

Comment from Greater New Orleans, Inc. | GNOwind Alliance

See attached file(s); On behalf of the Greater New Orleans Wind Alliance (GNOwind Alliance), this comment is submitted in response to Request for Comment Notice 2022-51 with support from the City of New Orleans & our 180+ alliance members situated in historical energy communities of the Gulf South.

Room 5203, P.O. Box 7604
Ben Franklin Station
Washington, DC 20044

CC:PA:LPD:PR (Notice 2022-51)

To whom it may concern,

On behalf of the Greater New Orleans Wind Alliance (GNOwind Alliance), this comment is submitted in response to Request for Comment Notice 2022-51 with support from the City of New Orleans & our 180+ alliance members situated in historical energy communities of the Gulf South.

We greatly appreciate the opportunity to provide input to the Internal Revenue Service (IRS) regarding different aspects of extensions and enhancements of energy tax benefits in the Inflation Reduction Act (IRA). As a consortium dedicated to developing coastal Louisiana as a global offshore wind energy hub, the GNOwind Alliance shares the Federal Government's commitment to sustainably advancing the renewables sector in the United States.

The GNOwind Alliance includes over 180 partners – from ports, schools, engineers, lawyers, as well as state and local agencies, spanning public and private sectors – with the shared vision of working together to harness South Louisiana's potential as a driving force, and helping hand, for regional and national offshore wind deployment. The Alliance facilitates open dialogue across critical assets to the energy industry and is actively supporting workforce development programming with higher education partners, coordinating supply chain strategies, activating our membership around prudent legislative endeavors, and other efforts designed to accelerate offshore wind industry formation in South Louisiana. The Alliance is also comprised of international partners like RWE Renewables, who joined in May 2022 to help establish an offshore wind supply chain and supplier database in Louisiana to accelerate development. Through these activities, the GNOwind Alliance works to leverage an existing workforce of scientists, engineers, energy utilities, offshore field services, equipment manufacturers, and port managers to facilitate a well-paced transition towards wind-based offshore activities.

The GNOwind Alliance also recognizes the fundamental role of offshore wind energy in enabling the growth of other renewable energy sources and sectors, particularly the development of clean hydrogen for industrial application. Green hydrogen made from renewable electricity has become increasingly demanded by companies within Louisiana's industrial corridor – namely those producing fertilizers, methanol, and ammonia. As such, offshore wind presents an opportunity to decarbonize Southeast Louisiana, via our industrial corridor. Energy and manufacturing industries in the region along the Mississippi River between Baton Rouge and New Orleans consume about 70% of energy produced in the state and produce between 26% and 55% of greenhouse gas emissions. Integrating wind energy into industrial processes is essential to decarbonize the region. The GNO, Inc.-led H2theFuture strategy, now officially backed by \$50 million in U.S. Department of Commerce funding, is a set of linked projects spanning the entire green hydrogen life cycle, from research and development at public research universities to an end use clean-fuel project at the Port of South Louisiana.

Louisianans and Louisiana-based companies stand ready to exemplify domestic supply chain expertise and workforce experience. The Gulf of Mexico (GOM)'s offshore activities account for ~97% of all U.S. OCS oil and gas production, and oil and gas currently employs 1.5% of the Louisiana's workforce (MIT Report). Employment in oil and gas has been declining since 2014 and took another significant hit from the COVID-19 pandemic (LSU Manship School), supporting demand for renewable energy employment opportunities in the state. From this vacancy, and with existing ability, Louisiana firms have begun to pivot or pinpoint focus on developing expertise in offshore design and servicing for offshore wind structures. This allowed eight Louisiana-based companies to contribute to the Block Island Wind Farm, the first U.S. commercial offshore wind farm, including the following: T. Baker Smith, LLC – engineering and surveying; LM Wind Power – blade testing & power; Keystone Engineering Inc. – foundation engineering & drawings. As these Louisiana firms continue to provide a helping hand to such offshore developments outside the GOM – playing an essential role in the national supply chain – anticipation to put these to practices to use in nearby waters with the potential to service the industry and more directly benefit the residents of Southern Louisiana and beyond has substantiated. This interest can soon be realized and turned into action, particularly through the economic improvements to be made possible by the Inflation Reduction Act (IRA)'s implementation.

In that vein, to fully leverage the IRA's potential to serve energy communities such as those in Southeast Louisiana, the GNOwind Alliance offers the following comments:

- Sections 48(e)(4)(A) and 48E(h)(4)(A) require the Secretary to establish a program to allocate amounts of environmental justice capacity limitation to applicable facilities. The U.S. Treasury Department and the IRS should consider investments in transmission infrastructure, such that low-income communities not directly adjacent to, for example, offshore wind, can still benefit from the energy produced offshore without experiencing significant increases in the market's levelized cost of energy (LCOE). This could also include tax credit bumps for transmission infrastructure that serve low-income communities and those with grid infrastructure that require significant upgrades.
- Sections 48(e) and 48E(h) should also account for and provide an additional incentive for low-income communities located within energy communities. In the Energy Production provisions, the Inflation Reduction Act identifies an "Energy Community" as one that has 0.17 percent or greater direct employment, or 25 percent or greater local tax revenues related to the extraction, processing, transport, or storage of coal, oil, or natural gas. Per MIT, oil and gas employs 1.5% of the Louisiana's workforce. If labor is expected to apply offshore expertise to renewable energy activities, for example in transition from oil and gas towards wind, it is essential that energy communities of the Gulf South and SMEs operating therein are adequately incentivized to make such adjustments to their business models. Sections 48(e) and 48E(h) should incentivize investments in energy communities, to help to restore communities that have experienced negative externalities associated with energy production.