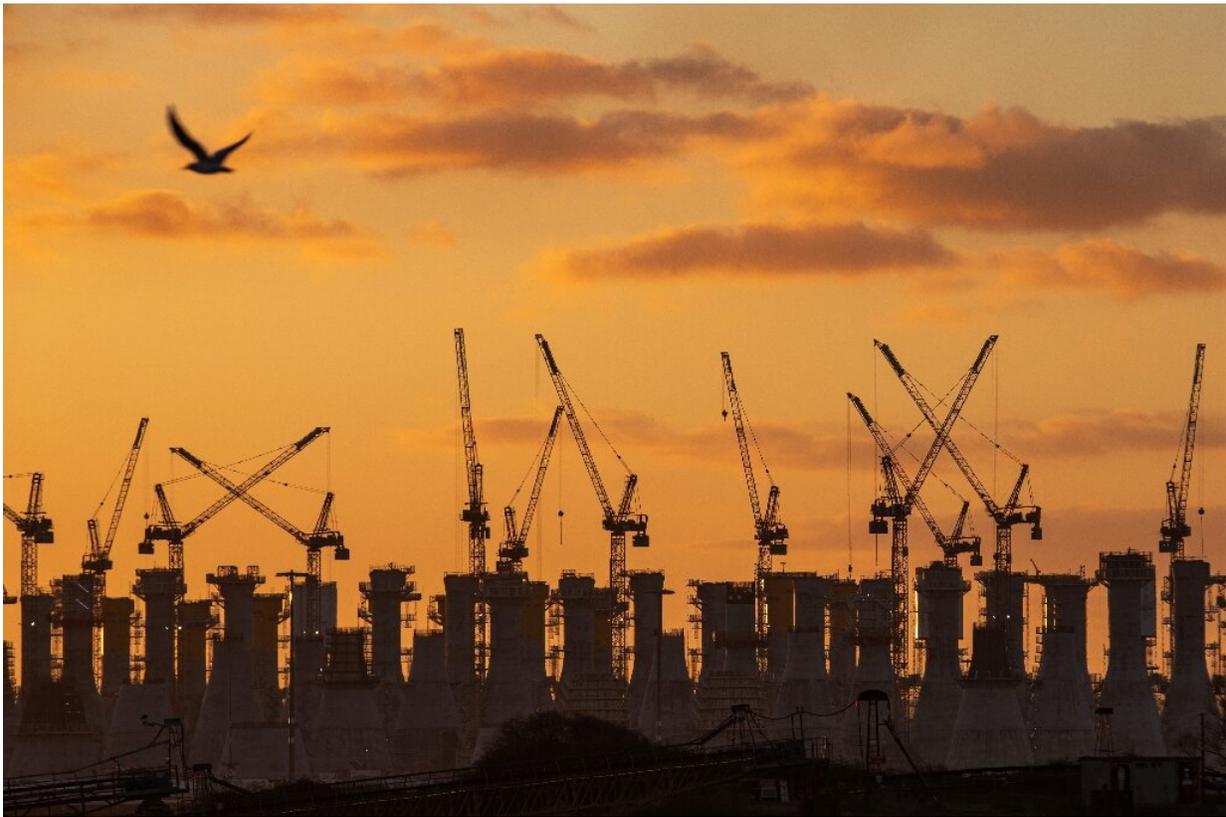


# More than \$1.5 bn bid so far in US offshore wind auction

February 24 2022, by Juliette Michel

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US officials launched the biggest yet auction for offshore wind developments similar to this site being built in Le Havre, France.

Energy companies interested in developing offshore wind sites bid more than \$1.5 billion Wednesday in by far the biggest US auction for the

renewable power.

After launching the auction Wednesday morning, US officials released updates throughout the day as the bids gradually rose on six available tracts involving nearly 500,000 acres off the coasts of New York and New Jersey.

After 21 rounds of bidding conducted Wednesday, the Bureau of Ocean Energy Management was set to resume the process on Thursday morning.

US President Joe Biden has embraced offshore [wind](#) as a component of an [energy](#) transition needed to combat climate change.

Development of all six tracts could generate as much as seven gigawatts of wind energy, enough to power some two million homes, the agency said.

Nearly 25 firms were authorized to participate in the auction, including European companies Avangrid Renewables, Equinor ASA and EDF Renewables Development, as well as US groups Invenergy and Arevia Power.

"People are excited because this is the first lease sale that has been held by the federal government since 2018," said Lesley Jantarasami, an energy specialist at the Bipartisan Policy Center, a US think tank.

Jantarasami noted that the Biden administration has set a goal of producing 30 gigawatts of offshore wind energy by 2030.

"For a long time, everybody has been saying it's poised to take off," she said, alluding to the interest of European companies in the US offshore market.

"But we had not seen the [federal government](#) take concrete action to make this a reality," she said.

## Legal challenges possible

Currently there are just two producing offshore wind sites in the United States generating a modest 42 megawatts.

But the Biden administration last year cleared construction of two larger offshore wind projects: Vineyard Wind in Massachusetts and South Ford Wind offshore Rhode Island.

The administration also envisions reviewing at least 16 plans to construct and operate commercial [offshore wind](#) energy facilities through 2025 and plans seven auctions through that year. Projects are expected near the coasts of North Carolina and California.

In 2018, an auction on three tracts across 390,000 acres near Massachusetts raised \$405 million following 32 rounds of bidding.

Wednesday's bidding easily overtook that level, said Timothy Fox, an analyst at Clearview Energy Partners.

While the White House's principle legislative package, "Build Back Better," remains stuck in Congress, Biden's administration "may rely on the results of the auction to reinforce its green energy bona fides," Fox said.

But the [auction](#) represents just the first step in a lengthy process before wind energy will be produced. Key permits will need to be granted and "legal challenges represent continued risk," Fox said.

Fox said lawsuits on environmental grounds are possible after a permit to

a specific site is granted. Of particular concern are US laws protecting endangered species, he said.

But Jantarasami expressed confidence in the projects, given the support of governors in New York and New Jersey, who see the ventures as beneficial on both environmental and energy grounds.

Additionally, the emerging industry could be a source of new jobs.

"We are turning the corner," Jantarasami said. "This administration in particular and the governors want the projects to happen. They are going to work pretty closely to make the projects happen."

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