Report Details $70 Billion Opportunity for Businesses in Supply Chain to Build America's New Offshore Wind Power Market

Washington, DC – America’s burgeoning offshore wind industry, which is projected to generate nearly 20 gigawatts (GW) of clean, cost-competitive power in seven East Coast states by 2030, presents a nearly $70 billion CAPEX revenue opportunity to businesses in the U.S. offshore wind supply chain, reports a new white paper by the Special Initiative on Offshore Wind (SIOW) with analysis by the Renewables Consulting Group (RCG).

The first-of-its-kind analysis offers a road map for states and a menu for suppliers to build GWs of new U.S. offshore wind power capacity over the next decade. The study does so by quantifying the timing and pace of $68.2 billion in supply chain contracting prospects to install 18.6 GW of offshore wind procurements forecast for clean-energy consumers on the Atlantic Seaboard by 2030.

Among key industry components required for such a utility-scale build-out of U.S. offshore wind include:

- More than 1,700 offshore wind turbines and towers ......................................................... $29.6 billion
- More than 1,750 offshore wind turbine and substation foundations............................... $16.2 billion
- More than 5,000 miles of power export, upland and array cables .................................... $10.3 billion
- More than 60 onshore and offshore substations............................................................... $ 6.8 billion
- A wide range of marine support, insurance and project management activities .......... $ 5.3 billion

The study also details rising state commitments and forecast power procurements through 2030: New York, 7.7 GW (9 GW by 2035), New Jersey, 3.5 GW, Massachusetts, 3.2 GW, Connecticut, 2 GW, Maryland, 1.2 GW, Rhode Island, 1 GW, and Virginia, 12 megawatts. Together, these total more than 18 GW of U.S. offshore wind power.

"America’s offshore wind industry is taking off and what people see now is just the tip of the iceberg," said Stephanie McClellan, study author and Director of SIOW, at the University of Delaware’s College of Earth, Ocean and Environment. "States and industry suppliers are leading the way and eager for clarity on the path ahead. Our analysis illuminates the market's supply chain needs, timing and pace, and $70 billion in CAPEX for businesses to translate GWs into growth opportunities and build this extraordinary enterprise."

“This report provides a roadmap for companies that will create new jobs and generate competition, which means better prices for producers and better electricity rates for consumers in the future,” said Randall Luthi, President of the National Ocean Industries Association. "NOIA has long advocated for all-of-the-above energy and new offshore energy growth in America. Our members look forward to participating in the massive opportunity presented by offshore wind. The report identifies significant opportunities for the supply chain that will build, supply and support the U.S. offshore wind sector."

"Gulf Island Fabrication constructed the foundations for the five turbines at Block Island, RI – so we know the power and value of offshore wind," said Bill Blanchard, Senior Vice President, Business Development, at the Texas-based firm. "This new study shows there's a lot more where that came from. Five foundations down, 1,750 more to go. That's the kind of business opportunity the offshore energy industry can get excited about."
“In quantifying the industrialization of offshore wind in the U.S., this white paper illustrates just how much potential there is in the sector, top to bottom,” said Jason Folsom, Boston-based U.S. National Sales Director for MHI Vestas Offshore Wind. "It presents an exceptionally compelling case on the emergence of offshore wind as an engine for U.S. energy transition." The firm plans to install 84 of its new 9.5 MW turbines in Massachusetts' 800 MW Vineyard Wind project, which will be America's first utility-scale offshore wind farm.

“America’s land-based wind industry already supports over 105,000 U.S. jobs and more than 500 factories,” said Tom Kiernan, CEO of the American Wind Energy Association (AWEA). “This paper lays out the $70 billion opportunity to further grow American jobs and manufacturing as development heats up to harness our nation’s world-class offshore wind potential.”

Added NOIA President Luthi, "By putting in clear terms the anticipated demand for foundations, towers, cable and services, America’s energy supply and service companies can begin planning to enter this growing market. We're watching a new industry grow right here off our shores and NOIA’s members are excited to be a part of this energy future.”

Since 2014, SIOW has worked to provide research and a road map of economic drivers to make U.S. offshore wind competitive. In 2015, SIOW co-authored a study with New York quantifying the role of scale in raising benefits and cutting ratepayer costs. In 2016, an SIOW study for Massachusetts found that the best way to lower the cost of energy was firm commitments to a big offshore wind market. Today, interest in U.S. offshore wind is reaching a fever pitch. Bids in the December 2018 Bureau of Ocean Energy Management’s auction for new Massachusetts leases reached a record $405 million, and in January, New York State almost quadrupled its offshore wind commitment to 9 GW by 2035.


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About SIOW – The Special Initiative on Offshore Wind is affiliated with the University of Delaware's (UD) College of Earth, Ocean & Environment (CEOE) and supports offshore wind power as part of a comprehensive U.S. energy solution, offering expertise, analysis, information-sharing and strategic partnership to build understanding and drive deployment. UD has a long record advancing offshore wind power through the CEOE, College of Engineering, Center for Composite Materials and more. Please visit http://www.ceoe.udel.edu/research/affiliated-programs/wind-power-program and http://www.ceoe.udel.edu/siow to learn more.