

NJ Offshore Wind Ports: Challenges And Opportunities

By **Laurie Sands** (April 15, 2021)

New Jersey has set an ambitious goal to supply 7,500 megawatts of offshore wind energy to the state by 2030. In order to meet this goal, it will be required to provide port facilities to support the development of offshore wind farms.

These facilities will not only be utilized by vessels employed in the construction, operation and maintenance of offshore wind turbines, but will also have areas where wind turbine components can be built and stored prior to transportation to the wind farms.

The facilities should bring jobs and economic opportunities to the surrounding communities, and are likely to become a hub for the growing offshore wind industry along the entire East Coast.

Development of the facilities will not be without challenges, given the special logistical and regulatory requirements involved, the need to use Jones Act compliant vessels, and the importance that state and federal regulators are placing on environmental justice considerations.

But New Jersey is starting to take the necessary steps to meet these challenges, and appropriately promote port facilities in the state.

Funding Opportunities for New Jersey Offshore Wind Port Facilities

New Jersey Gov. Phil Murphy included \$200 million in the state's budget for fiscal year 2021, which starts in July, to construct an offshore wind port located in Salem County. The port will be built on Artificial Island, and will provide docking and maintenance for vessels that serve the industry. The facility will also be used for manufacturing, marshalling and supply chain activities.

In addition, \$250 million has been pledged by private entities for EEW Group, a German large-scale pipe manufacturer, to build a facility at the Paulsboro Marine Terminal that will manufacture monopiles, which serve as foundations for offshore wind turbines. It is anticipated that construction of the EEW facility will be completed by 2023.

Another avenue that can provide funding to New Jersey's offshore wind port facilities is a \$230 million grant program recently announced by the U.S. Department of Transportation. Port authorities will be able to apply for the grant money through the Port Infrastructure Development Program, for port and intermodal infrastructure-related projects.

The DOT's Maritime Administration will be holding webinars on the application process that will provide assistance to those entities interested in seeking this grant money. Grant applications are due on July 30.[1]

Logistical and Regulatory Concerns for New Jersey Wind Port Facilities

There are a number of considerations with respect to the design of the Salem County Wind Port and the facility at the Paulsboro Marine Terminal. It is important that the facilities



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incorporate sufficient storage capacity for extremely large wind turbine components, and that they have the ability to support the weight of such components and foundations.

Additionally, the construction of these port facilities will require legal assistance in connection with contracting, permitting and regulatory requirements. Unfortunately, unlike Europe, the U.S. does not have significant coastal land area to develop megaports, which are the most useful type of facilities for the industry.

Therefore, states along the U.S. East Coast seem more likely to develop an integrated port network to ensure that offshore wind developers have the facilities they need to complete their projects. The planned 200-acre wind port in Salem County and the 190-acre Paulsboro Marine Terminal are anticipated to be an integral part of this network.

Jones Act Requirements

The recently enacted National Defense Authorization Act for fiscal year 2021 dispelled any question as to whether the Jones Act will apply to offshore wind farms located on the outer continental shelf.

The NDAA clarified that the Outer Continental Shelf Lands Act covers facilities producing nonmineral energy sources attached permanently to the outer continental shelf, such as wind turbines — thus making these turbines subject to federal law.

This, in turn, will require developers to utilize Jones Act compliant vessels — vessels that are U.S. owned and operated — when transporting wind turbine components from a U.S. port to the wind farm for construction, operation or maintenance. Therefore, it is critical to have ports that can support the Jones Act compliant vessels needed for the growth of the offshore wind industry.

Given the uncertainty in the application of the Jones Act to particular activities, however, developers most likely will seek rulings from U.S. Customs and Border Protection to clarify when the act applies.

Opportunity for Overburdened Communities

The Salem County wind port and the Paulsboro Marine Terminal, both located near identified overburdened communities, will almost certainly provide jobs to individuals living in these communities in construction, manufacturing, loading, marshalling and maintenance of the turbines.

The town of Grimsby in the U.K. is an example of a community that benefited from the development of a port facility to support offshore wind. Grimsby was a struggling fishing village, but that changed when an offshore wind port brought a supply chain of manufacturers, suppliers, support vessels and services to the town.

In a short period of time, Grimsby saw significant economic growth and opportunity because of the offshore wind industry. This serves as a model for Salem and Paulsboro.

Environmental Justice Concerns

As the planned New Jersey wind ports develop into a hub for the East Coast offshore wind industry, there will likely be a significant increase in both marine and onshore traffic, which in turn could be detrimental to air quality in the region. This would create environmental

justice concerns — a priority for the Murphy administration.

The New Jersey Department of Environmental Protection has stated that the definition of "environmental stressor" under the state's environmental justice law could include port areas, given the number of mobile sources of air pollution in such locations. Additionally, manufacturing facilities could increase air emissions, water discharges and the generation of waste.

Additionally, the U.S. DOT, when reviewing applications for the grant funding mentioned above, will consider climate change and environmental justice issues. Although there is strong support for renewable energy in both the Biden and Murphy administrations, federal and state regulators are likely to take potential environmental and health concerns in offshore wind port areas seriously.

New Jersey's \$200 million investment in creating the Salem County Wind Port, and the \$250 million venture at the Paulsboro Marine Terminal, bring not only the anticipation of jobs and growth to the area, but also begin to solidify New Jersey's role as an integral part of the offshore wind industry.

Laurie Sands is counsel at Riker Danzig Scherer Hyland & Perretti LLP.

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[1] <https://www.grants.gov/web/grants/view-opportunity.html?oppId=332457>.