

Dominion takes 'monumental step' on offshore wind

Arianna Skibell, E&E News reporter

Published: Thursday, December 17, 2020



Dominion Energy Inc. announced a milestone yesterday in the construction of a nearly 500-foot-long offshore wind installation vessel at a Brownsville, Texas, shipyard. A mock-up of the vessel is pictured here. Dominion Energy

Dominion Energy Inc. yesterday began construction on a \$500 million marine installation vessel that could be pivotal to developing the U.S. offshore wind market, analysts say.

"This is a monumental step for the offshore wind industry in America," Robert Blue, Dominion Energy's president and CEO, said in a statement.

Installation vessels are a crucial component for erecting offshore wind turbines, according to a recent Government Accountability Office [report](#). Developers are projected to require hundreds of them to meet state targets for offshore wind energy production.

But use of heavy-lift installation vessels in U.S. waters has been complicated by a century-old law called the Jones Act, which requires ships moving cargo from one U.S. port to another to be manufactured and operated by American residents. Currently, developers use U.S.-flagged feeder vessels that transport materials from U.S. ports to foreign heavy-lift vessels that are stationed at offshore construction sites.

Dominion's vessel, which is being constructed in Brownsville, Texas, by the global marine shipbuilding firm Keppel AmFELS, would be the first heavy-lift boat to comply with the Jones Act, relying on American steel and American labor.

Construction will create 700 direct jobs and require 14,000 tons of domestic steel, with the majority coming from Alabama and West Virginia suppliers, according to Dominion. The vessel will be 472 feet long, 184 feet wide and 38 feet deep — one of the biggest in the world.

The ship is expected to be completed by the end of 2023, after which it will be based in Virginia's Hampton Roads and operated by a U.S. crew. According to a study by research firm **Mangum Economics**, every gigawatt of offshore wind developed in Virginia could mean 5,200 new jobs annually.

"This new vessel will help propel the offshore wind supply chain, drive economic development in Hampton Roads, and grow the offshore wind workforce in our Commonwealth," Virginia Gov. Ralph Northam (D) said in a statement.

According to Dominion, the \$500 million vessel will be financed through a lease agreement with global banks and will not lead to a spike in ratepayers' energy bills.

States along the East Coast have planned several gigawatts of offshore wind capacity to be installed in the next decade, and Dominion expects the heavy-lift vessel to support that development through 2027 and beyond. Once built, the vessel will be available for charter hire, according to Dominion.

"The construction of the first Jones Act compliant offshore wind turbine installation vessel serves as another vital link in the growing domestic manufacturing supply chain to support offshore wind energy development here in the U.S.," Sen. Mark Warner (D-Va.) said in a statement.

Claire Richer, the director of federal affairs for the American Wind Energy Association, said the extent to which Dominion's vessel expedites offshore growth depends on how quickly projects are permitted.

"If projects are permitted on the timeline that states want to be building these projects, we're going to need a lot of vessels really quickly, so the more vessels we can have the better," she said. "If [permits] trickle in slowly, we have enough U.S.-flagged and foreign installation to do this little by little."

Still, she said it's significant that a ship of this size is being built in a U.S. shipyard.

"The U.S. hasn't built a boat in a commercial shipyard that's this big and can lift this much weight in a really long time," she said. "It's really exciting."

Twitter: [@AriannaSkibell](https://twitter.com/AriannaSkibell) Email: askibell@eenews.net