged with, and opportunities and challenges thoroughly articulated in the report help lay a solid foundation from which future steps can build upon. It is immediately clear that future project-specific EA can benefit from the types of analysis and consideration undertaken in the RA.

We do believe that the Committee took an overly cautious approach to defining and then further constraining their study area and advise regulators not to embrace the Committee's limited recommendations on licensing areas.

Congratulations to you as you near the completion of your work. On behalf of *econext* and its members, we recognize the time and effort that you have dedicated to this undertaking and appreciate the contribution that you have made to the province and the country.

Should you have any questions about *econext*'s commentary on the 'Draft Report: Regional Assessment of Offshore Wind Development in Newfoundland and Labrador', please do not hesitate to contact me.

Sincerely,

<Original signed by>

Kieran Hanley   
Chief Executive Officer

CC: *The Honourable Dr. Andrew Furey, M.H.A., Premier of Newfoundland and Labrador*  
*The Honourable Jonathan Wilkinson, P.C., M.P., Minister of Energy and Natural Resources, Government of Canada*  
*The Honourable Andrew Parsons, K.C., M.H.A., Minister of Energy, Industry and Technology, Government of Newfoundland and Labrador*

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