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COMMISSION

AGENDA MEMORANDUM Item No. 8g

ACTION ITEM Date of Meeting November 21, 2023

DATE: November 1, 2023

TO: Stephen P. Metruck, Executive Director

FROM: David McFadden, Managing Director, Economic Development Division

SUBJECT: Maritime Blue/Maritime Innovation Center Partnership Memorandum of Understanding

Amount of this request: \$ 0

Total estimated project cost: \$ 0

ACTION REQUESTED

Request Commission authorization for Executive Director to execute a Memorandum of Understanding with Maritime Blue, a Washington 501 C6 nonprofit organization, surrounding operation and Port of Seattle participation in the organization's Blue Wind Supply Chain Collaborative.

EXECUTIVE SUMMARY

Maritime Blue is activating a new taskforce to study the benefits of the West Coast-wide Floating Offshore Wind (OSW) supply chain. The Maritime Blue Wind Supply Chain Collaborative (Blue Wind) will work to better understand the economic, community, and workforce development opportunity for WA's ecosystem to engage in the OSW supply chain through a regional Blue Economy triple bottom line lens that ensures the supply chain develops in a way that is equitable, sustainable, and profitable.

Maritime Blue has developed operating procedures that will guide the Blue Wind's collaborative work and it is asking members joining the group's Leadership Committee to agree to these procedures by adopting an associated Memorandum of Understanding (MOU). These procedures define Blue Wind's structure and operation:

- Leadership Committee Membership (that precludes elected officials)
- Leadership Committee Roles and Responsibilities
- External Communication protocols
- Leadership Committee member conduct and conflicts of interest
- Decision making and consent

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Given the Port of Seattle's broad interest in OSW, we have been invited to join Blue Wind's leadership committee. By joining this group, we need to adopt the Blue Wind MOU that signals our formal support for the collaborative's operating rule.

JUSTIFICATION

The Port of Seattle has a longstanding productive relationship with Maritime Blue. Together we have launched maritime business accelerator programs, started the Quiet Sound initiative, and collectively advanced the Maritime Innovation Center project. Our partnership with Maritime Blue has been effective and we want to build on this relationship through collective work on OSW supply chain opportunities.

The offshore wind (OSW) market is rapidly growing across the globe as nations and regions increase their renewable energy targets to combat climate change. In the US, the Biden-Harris administration has set a goal of 30GW of OSW deployed in US waters by 2030 and a goal of 15GW of floating OSW by 2035. This target, paired with goals in both California and Oregon of 2-5GW and 3GW of OSW by 2030, respectively, is signaling the coming of OSW power to the West Coast. As the development of these projects progress, the Bureau for Ocean Energy Management (BOEM) has begun setting targets for investment in the regional supply chain, workforce development, and community benefit through bidder credits.

There will be significant economic opportunities that come with OSW development along the West Coast. Blue Wind will:

? Promote development of a broader West Coast and Floating OSW Supply Chain Strategy and enhance WA's ability to effectively engage in West Coast-wide convenings around West Coast OSW supply chain.

? Promote data-driven, targeted, and results-oriented projects that lead to active

participation by Washington-based and other entities in the West Coast and Floating OSW supply chain.

? Hold the highest level of respect for treaty rights and coordinate actions with Washington State tribes.

? Meaningfully engage diverse labor unions that represent workers throughout the West Coast and Floating OSW supply and value chains.

? Leverage relationships with public, private, and non-profit sector partners to ensure cost-effective and coordinated utilization of resources.

? Employ "best available science" in decision-making and support data collection to fill gaps as necessary.

? Reflect equity, diversity, and inclusion in hiring, contracting, participation, and implementation.

Blue Wind's objectives include:

? Seek to understand the economic, community, and workforce development opportunity for our region through focused convenings/workshops

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? Identify and map WA's supply and full value chain available to support floating offshore wind along the West Coast of US

? Facilitate a series of Community Benefits from Supply Chain participation discussions through the triple-bottom line lens of OSW in a way that is: Equitable, Sustainable, Profitable

? Support the development of a West Coast-wide Floating OSW supply chain and, as needed, provide a mechanism for WA's engagement in this conversation

Blue Wind's Leadership Committee will help Maritime Blue guide overall taskforce efforts. The committee will include representation from industry, ports, tribes, labor union, nonprofits, research institutions. Members of the committee will provide advice, input, or assistance in advancing OSW supply chain opportunities in Washington state. The Leadership Committee will also provide input on program priorities and budget.

David McFadden, subject to Commission approval of the Blue Wind MOU, would join the Leadership Committee representing the Port of Seattle. Matt Szymanowicz with our Maritime Sustainability team would also support the Port's engagement with the Blue Wind collaborative. Both Dave and Matt will keep other interested Port Commissioners and staff apprised of Blue Wind's work and opportunities for engagement surrounding OSW. Towards this end, we now have a cross-disciplinary team inside the Port that is meeting periodically on Offshore Wind options and opportunities.

Blue Wind will also have several work groups that will be open to Port staff and Commissioners:

? Community Outreach

? Workforce Development

? Supply Chain Mapping

? West Coast Collaboration

? Ports & Final Assembly

? Vessel Needs & Construction

? Economic Cost Benefit Analysis

ALTERNATIVES AND IMPLICATIONS CONSIDERED

Alternative 1 – Take no action.

Cost Implications: None

Pros:

(1) Provides the Port more time to discern how Blue Wind Collaborative is moving forward.

(2) Would not have to put time into issues that are not of interest to the Port of Seattle

Cons:

(1) May miss supply chain opportunities that benefit the Port of Seattle

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(2) Port might be seen as missing in action or insignificant stakeholder surrounding Blue Wind collaborative effort.

This is not the recommended alternative.

Alternative 2 – Execute the Memorandum of Understanding

Cost Implications: None

Pros:

(1) MOU formalizes roles and responsibilities around Blue Wind Offshore Wind Supply Chain Collaborative

(2) Partnership helps focus and leverage energies around Offshore Wind

Cons:

(1) It is hard to discern at this point how the Port of Seattle would benefit from the Offshore Wind Collaborative's work.

(2) Washington Maritime Blue has several similar collaboratives and it isn't clear how the Blue Wind group will be sustained over time.

This is the recommended alternative.

ATTACHMENTS TO THIS REQUEST

(1) Memorandum of Understanding

(2) Maritime Blue Wind Supply Chain Collaborative Operating Procedures

(3) Presentation

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

July 11, 2023 – Commission received a briefing regarding Maritime Blue' annual goals and impacts which included an overview of the Blue Wind Collaborative.

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