

# 1. EXECUTIVE SUMMARY

The offshore wind industry is poised for significant growth in the United States. This paper studies the economic impact of offshore wind activities as a result of potential Bureau of Ocean Energy Management (BOEM) lease auctions in 2021 and 2022. Based on existing activities and optimistic policy assumptions for future offshore wind development, two million acres of federal waters in the New York Bight, California, North Carolina and South Carolina could be auctioned for commercial leases in 2021. This could support 28GW offshore wind development and generate \$1.2 billion in US Treasury revenue. Other auctions for lease areas in the Gulf of Maine and additional areas in California could also happen in 2022 and would generate an additional \$500 million in US Treasury revenue.

In addition to delivering clean energy to millions of households, the offshore wind industry will also contribute a variety of economic benefit to the U.S. economy, including supporting tens of thousands of jobs and billions of dollars in capital investment. If the assumed BOEM auctions in 2021 and 2022 happen, total full time equivalent (FTE) job creation from the resulting offshore wind activities, including development, construction and operation will be approximately 80,000 jobs annually from 2025 to 2035. The turbine OEM and supply chain will create 31,000 jobs per year. The construction industry will create 16,000 jobs per year. The transportation and port industry will create 4,000 jobs per year, and for general service industries, like restaurant, hotel and day care will create 19,000 induced jobs. Operations and maintenance (O&M) jobs and O&M-induced jobs will grow from 2,000 per year in 2025 to 6,000 per year in 2030 and 16,000 per year in 2035. Those O&M-related jobs are expected to last beyond 2050. About 3,500 jobs per year will be created from 2022 to 2024 for project development and establishing turbine supply chain in East Coast.

Significant capital investment will be put into the U.S. economy to support offshore wind activities. Total investment in the offshore wind industry will be \$17 billion by 2025, \$108 billion by 2030 and \$166 billion by 2035. From 2022 to 2035, capital investment of \$42 billion will go to the turbine OEM and supply chain, \$107 billion will go to the construction industry, and \$8 billion will go to transportation industry and ports. Annual capital investment for O&M activities will increase to \$2.4 billion in 2035.

**Table 1.1: Summary results**

	2025	2030	2035	Beyond 2035
Operating Offshore Wind Capacity	4GW	25 GW	37GW	37GW
Offshore Wind Jobs	80,000	80,000	80,000	16,000
Total capital investment	\$17 billion	\$108 billion	\$166 billion	\$60 billion

Source: Wood Mackenzie