



City of New Bedford
Jon Mitchell, Mayor

Remarks of Mayor Jon Mitchell

**Joint Committee on Telecommunications, Utilities and Energy
Gardner Auditorium, State House, Boston
Tuesday, September 29, 2015**

[remarks as prepared]

Thank you Chairman Downing, Chairman Golden, and members of the Committee for this opportunity to appear before you.

I am here today to express my support for House 2881, An Act To Promote Energy Diversity, because I believe the measure is the best way to address the looming energy challenges facing the Commonwealth and achieve the state's ambitious renewable energy goals while protecting ratepayers through a transparent and competitive procurement framework.

In doing so I wish to applaud the leadership of Representative Pat Haddad who has recognized the unique contribution that offshore wind energy in particular can make to the state's energy future.

Representative Haddad deserves enormous credit for her determined effort to champion a fair and reasonable procurement regime for offshore wind energy that strikes the right balance among the interests of many stakeholders.

I also want to use this opportunity to recognize the efforts at the federal level of the Bureau of Ocean Energy Management, and my co-panelist Abbey Hopper, who are working hard to implement the forward-thinking offshore wind energy policy of President Obama.

As a result of BOEM's work, the United States is well on its way to developing a domestic offshore wind energy industry--with multiple projects in development up and down the Eastern seaboard.

BOEM's success in unleashing the untapped wind energy potential of the North Atlantic could have the most profound impact right here in Massachusetts.

That is because roughly 25% of the nation's wind energy reserves are situated in areas of open ocean off the southern coast of Massachusetts.

The Commonwealth is often referred to as the Saudi Arabia of offshore wind energy. We can say this without exaggeration.

According to the National Renewable Energy Laboratory, the federal waters just over the horizon to the south of Martha's Vineyard contain up to ten gigawatts (GW) of wind energy potential. To put this in perspective, one GW of power can supply electricity to approximately 500,000 homes. There is a tremendous amount of clean, reliable energy waiting to be tapped.

Just as the coal beds of Appalachians were a 19th century energy resource, and the oil fields of the Texas plain became a 20th century resource, the winds blowing over North Atlantic waters are a 21st century resource.

BOEM's role is to manage the development of this vast wind resource. But BOEM can't do our job for us.

Individual states must make a choice to take advantage of the opportunities for energy procurement that present themselves.

Make no mistake: The industry is coming to America. There are now eighty utility-scale wind farms in Northern Europe. Not eighty wind-turbines. Eighty wind farms, consisting of thousands of turbines powering millions of European homes.

The question before the Committee is whether an industry that is coming to the U.S. will set down roots here in Massachusetts or somewhere else.

If Massachusetts does not make an affirmative choice to tap the sizable wind energy reserves off our coast and establish a robust procurement program, we will watch from the sidelines as other states stake their claims to the East Coast's rich wind reserves.

As important, our procurement program has to be large enough to attract the level of industry investment needed to drive down the price curve and secure the favorable electricity rates that ought to be our goal. The scale of a Massachusetts commitment matters.

It matters a lot.

Representative Haddad's bill establishes a 2000 megawatt procurement program which will position us well to get the most from any state commitment to offshore wind.

I would also argue that choosing to take a pass on offshore wind is really no choice at all.

For sure, doing so would make it more difficult to achieve the state's ambitious renewable energy goals. But the negative impact to the Commonwealth would not end there.

The industry has yet to settle on locations for staging, operation and maintenance, and manufacturing supply-chain development along the U.S. East Coast. There are thousands of jobs up for grabs as an entirely new domestic industry is poised to take root.

The danger for the Commonwealth is that the offshore wind industry will gravitate toward states, like Maryland and others, that are making major commitments to purchase power from offshore wind sources.

My view—one widely shared throughout Southeastern Massachusetts—is that offshore wind ought to become an indigenous, cutting-edge Massachusetts industry.

Mainframe computers and biotech put Massachusetts on the map a generation ago. Massachusetts is a center of life sciences today. And Massachusetts can lead the nation in offshore wind energy tomorrow.

States that take the lead in offshore wind procurement will reap the benefit of early industry investment and capture a significant competitive advantage.

The European experience makes that very clear. First-movers captured the lion's share of the private capital investment and job benefits; those who failed to act were left behind.

I know because I have seen with my own eyes the enormous economic consequence for the places where the multi-billion dollar European offshore wind energy industry chose to establish itself.

In 2013 I led a group of two-dozen business, academic, and community leaders from Greater New Bedford that were interested in understanding better how offshore wind grew in European port cities and their surrounding regions.

What we discovered was an eye-opener.

In the 1990s Bremerhaven, Germany was a struggling industrial port city of about 110,000 with an unemployment rate of 24%. The offshore wind industry was a game-changer with 4,000 new jobs created in the city in the course of a long expansion.

Likewise Cuxhaven, Germany, a hard-pressed fishing port of roughly 50,000 residents, watched its fortunes reverse with similar speed as it became a major staging location.

Today Siemens is moving forward with a new \$200 million facility at a site on the Cuxhaven waterfront that we toured two years ago—with it will come 1,000 more high-paying jobs.

The economic transformation of these two German ports is an indicator of the potential New Bedford has as the industrial port closest to the nation's largest wind energy reserves.

But there is more to the European story than Cuxhaven and Bremerhaven. And more to the Massachusetts story than the New Bedford waterfront.

I would ask the Committee to keep the following in mind as it assesses the future potential for offshore wind in Massachusetts:

The benefit to the City of Bremerhaven represented a fraction of the benefit to the economy of the surrounding federal state of Bremen. Bremerhaven may have seen several thousand jobs, but perhaps the bigger story was that six times as many offshore wind jobs were created across the state of Bremen in which Bremerhaven is located.

Our local delegation returned from Europe with a firmer understanding of what offshore wind could mean, not just for New Bedford, but for the state of Massachusetts as a whole.

So what I would suggest to you is this:

If the Commonwealth is looking for new ways to broaden economic growth and expand the circle of economic prosperity, I can think of few economic development opportunities more exciting than offshore wind energy.

Greater Boston, with its professional services cluster, academic institutions, and technology sector will undoubtedly benefit. But the ripples of economic growth will also reverberate from Springfield to Worcester to New Bedford to Cape Cod to cities and towns large and small across Massachusetts.

So we need to act, and act now.

I believe the carefully crafted energy policy proposed by Representative Haddad is the right choice, not just for Greater New Bedford, but for cities throughout Commonwealth.

Thank you.