

OFFSHORE WIND: THE NEXT DRIVER OF MAINE'S ECONOMY?

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From national to local levels, government contributions towards offshore wind efforts in 2022 were among the most extensive we've seen, making offshore wind—expected to become a \$1 trillion industry by 2040—one of the largest economic opportunities in Maine's history. The Department of Energy has invested in research & development, the Department of the Interior is making \$3 billion in loans available to project and transmission developers, and the Department of Transportation has made over \$230 million in grants available for port infrastructure upgrades. Alongside all these contributions, Congress has implemented an investment tax credit for developments built before 2026. Today, all eyes are on the \$2.16 million grant the U.S. Economic Development Administration has dedicated to the state of Maine to build a roadmap for the development of the highly anticipated and innovative Offshore Wind (OSW) deployment.

With these major investments in play, offshore wind is inevitably a topic that many have heard of, but may still find a foreign concept. The reality is that offshore wind may already be a factor in Maine's economy. Essential acreage for turbine construction/transportation, and millions of square footage in warehouse space for R&D offshore wind hubs are being secured all along the East Coast in Massachusetts, Rhode Island, New York, and most recently Virginia. With Maine surpassing \$2 billion in state and federal funding for OSW initiatives over the past decade, many anticipate that Maine will become another East Coast hub in short order.

The University of Maine's Partnership with New England Aqua Ventus I to create the country's first floating offshore wind turbine is helping the U.S. lead the way in offshore wind. The University of Maine's patented VoltturnUS floating concrete hull technology was developed to help support wind turbines in deep waters, and New England Aqua Ventus is the first demonstration project utilizing this technology. With the Biden-

Harris Administration advancing leasable areas in deep water, their hope is to expedite the deployment of 15 gigawatts (GW) of offshore wind capacity by 2035. That is enough clean energy to power over five million homes. Between the University of Maine's research and state funding, Maine's efforts are focused on bringing floating OSW technology to scale in order to unlock opportunities across the country where the seabeds are too deep for fixed offshore wind installations.

The OSW industry's national economic output is expected to reach \$12.5–\$25.4 billion by 2030, according to the U.S. Offshore Wind Power Economic Impact Assessment, issued in March 2020. The industry is also expected to create 19,000–45,000 jobs by 2025 and 45,000–83,000 jobs by 2030.

Maine's workforce is among the oldest in the country, with nearly 65,000 residents expected to retire by 2030. In November 2019, the state of Maine developed a 10-year economic development plan—the first in over two decades—to focus on driving talent and innovation to the state. The plan proposes to create over 75,000 jobs by 2030, and offshore wind will play a big role. With Maine offering one of the best offshore wind resources in the country, the research being done at the University of Maine is critical. The innovation of floating wind turbines is estimated to produce 160,000 jobs in the areas of planning, construction, operations, and maintenance.

The impact of this burgeoning industry on real estate, both commercial and residential, will be multifold. As the state finalizes contracts for the work, these contractors are already on the hunt and beginning to negotiate terms for marine locations and transportation hubs with storage. These commercial uses, along with workforce housing and office space for professions supporting the industry, are sure to see a spike as locations are identified.



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