

# Roth: The potential of offshore wind production

By [Jim Roth](#), Director and Chair of the Firm's Clean Energy Practice Group. This column was [originally published in The Journal Record](#) on October 16, 2017.

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## The potential of offshore wind production

There have been so many exciting clean energy topics to cover lately that I want to circle back to one that was announced in late summer.

We know onshore wind development costs continue to decrease, but as Seb Henbest from Bloomberg New Energy Finance indicated, (hinting at that group's National Energy Outlook report) offshore wind costs are expected to fall even more

rapidly than those of onshore wind. The in-depth report considers factors that will shape the sector to 2040.

This prediction is all the more likely thanks, at least in part, to U.S. Sens. Tom Carper, D-Del., and Susan Collins, R-Maine, along with 10 of their colleagues from states all across the nation, who have introduced a bill that will encourage the development of offshore wind.

The legislation, if passed, would incentivize developers using a 30 percent investment tax credit redeemable for the first 3,000 megawatts placed into service. In an environment where incentives are being swiped from our local wind developers, it is refreshing to see a group of our nation's representatives, diverse in both their geography and political affiliations, propose such a productive industry expansion bill.

The lawmakers suggest that volume of energy capacity would require the development of 600 wind turbines. Emphasizing the critical role the tax credit would play, the bill proposes to incentivize the first 3,000 megawatts, rather than a specific cutting off the credit on a specified date. The legislation defines "offshore facilities" broadly, including any facility located in the inland navigable waters of the United States, such as the Great Lakes, or in coastal waters including the territorial seas of the United States.

What makes this exciting is that while there is the potential to power the entire east coast with offshore, as with all burgeoning technology, costs are high. But as Europe has demonstrated, a little incentive goes a long way. The result: increased investment combines with advances in technology which lead to rapid declines in cost. It is a proverbial win-win. Or, as the authors of this new legislation called it, a "win-win-win" (domestically-produced, renewable power, cleaner air, and more American jobs).

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