



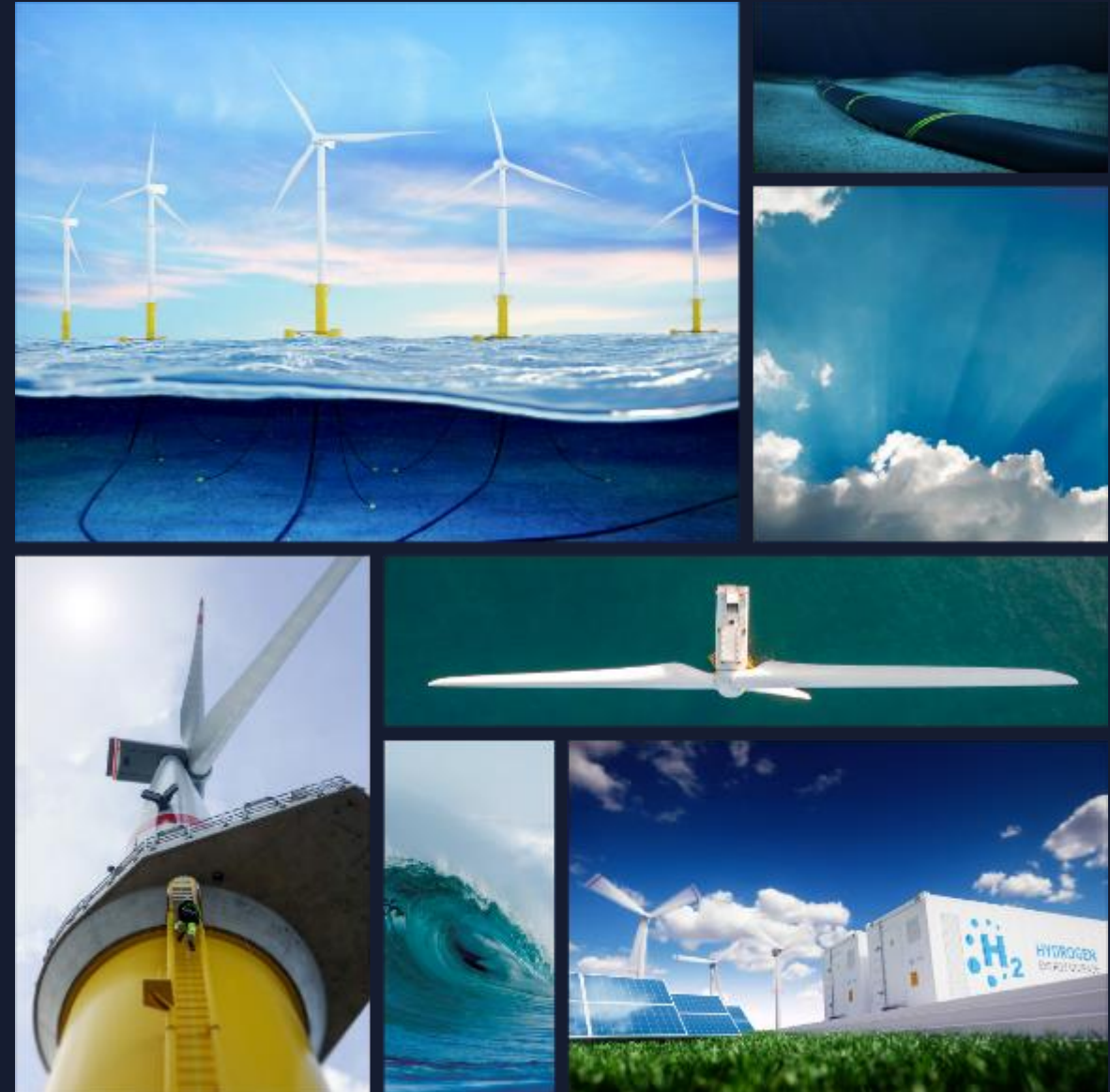
# Regional MOU Framework

## Smart-Power a Regional Collaboration Framework

October 28, 2021

The Virginia Offshore Wind Development  
Authority

[WWW.XODUSGROUP.COM](http://WWW.XODUSGROUP.COM)



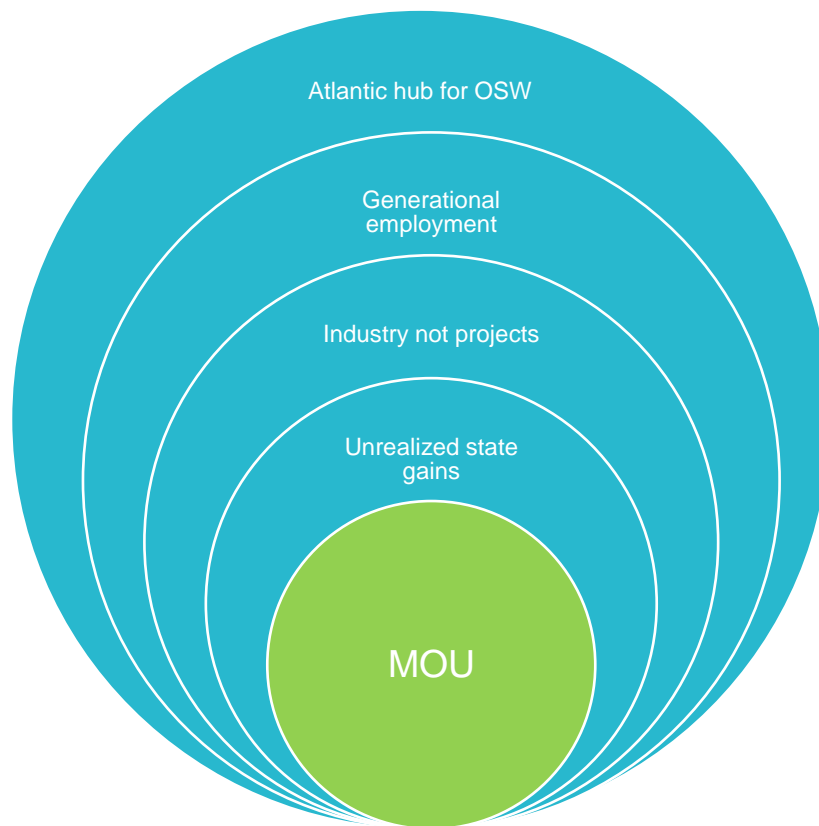


# Introduction to SMART-POWER MOU

*The Memorandum outlines the framework under which Signatory States will cooperatively promote, develop, and expand offshore wind energy generation and the accompanying industry supply chain and workforce.*



# SMART-POWER MOU Vision -- Translate Political Will into Action





# Method

- Xodus conducted a total of 29 interviews with a diverse group of respondents that included state and regional stakeholders, developers, OEMs, Tier 1 and Tier 2 suppliers.
- Interviews followed developed questionnaires that were divided into four general areas:
  1. Overall implications of the MOU,
  2. Perceived challenges,
  3. Perceived gains, and
  4. Key initiatives



# Discovery

- Contacted and interviewed stakeholders from:
  - States
  - Developers
  - Supply chain *and asked.....*
- 1. Overall implications of the MOU,
- 2. Perceived challenges,
- 3. Perceived gains, and
- 4. Key initiatives



# Sources

DEVELOPERS	OEM, TIER 1 & TIER 2	MARYLAND STAKEHOLDERS	NORTH CAROLINA STAKEHOLDERS	VIRGINIA STAKEHOLDERS	REGIONAL STAKEHOLDERS
<ul style="list-style-type: none"> <li>•US Wind</li> <li>•Equinor</li> <li>•Ørsted</li> <li>•Avangrid Renewables</li> </ul>	<ul style="list-style-type: none"> <li>•Semco Maritime</li> <li>•Siemens Energy</li> <li>•Subsea 7</li> <li>•Nexans</li> <li>•JDR Cables</li> <li>•Crowley Marine</li> <li>•RMG Steel</li> </ul>	<ul style="list-style-type: none"> <li>•Maryland Energy Administration</li> <li>•Maryland Department of Commerce</li> <li>•Maryland Department of Labor (Labor)</li> <li>•Tradepoint Atlantic (TPA)</li> <li>•Maritime Institute for Technical Graduate Studies (MITAGS)</li> </ul>	<ul style="list-style-type: none"> <li>•North Carolina State Ports</li> <li>•Economic Development Partnership of North Carolina</li> <li>•NC Sustainable Energy Association</li> <li>•AFL-CIO, NC Chapter</li> <li>•North Carolina Department of Commerce</li> <li>•NCWorks Commission</li> </ul>	<ul style="list-style-type: none"> <li>•VA Department of Mines Minerals and Energy</li> <li>•VA Maritime Association</li> <li>•VA Economic Development Partnership</li> <li>•Hampton Roads Alliance</li> </ul>	<ul style="list-style-type: none"> <li>•International Brotherhood of Electrical Workers</li> <li>•International Association of Bridge, Structural, Ornamental and Reinforcing Iron Workers Union</li> <li>•Southeastern Wind Coalition</li> </ul>



# State Stakeholders – Overall Top Priorities

Respondents identified the following top priorities for offshore wind in their state:



Workforce growth



Infrastructure development



Growth in installed capacity



Efficient project costs





# Developer – Overall Top Priorities

Respondents identified the following top priorities for offshore wind regionally:



Reduce costs through wider partnerships



Workforce fluidity to talent expertise



Coordinated development schedules



Suppliers based on talent not location





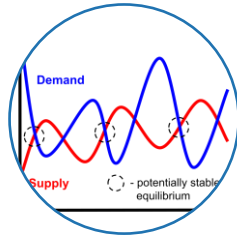


# OEM, Tier 1 and Tier 2 – Overall Top Priorities

Respondents identified the following top priorities for offshore wind regionally:



Location for industry not project



Predictable demand



Local content clarity



Multi-state support in business growth



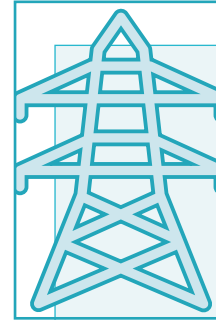


# Challenges



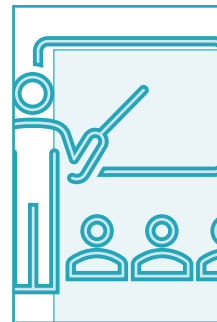
## *Politics and Mindset*

- History of competition versus collaboration
- Lack of policy consistency
- Political uncertainty
- Maximising stakeholder buy-in
- Uncertain auction and project development timelines
- Protective local content requirements
- Jones Act
- Differing power supply chain dynamics
- Aligning goals and expectations in order to act collectively



## *Resources*

- Infrastructure readiness
- Transmission
- Funding
- Cost of project not industry
- Supply chain constraints
- Late mover disadvantage



## *Training and Education*

- Lack of internal knowledge of industry
- Inexperienced workforce
- Limited in available workforce
- As project is focus, training is short term



# Gains

- Increased growth with collaboration
- Promotion of a regional business ecosystem
- Job creation and workforce expansion
- Expanding training capacity
- Underserved community development
- Leverage area strengths
- Efficiency and cost

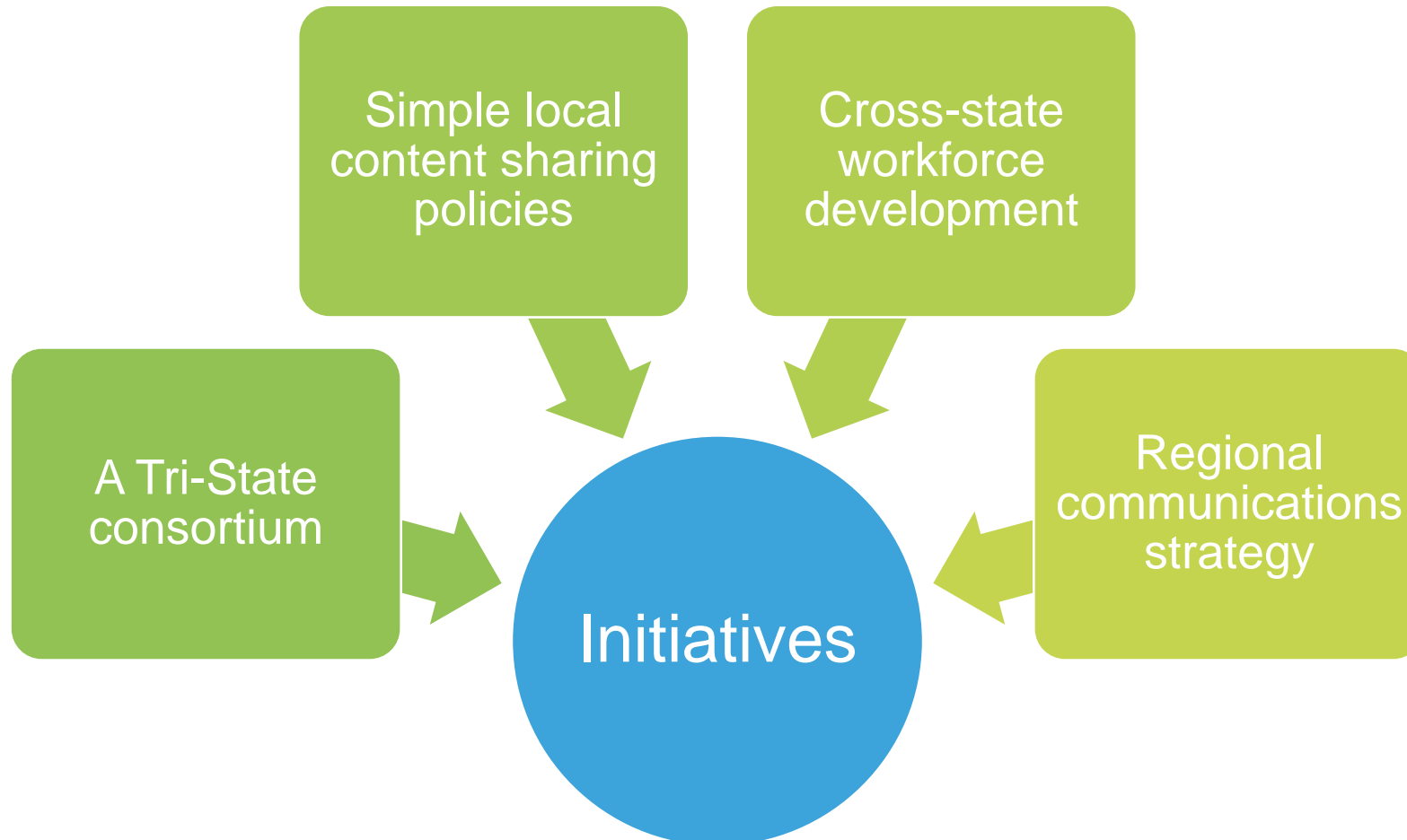


# Initiative Discussion Topics as a Frame



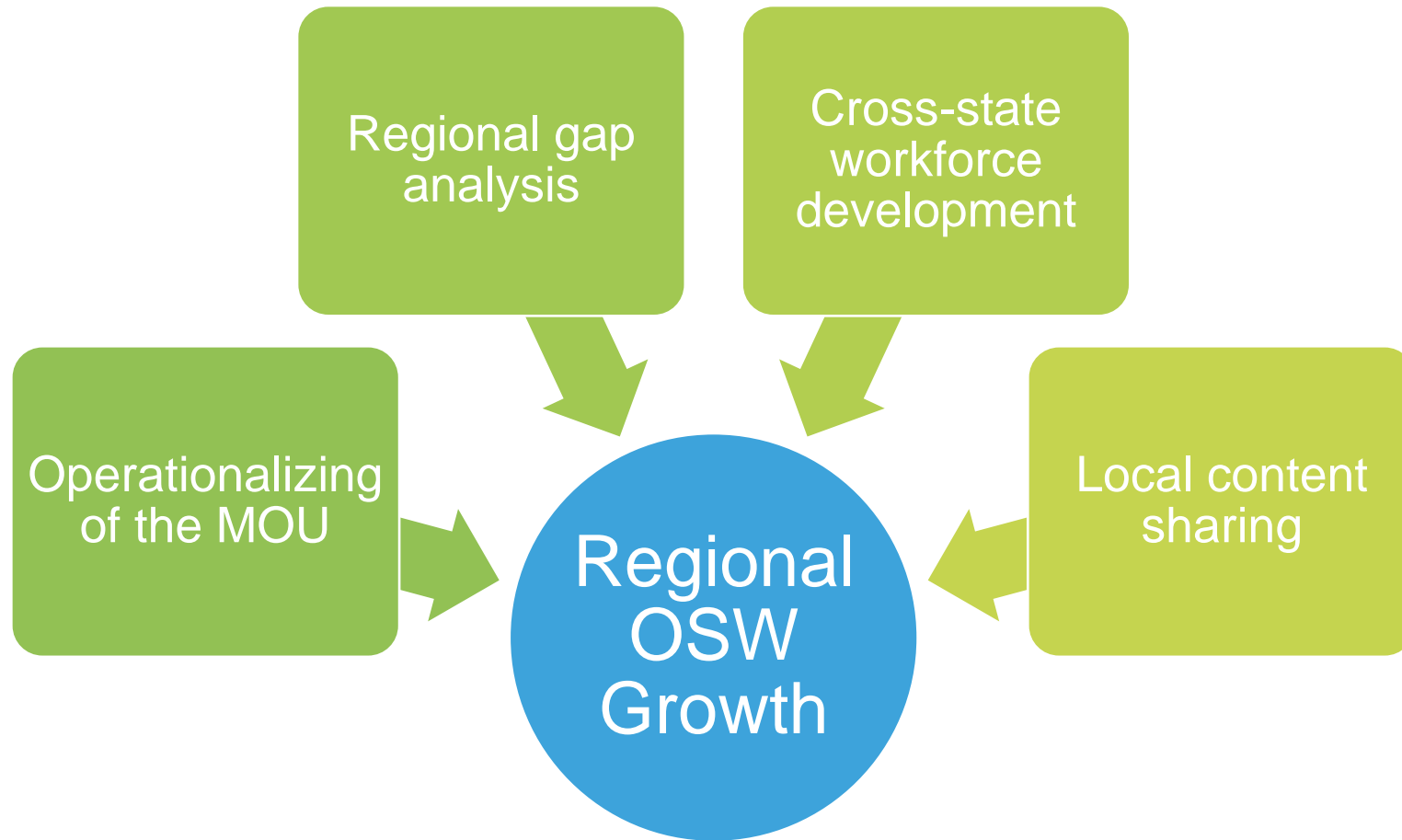


# THE MOU Strategic Initiatives MUST Have .....





# Recommended Initial Strategic Initiatives



# Operationalize the MOU – Key Needs



- Centralized Collaboration Taskforce
  - Implement and coordinate the taskforce and regional activities
- Establish metrics and timelines for taskforce success
- Form taskforce of key stakeholders
- Central taskforce organizer should be on the staff level (authority)
- Identify and leverage existing stakeholder infrastructures (such as in academics and at ports) for both the creation of the overall MOU taskforce but also for specific topic areas and rollout of actions.
- Share best state practices



# Regional Asset Analysis — Interconnection of Resources



- Assess all aspects of the supply chain and product lifecycle including:
  - Physical infrastructure
  - Existing supply chain (including adjacent industries) in OSW taxonomy
  - Workforce
- Training capability (identify the training gaps, skills that can be transferred from other programs, and pathways)
- Regulation variance by state
- Create clear GIS overview of layered regional resource map





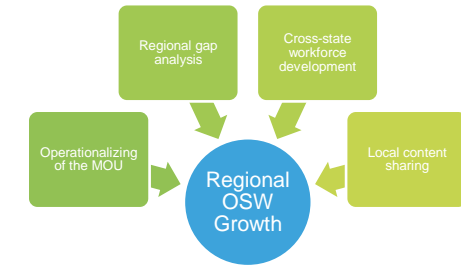
# Cross-State Workforce Development Focus



- Cross-state workforce training
  - Identify workforce stakeholders and coordinate discussion with tri-state labor offices industry needs, and training institutions analysis
  - Envision cross state training
  - Establish inter state credit system for OSW studies
  - Incorporate requirements in the RFP
- Leverage community stakeholders and institutions committed to diversity
  - Outreach campaign to underserved regional communities
  - Identify pathways for employment
  - Innovation value proposition would leverage the existing university centres. This can be encouraged through direct funding from the states or with support from industry.



# Local Content Shared Mechanism - The Program



- An assessment of each states' local content requirements compared with MOU polices
- Marry gap analysis with local content sharing which would support the region
- Ensure commitment on the political level and foster regional collaboration through respective state departments
- Analyse the economic implications
- Create a simple point system for regional content sharing, with the input from economic advisors and experts
- Simplicity is the goal



# Next Steps

- Presented plan for the initiation of MOU action steps
- EDA grant to fund
- Collaboration continues between states
- Implementation in 2022/



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