



The Daily Dish

Against the Wind – Public Policy and Offshore Power

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Climate change policy remains front and center in the Biden Administration. Yet merely wanting a cleaner energy portfolio won't make it a reality. Neither, as it turns out, is it sufficient to simply open up an endless funnel of taxpayer-provided tax credits. Instead, a more comprehensive policy approach is required.

Take offshore wind power (OSW) as an example. In a new [insight](#), Dan Goldbeck and I look at the obstacles to the deployment of OSW. OSW is generally reliable and, for example, does not suffer the same difficulties meeting peak winter demand in New England as solar power generation does. Moreover, OSW allows for clean energy generation near densely populated areas where high costs and little available real estate make other wind and solar ventures prohibitively expensive.

So, OSW should be a easy lift, right? Alas, no. A recent spate of bad headlines followed when power contracts were canceled for major wind projects in New York, Massachusetts, and New Jersey, and plans for a large OSW farm in Maryland were paused. It turns out that one can trace a lot of the delays and cancellations to higher-than-expected startup costs – the operating costs remain highly competitive – and that better policy can reduce those fixed costs of installing OSW.

A key way to reduce the fixed costs of OSW is to speed up the permitting process. As the insight notes:

Perhaps the most notable example of policy reform in the permitting process has been the [“FAST-41” framework](#) – emanating from Title 41 of the Fixing America's Surface Transportation Act (FAST Act). This seeks to make the timetables of permit applications more transparent and standardized in length while also facilitating greater coordination among relevant agencies in the process. While FAST-41 has helped in streamlining the permitting process for some renewable energy projects, the data suggest that agencies have not applied its reforms as rigorously to OSW projects, thus leaving them needlessly languishing in regulatory limbo.