



COUNTY OF HUMBOLDT

For the meeting of: 3/14/2023

File #: 23-236

To: Board of Supervisors

From: County Administrative Office

Agenda Section: Departmental

Vote Requirement: Majority

SUBJECT:

Updates and Actions Related to the Emergence of the Offshore Wind (OSW) Industry in Humboldt County

RECOMMENDATION(S):

That the Board of Supervisors:

1. Approve the formation of two separate ad hoc committees to work with staff and community stakeholders on matters related to offshore wind; and
2. Authorize the County Administrative Officer (CAO), or designee, to execute on a grant agreement for \$851,500 received by the State of California Employment Development Division for offshore wind related activity; and
3. Provide direction and authorize staff to execute agreements with the Humboldt Bay Harbor, Recreation, and Conservation District, City of Eureka other local governments and tribal agencies for collaboration on port and wind development; and
4. Direct staff and the corresponding ad hoc committees to:
 - a. Return with specific action steps and a strategic plan for civic engagement and community outreach for offshore wind; and
 - b. Return with expanded recommendations and a strategy for supporting a robust community benefit process; and
 - c. Work with workforce partners and wind developers to explore opportunities and needs surrounding a workforce and supply chain community benefit agreement; and
5. Make a decision concerning ad hoc participation in the offshore wind International Partner Forum (IPF) in Baltimore at the end of March, and consider cancelling the March 28 Board meeting for lack of a quorum.

SOURCE OF FUNDING:

Economic Development (1120-275), General Fund (1100), California Employment Development Division Grant

DISCUSSION:

California maintains a vision of becoming carbon neutral by 2045. This vision has been adopted by state agencies as being necessary in order to sustain prosperity for future generations and to protect the State of California's interests. On Dec. 6, 2022, the Bureau of Ocean Energy Management (BOEM) concluded its lease auction for the Humboldt Wind Energy Area (WEA) which spans more than 132,000 acres and is located approximately 20 miles west of Eureka. The winning auction bidders were California North Floating, LLC, a subsidiary of Copenhagen Infrastructure Partners, and RWE Offshore Wind Holdings, LLC, a German multinational energy company. Combined, the developers bid \$331.5 million dollars to secure the leasehold rights for wind development in Humboldt's WEA.

This process began in October of 2018 when the U.S. Interior Department announced that it was seeking to site wind farms off the coast of California. In the years between 2018 and now, local agencies and stakeholders have (starting with the Redwood Coast Energy Authority, Cal Poly Humboldt, College of the Redwoods, the Schatz Energy Lab, the Humboldt Bay Harbor, Recreation, and Conservation District, the County of Humboldt's Workforce Development Board) have engaged in preliminary conversations around the potential impacts of offshore wind on Humboldt County and its citizens.

With offshore wind development becoming more of a reality, your Board has taken action to advance the interests of Humboldt County and its communities. On May 24, 2022, your Board received a report on offshore wind (OSW) activity occurring in the state and the Humboldt County region. At that meeting, your Board directed staff to engage with local community partners to explore and vet opportunities and obligations surrounding the development of local supply chains and the preparedness of the workforce for offshore wind, and authorized the County Administrative Officer to submit, on behalf of the county and Board letters of support and requests for funding related to the development of local supply chains and the preparedness of the workforce for OSW. This work remains underway.

On Oct. 18, 2022, your Board also approved a legal services agreement with the Law Office of Julian Gross to advise the county regarding various OSW and community benefits related issues. This work remains underway, and the Law Office of Julian Gross has provided valuable guidance and resources to Humboldt County and its partner agencies.

On Nov. 29, 2022, your Board adopted Resolution 22-140 (Attachment 1) regarding the county's proactive efforts to ensure that offshore wind development occurs in a sustainable manner, maximizes environmental and economic benefits to the region, and minimizes or mitigates unavoidable impacts. The work related to direction provided in this resolution is underway and includes that the County Administrative Office (CAO) and staff continue or undertake the following activities related to offshore wind development:

- a. Work collaboratively with local stakeholders in creating a regional vision and roadmap for offshore wind development to prepare our community for sustainable and equitable development of the offshore wind industry;*
- b. Collaborate and engage with Tribal Nations regarding offshore wind development and its effect on and opportunities for Tribal Nations and their citizens;*

- c. Partner with CORE Hub and the Offshore Wind Community Benefit Network in pursuing community benefits agreements with offshore wind development leaseholders and other developers;*
- d. Support and/or participate in negotiations of community benefits agreements or similar agreements related to community benefits, workforce development, procurement, and mitigation of impacts, with offshore wind development leaseholders and other project developers, participants and affected stakeholders;*
- e. Engage in outreach and stakeholder input efforts to ensure that all affected and interested members of the Humboldt County community and region are aware of offshore wind development activities and can participate in public processes regarding such activities;*
- f. Coordinate with the Humboldt Bay Harbor, Recreation, and Conservation District regarding community benefits opportunities regarding District activities related to offshore wind;*
- g. Coordinate with other state, federal, Tribal and local government entities to shape offshore wind development to maximize environmental and economic benefits, and minimize adverse impacts;*
- h. Assist in planning and advancing onshore infrastructure upgrades that are essential for development of the industry, and are needed to minimize adverse impacts;*
- i. On behalf of the County and the Board of Supervisors, submit letters of support and requests for funding and regulatory or legislative frameworks related to regional agency and growing regional capacity to facilitate sustainable development of the offshore wind industry in the region; and*
- j. Take all reasonable additional steps to support offshore wind development in a manner that maximizes the benefits to the region, while minimizing and mitigating any unavoidable impacts, as described herein; and*
- k. Report to the Board of Supervisors as needed regarding negotiations, initiatives, and efforts as described herein.*

Staff remains engaged in the activities as described above, however the work for offshore wind development in Humboldt County has only begun. Efforts related to workforce, supply chain, infrastructure, and community benefit development are expected to occur over a timeline extending over the next 10 years. Once deployed and operational, the maintenance period of Humboldt's WEA is projected to be approximately 30 years. Therefore, given the magnitude of the responsibilities and the years of work that lie ahead, staff recommends that your Board advance previous actions by approving the following recommendations:

1. Approve the formation of two separate Board ad hoc committees to work with staff and community stakeholders on matters related to offshore wind development. Each ad hoc committee should maintain a clear division of responsibilities and return to the full board periodically with reports and recommendations. The Board should provide staff with direction as to which ad hoc will govern when or if an overlap or conflict of responsibilities occurs.
 - a. Ad Hoc 1: Offshore Wind Workforce and Supply Chain Development
 - b. Ad Hoc 2: Offshore Wind legislation, infrastructure development, Stakeholder

Engagement, and Community Benefits.

2. Authorize the County Administrative Officer, or designee, to execute a grant agreement with the State of California Employment Development Division (EDD) for \$851,500 to fund phase one of the County of Humboldt's Offshore Wind Supply Chain and Worker Readiness Program, i.e., the purpose for which is to fund activities related to workforce analysis and development, supply chain analysis and development, stakeholder analysis and road mapping, business, worker, and staff readiness and education, legal support services, and civic outreach and engagement. And direct staff to proceed with these activities once a funding determination has been made.
3. Memorialize previous direction laid out in Resolution 22-140 "i.e., Coordinate with the Humboldt Bay Harbor, Recreation, and Conservation District regarding community benefits opportunities regarding District activities related to offshore wind;" under a new agreement with the Humboldt Bay Harbor, Recreation, and Conservation District and also the City of Eureka to collaborate on port and wind development activities, and authorize the County Administrative Office to execute related agreements, including but not limited to Memorandums of Understanding and Common Interest Agreements. This recommendation would also authorize the CAO to execute similar agreements with local governments and Tribal nations.
4. Expand on direction laid out in Resolution 22-140, to "Engage in outreach and stakeholder input efforts to ensure that all affected and interested members of the Humboldt County community and region are aware of offshore wind development activities and can participate in public processes regarding such activities;" and direct staff and the corresponding ad hoc committee to explore and return with specific recommendations and a strategic plan regarding wind-centric civic engagement and community outreach efforts, particularly for those groups, persons and populations who have not heretofore been included or represented in conversations related to offshore wind and port development.
5. Direct staff and the corresponding ad hoc committee to return with expanded recommendations and a strategy for the "negotiation of community benefits" as is laid out in Resolution 22-140 and which directs staff and the County Administrative Officer to "support and/or participate in negotiations of community benefits agreements or similar agreements related to community benefits, workforce development, procurement, and mitigation of impacts, with offshore wind development leaseholders and other project developers, participants and affected stakeholders."
6. Direct staff and the corresponding ad hoc committee to engage the County of Humboldt's Workforce Development Board, the Humboldt Workforce Coalition (CalPoly Humboldt, College of the Redwoods, Humboldt County Office of Education), and AJCC (American Job Centers of California) partners to engage in discussions with wind developers to explore the braiding of resources, funding, and community interests needed to develop a robust workforce and supply chain community benefit agreement which benefits all stakeholders in Humboldt County.

7. The International Offshore Wind Partnering Forum (IPF) is the premier offshore wind energy conference in the Americas. Hosted by the Business Network for Offshore Wind (of which the County is a member), IPF connects offshore wind stakeholders with networking opportunities and provides an opportunity to learn relevant updates on the industry. For 2023 IPF will take place March 28-30 in Baltimore, Maryland. Staff and other Humboldt County offshore wind stakeholders will be attending, and it is recommended that your Board make a decision concerning Board participation at IPF and whether or not to send representation from one or both of the new wind related ad hoc committees. Attendance to the IPF may impact the availability of a quorum of the Board of Supervisors at the regularly scheduled meeting of March 28. Accordingly, your Board should consider cancelling the March 28 meeting based on anticipated attendance to the IPF.

FINANCIAL IMPACT:

This action authorizes the County Administrative Office (CAO) to execute an \$851,000 grant agreement with the State of California for offshore wind-related activities. Funding would be received and expended through the CAO-Economic Development Division (1120-275). These expenditures were not included in the adopted budget for Fiscal Year 2022-23, and staff will return with a supplemental budget once the agreement is executed.

Actual costs are unknown at this time. However, this action would result in staff time incurred by the County Administrative Office, its Economic Development Division and staff from other departments to participate in meetings and discussions with offshore wind community partners and local stakeholders, as well as related research, planning and advocacy. Staff recommends that your Board approve staff time for this activity until staff can return with an updated report on associated costs and potential revenue sources or funding requests.

STRATEGIC FRAMEWORK:

This action supports your Board's Strategic Framework by supporting business, workforce development and creation of private-sector jobs .

OTHER AGENCY INVOLVEMENT:

Includes and is not limited to the Redwood Region Climate and Community Resilience Hub, Members of the North Coast Offshore Wind Community Benefit Network, County of Humboldt Local Workforce Development Board, Humboldt County Workforce Coalition, Cal Poly Humboldt, College of the Redwoods, Humboldt Bay Harbor District, Schatz Energy Research Center, Redwood Coast Energy Authority, Humboldt Area Foundation and Wild Rivers Community Foundation, The Northern California Tribal Chairmen's Association, Humboldt Fishermen's Marketing Association, California Center for Rural Policy, Humboldt State University Sponsored Programs Foundation, Humboldt County Office of Education, Redwood Region Economic Development Commission, Arcata Economic Development Corporation, North Coast Small Business Development Center, Building and Construction Trades Council of Humboldt, Operating Engineers Local #3, California Department of Fish and Wildlife

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ALTERNATIVES TO STAFF RECOMMENDATIONS:

Board Discretion

ATTACHMENTS:

None

PREVIOUS ACTION/REFERRAL:

Board Order No.: Resolution 22-140

Meeting of: May 24, 2022; Nov. 29, 2022

File No.: 22-615, 22-1584