

THE ENERGIZER – VOLUME 96

Date: 20 August 2021

Energy Newsletter

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“OFFSHORE WIND AMERICAN MANUFACTURING ACT OF 2021” INTRODUCED IN THE U.S. SENATE

On 11 August 2021, Senators Ed Markey (D-MA), Elizabeth Warren (D-MA), Cory Booker (D-NJ), and Robert Menendez (D-NJ) [introduced](#) the “[Offshore Wind American Manufacturing Act of 2021](#),” a bill to create two new tax credits for domestic offshore wind manufacturing facilities—an investment tax credit and a production tax credit.

The investment tax credit would provide a 30 percent tax credit to build, upgrade, or retool domestic manufacturing facilities that are “predominantly” used to manufacture or process offshore wind components or vessels. The credit would apply to construction, reconstruction, and acquisition costs as well if the facility would be repurposed to manufacture offshore wind components or vessels.

The production tax credit would provide a tax credit for each component or vessel an eligible facility produces, provided the component or vessel is placed into service or sold. For components, the amount of the credit is determined by the rated capacity of the completed offshore wind turbine multiplied by a designated value for each type of component. For instance, a tower (or subcomponents thereof), would qualify for a credit calculated by multiplying the rated capacity by 3 cents, whereas a nacelle (or subcomponents thereof), would utilize a multiplier of 5 cents. Vessels would qualify for 10 percent of the sale price. The production tax credit would phase out in years 2029 and 2030, and would be eliminated for components or vessels placed into service or sold after 31 December, 2030. To qualify for either credit, all laborers and mechanics employed by contractors and subcontractors that help manufacture the products at the eligible facility are paid the prevailing wage for similar work in that locality, as determined by the Secretary of Labor.

DOE AWARDS \$82.6 MILLION TO ENERGY EFFICIENCY PROJECTS

On 13 August 2021, the U.S. Department of Energy awarded US\$82.6 million in funding to 44 projects designed to increase energy efficiency and lower consumers' energy bills. According to Energy Secretary Jennifer Granholm, “Americans spend about \$100 billion every year on wasted energy from buildings, heating and cooling units,” and “advancements that make both existing and newly constructed buildings more energy-efficient... save[s] consumers money and reduce[s] the climate impacts of the places we live and work.”

Spanning 20 states, the awarded projects include efforts to develop: an isothermal compressor that can reduce the energy consumption of refrigerators by an average of 40 percent; demonstrate the effectiveness of battery-integrated appliances to shift electrical loads on utility grids in response to demand; and collaborate between

home manufacturers, product suppliers, and customers to develop cost-effective solutions for net-zero-energy manufactured homes.

OFFSHORE WIND LEASE OPPORTUNITIES CONSIDERED OFFSHORE THE CAROLINAS

On 13 August 2021, the U.S. Bureau of Ocean Energy Management (BOEM) [announced](#) that it is considering a lease sale for the Wilmington East wind energy area located in the Long Bay area, offshore North and South Carolina. BOEM is currently preparing a supplemental environmental assessment and is seeking public comments through 12 September 2021.

The announcement follows closely on the heels of North Carolina Governor Roy Cooper's June 9th [executive order](#) directing agencies in his administration to develop wind-energy infrastructure off the state's coast. Section 1 of the order lays out targets for energy production from wind energy, noting that the state "will strive for development of 2.8 gigawatts (GW) of offshore wind energy resources off the North Carolina coast by 2030 and 8.0 GW by 2040."

CALIFORNIA ENERGY COMMISSION ADOPTS ENERGY CODE PROMOTING ELECTRICIFICATION FOR NEW AND RENOVATED BUILDINGS

On 11 August 2021, the California Energy Commission [announced](#) that it [adopted](#) the 2022 Building Energy Efficiency Standards (Energy Code) for newly constructed and renovated buildings. The Energy Code applies to residential, nonresidential, high-rise residential, and hotel and motel buildings. The CEC expects the revised standards to increase energy efficiency and reduce the carbon footprint of buildings, thereby helping California meet its long-term climate and emissions goals.

The revised standards include four major [changes](#). First, they will encourage electric heat pump technology, a technology that may provide substantial increases in energy efficiency while decreasing greenhouse gas emissions. Second, the standards will establish electric-ready requirements for single-family homes, requiring these buildings to have dedicated circuits and infrastructure to accommodate installation of electric appliances. Third, they extend solar photovoltaic (PV) system standards and introduce battery storage standards for additional building categories, including select businesses. Finally, the Energy Code updates ventilation standards.

The revised Energy Code is notable in that it establishes combined solar PV and battery standards for certain businesses and civic facilities, including retail and grocery stores, restaurants, schools, theaters, auditoriums, and convention centers. The code revisions also establish new energy efficiency standards for commercial greenhouses, with this provision primarily directed to commercial cannabis growing operations.

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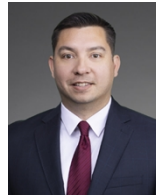
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