

Subcommittee on Energy and Mineral Resources

Paul Gosar, Chairman
Hearing Memorandum

June 22, 2018

To: Members of the Subcommittee on Energy and Mineral Resources

From: Majority Committee Staff, Kate Juelis (x69837)
Subcommittee on Energy and Mineral Resources

Hearing: Legislative hearing on **H.R. 5291 (Rep. Tsongas, MA)**, To establish an offshore wind career training grant program, and for other purposes.
June 26, 2018, at 10:00 AM; 1324 Longworth House Office Building

H.R. 5291, Offshore Wind Jobs and Opportunities Act

Summary of the Bill

This bill amends the Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.) to establish an offshore wind career training and grant program. Individual grants may be used by an institution of higher learning to support occupational skills training, health and safety training, and the development of a curriculum to support offshore wind education programs. The grant program prioritizes the training of “displaced workers” from the “offshore oil and gas, onshore fossil fuel, nuclear energy, or fishing industries.”

Invited Witnesses (in alphabetical order)

James F. Bennett
Chief of the Office of Renewable Energy Programs
Bureau of Ocean Energy Management
The Department of the Interior
Washington, DC

Roy Francis
Senior Vice President
Gulf Island Fabricators, Inc.
Houston, TX

Randall Luthi
President
National Ocean Industries Association
Washington, DC

Olaf J. Olsen
Lead Representative
Dockbuilders-Divers-Piledrivers
Keystone Mountain Lakes Regional Council of Carpenters

Edison, NJ

Stephen Pike

Chief Executive Officer

Massachusetts Clean Energy Center

Boston, MA

Background

Societies around the world have been harnessing the power of the wind since the first sails were raised on boats. Windmills helped medieval Europeans mill grains and drain marshes and swamps. And today, modern technologies have harnessed the wind in a new capacity, converting breezes to electricity in large quantities to support a growing number of power needs.

Onshore, wind turbines are a relatively common sight, covering the rolling hills of west Texas and the flatlands throughout Central Europe. This technology has moved offshore in recent decades, capturing some of the most powerful and consistent wind streams. The North Sea has become the epicenter of the offshore wind industry, and hosts several productive commercial wind farms throughout the region. As of 2017, Northern European seas hosted 4,149 grid-connected turbines across 11 countries.¹

However, in the United States, the offshore wind industry is still nascent, but nonetheless an industry that has garnered considerable interest from developers, investors, and coastal communities seeking alternative forms of energy. With over half of the American population located along the coasts, and with an estimated 2 million megawatts of net technical potential energy blowing over our seas, many see offshore wind as a means to further diversify sources of power generation.² Over the past decade, America has developed a regulatory framework to begin development of this latent resource, and, finally, just last year, America's first offshore wind facility came online. Located largely in State waters off Block Island, Rhode Island, the five-turbine, 30-megawatt project connects Block Island to the mainland grid³.

Moving forward, the American Wind Energy Association (AWEA) has indicated there are 17 proposed offshore wind projects in development - all in the Atlantic. Although this is where America's offshore wind potential is currently being developed, several developers have indicated significant interest in leasing offshore California and Hawaii, where wind speeds are high and consistent enough to provide expanded sources of power generation.

¹ WindEurope, *Statistics – The European offshore wind industry – key trends and statistics 2017*, (<https://windeurope.org/about-wind/statistics/offshore/european-offshore-wind-industry-key-trends-statistics-2017/>), last accessed June 20, 2018.

² American Wind Energy Association, “*Offshore Wind Energy Briefing for House Resources Committee Staff*,” Sept. 2017.

³ Deepwater Wind, *Block Island Wind Farm*, (<http://dwwind.com/project/block-island-wind-farm/>), last accessed June 19, 2018.

Need for Skilled Labor

With the development of this resource, a new workforce will emerge focused on the exploitation of the nation's offshore wind. It is estimated the advent of this new industry could bring roughly 16,000 jobs to the U.S. coasts by 2028.⁴ Although the number of jobs potentially supported by offshore wind will be comparatively small to the 1.3 million direct jobs that will be created by the oil, natural gas, and petrochemical industries, offshore wind development will bring high-paying jobs to coastal communities – reinforcing the notion that offshore energy development is essential to our nation's economy and energy security.⁵

Fortunately, the training and turnaround needed to support these jobs will be supplemented by America's existing, robust offshore industries. Indeed, there are many transferrable skills between the offshore energy industries, and many opportunities for the businesses to learn from each other. As such, both industries can continue to supplement the each other's workforce development, and ensure America's offshore industries remain in business for decades to come.

Major Provisions of the Bill

Section 2. Offshore Wind Career Training Grant Program.

- Provides the Secretary of the Interior authority to award offshore wind career training grants to educational entities for the purposes of developing, offering, or improving educational or career training programs to provide skills applicable to the offshore wind industry. Individual grants may not exceed \$1 million, and a minimum of 25% of the total amount awarded in a fiscal year must go to community colleges.
- Grants may be used to provide occupational skills training, safety and health training, basic skills training, tuition assistance, internship program funding, transitional job training, and curriculum development related to the offshore wind energy industry.
- Grants shall prioritize entities that are in an economically-distressed area, and on support for displaced workers from the offshore oil and gas, onshore fossil fuel, nuclear energy, or fishing industries.
- Grants do not have to be distributed equally between coastal regions of the U.S.
- The bill authorizes appropriations of \$25 million for each of fiscal years 2018-2021 for the program.

Administration Position

Unknown.

Cost

CBO has not scored the legislation.

⁴ Northeast Wind Resource Center, *U.S. Job Creation in Offshore Wind*, (<https://www.northeastwindcenter.org/resources/us-job-creation-in-offshore-wind/>), last accessed June 19, 2018.

⁵ American Petroleum Institute, *Workforce Research Summary*, May 2018, p 1.

Effect on Current Law (Ramseyer)

Showing Current Law as Amended by H.R. 5291

[text to be added highlighted in yellow]

Outer Continental Shelf Lands Act (43 U.S.C. 1331 et seq.)

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SEC. 33. OFFSHORE WIND CAREER TRAINING GRANT PROGRAM.

(a) Grants Authorized.--Beginning 360 days after the date of the enactment of this section, the Secretary may award offshore wind career training grants to eligible entities for the purpose of developing, offering, or improving educational or career training programs that provide individuals in such programs skills that are useful for employment in the offshore wind industry.

(b) Allocation of Grants.--

(1) LIMITATION ON GRANT QUANTITY AND SIZE- An eligible entity may not be awarded--

(A) more than one grant under this section for which the eligible entity is the lead applicant; or

(B) a grant under this section in excess of \$1,000,000.

(2) ALLOCATION TO COMMUNITY COLLEGES.--Not less than 25 percent of the total amount awarded under this section for a fiscal year shall be awarded to eligible entities that are community colleges.

(c) Partnerships.--An eligible entity seeking to receive a grant under this section may partner with one or more of the following:

(1) Another eligible entity (including an eligible entity that is a community college).

(2) A State or local government.

(3) A nonprofit organization.

(d) Use of Grant.--An eligible entity may use a grant awarded under this section for the following activities:

(1) Occupational skills training, including curriculum development, on-the-job training, and classroom training.

(2) Safety and health training.

(3) The provision of basic skills, English as a second language, and job readiness training.

(4) Individual referral and tuition assistance for a community college training program or any training program leading to an industry-recognized certificate.

(5) Internship programs in a field related to offshore wind energy.

(6) Customized training in conjunction with an existing registered apprenticeship program or labor-management partnership.

- (7) Incumbent worker and career ladder training and skill upgrading and retraining.
- (8) The implementation of transitional jobs strategies.
- (9) Curriculum development at the undergraduate and postgraduate levels.
- (10) Development and support of offshore wind energy major, minor, or certificate programs.
- (11) Such other activities, as determined by the Secretary, to meet the purposes of this section.

(e) Grant Proposals.--

(1) SUBMISSION PROCEDURE FOR GRANT PROPOSALS.--An eligible entity seeking to receive a grant under this section shall submit a grant proposal to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(2) CONTENT OF GRANT PROPOSALS.--A grant proposal submitted to the Secretary under this section shall include a detailed description of--

(A) the specific project for which the grant proposal is submitted, including the manner in which the grant will be used to develop, offer, or improve an educational or career training program that will provide individuals in such program skills that are useful for employment in the offshore wind industry;

(B) any previous experience of the eligible entity in providing such educational or career training programs; and

(C) the extent to which such project will meet the educational or career training needs identified under subsection (i).

(f) Criteria for Award of Grants.--

(1) IN GENERAL.--Subject to appropriations, the Secretary shall award grants under this section based on an evaluation of--

(A) the merits of the grant proposal;

(B) the likely employment opportunities available to individuals who complete the educational or career training program that the eligible entity proposes to develop, offer, or improve;

(C) prior demand for such educational or career training programs in the community served by the eligible entity; and

(D) the availability and capacity of existing educational or career training programs in the community to meet future demand for such programs.

(2) PRIORITY.--Priority in awarding grants under this section shall be given to eligible entities that--

(A) are located in an economically distressed area;

(B) focus on individuals who are--

(i) displaced workers (particularly workers displaced from the offshore oil and gas, onshore fossil fuel, nuclear energy, or fishing industries);

(ii) veterans, members of the reserve components of the Armed Forces, or former members of such reserve components;

(iii) unemployed;

(iv) seeking employment pathways out of poverty and into economic self-sufficiency;

(v) at-risk youth; or

(vi) formerly incarcerated, adjudicated, nonviolent offenders; or

(C) with respect to eligible entities that are institutions of higher education, have a high percentage of low-income or minority students.

(3) GEOGRAPHIC DISTRIBUTION.--The Secretary shall, to the extent practicable, award grants under this section in a manner that provides for a reasonable geographic distribution, except that the Secretary shall not be required to award grants equally among different regions of the United States.

(g) Matching Requirements.--A grant awarded under this section may not be used to satisfy any non-Federal funds matching requirement under any other provision of law.

(h) Grantee Data Collection.--

(1) IN GENERAL.--A grantee, with respect to the educational or career training program for which the grantee received a grant under this section, shall collect and report to the Secretary on an annual basis the following:

(A) The number of participants in the educational or career training program.

(B) The services received by such participants, including a description of training, education, and supportive services.

(C) The amount spent by the grantee per participant.

(D) The rate of job placement of participants in the offshore wind industry or related fields.

(E) The rate of employment retention--

(i) if the eligible entity is not an institution of higher education, 1 year after completion of the educational or career training program; or

(ii) if the eligible entity is an institution of higher education, 1 year after completion of the educational or career training program or 1 year after the participant is no longer enrolled in such institution of higher education, whichever is later.

(2) ASSISTANCE FROM SECRETARY.--The Secretary shall assist grantees in the collection of data under this subsection by making available, where practicable, low-cost means of tracking the labor market outcomes of participants and by providing standardized reporting forms, where appropriate.

(i) Identification of Educational and Career Training Needs.--Not later than 120 days after the date of the enactment of this section, the Secretary, in consultation with the offshore wind industry, eligible entities, including eligible entities that are community colleges, State and local governments, labor organizations, and nonprofit organizations, shall identify the educational and career training needs of such industry, including needs related to manufacturing, operation, and maintenance activities relevant to the offshore wind industry.

(j) Guidelines.--Not later than 240 days after the date of the enactment of this section, the Secretary shall--

(1) promulgate guidelines for the submission of grant proposals under this section, including a list of the educational and career training needs identified under subsection (i); and

(2) publish and maintain such guidelines on a public website of the Secretary.

(k) Reporting Requirement.--Not later than 18 months after the date of the enactment of this section, and every 2 years thereafter, the Secretary shall submit a report to the Committee on Natural Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate on the grant program established by this section. The report shall include a description of the grantees and the activities for which grantees used a grant awarded under this section.

(l) Authorization of Appropriations.--There are authorized to be appropriated for purposes of this section \$25,000,000 for each of fiscal years 2018 through 2021.

(m) Definitions.--In this section:

(1) COMMUNITY COLLEGE.--The term “community college” has the meaning given the term “junior or community college” in section 312(f) of the Higher Education Act of 1965 (20 U.S.C. 1058(f)).

(2) ELIGIBLE ENTITY.--The term “eligible entity” means an entity that is--

(A) an institution of higher education, as such term is defined in section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)); or

(B) a labor organization.

(3) GRANTEE.--The term “grantee” means an eligible entity that has received a grant under this section.

(4) LEAD APPLICANT.--The term “lead applicant” means the eligible entity that is primarily responsible for the preparation, conduct, and administration of the project for which the grant was awarded.

(5) SECRETARY.--The term “Secretary” means the Secretary of the Interior, in consultation with the Secretary of Energy, the Secretary of Education, and the Secretary of Labor.