



March 11, 2022

VIA ELECTRONIC SUBMISSION

The Honorable Jennifer Granholm  
Secretary of Energy  
U.S. Department of Energy  
1000 Independence Ave. SW  
Washington, DC 20585

**Re: DOE Requests Inputs to Inform Social Science Research Related to Offshore Wind (DE-FOA-0002695; February 9, 2022).**

Dear Secretary Granholm:

On February 9, 2022, the U.S. Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy, Wind Energy Technologies Office published a request for information on research needs related to community effects from offshore wind energy development. The Office of Advocacy of the U.S. Small Business Administration respectfully submits the following comments on the request. DOE should analyze the impacts of offshore wind development on small businesses including small coastal communities. This research will assist developers in understanding the impacts of their activities on the existing community, and how they can better engage with these stakeholders prior to development to ensure that both are able to co-exist.

## **I. Background**

### **A. The Office of Advocacy**

Congress established the Office of Advocacy under Pub. L. 94-305 to represent the views of small entities before Federal agencies and Congress. Advocacy is an independent office within the U.S. Small Business Administration (SBA). As such, the views expressed by Advocacy do not necessarily reflect the views of the SBA or the Administration. The Regulatory Flexibility

Act (RFA),<sup>1</sup> as amended by the Small Business Regulatory Enforcement Fairness Act (SBREFA),<sup>2</sup> gives small entities a voice in the rulemaking process. For all rules that are expected to have a significant economic impact on a substantial number of small entities, the RFA requires federal agencies to assess the impact of the proposed rule on small entities and to consider less burdensome alternatives.

The Small Business Jobs Act of 2010 requires agencies to give every appropriate consideration to comments provided by Advocacy.<sup>3</sup> The agency must include a response to these written comments in any explanation or discussion accompanying the final rule's publication in the *Federal Register*, unless the agency certifies that the public interest is not served by doing so.<sup>4</sup>

Advocacy's comments are consistent with Congressional intent underlying the RFA, that "[w]hen adopting regulations to protect the health, safety, and economic welfare of the nation, federal agencies should seek to achieve statutory goals as effectively and efficiently as possible without imposing unnecessary burdens on the public."<sup>5</sup>

## **B. Background on the Request for Information**

On February 9, 2022, DOE published a request for information (RFI) on knowledge gaps and research needs related to community effects of offshore wind energy development.<sup>6</sup> DOE states it is specifically looking for information relating to social science research questions, social and socioeconomic data needs, and planning tool needs.<sup>7</sup>

On January 27, 2021, President Biden signed Executive Order 14008, which tasked the U.S. Department of the Interior with identifying steps to increase renewable energy production with the goal of doubling offshore wind energy by 2030.<sup>8</sup> Since publishing the executive order, the U.S. Department of Interior's Bureau of Ocean Energy Management (BOEM), has taken steps to open areas on the outer continental shelf to offshore wind development. The Outer Continental Shelf Lands Act (OCSLA)<sup>9</sup> sets forth procedures to produce energy resources on the Outer Continental Shelf (OCS). OCSLA permits the Secretary of the Interior, in consultation with other relevant federal agencies, to grant leases, easements, and rights-of-way on the OCS for activities that support production, transportation, or transmission of energy.<sup>10</sup> Under OCSLA,

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<sup>1</sup> 5 U.S.C. §601 et seq.

<sup>2</sup> Pub. L. 104-121, Title II, 110 Stat. 857 (1996) (codified in various sections of 5 U.S.C. §601 et seq.).

<sup>3</sup> Small Business Jobs Act of 2010 (PL. 111-240) §1601.

<sup>4</sup> *Id.*

<sup>5</sup> *Id.*

<sup>6</sup> U.S. Dep't of Energy, Office of Energy Efficiency & Renewable Energy, Request for Information: Offshore Wind Social Science Research Needs DE-FOA-0002695, (Feb. 9, 2022), [DOE Requests Inputs to Inform Social Science Research Related to Offshore Wind | Department of Energy](#).

<sup>7</sup> *Id.*

<sup>8</sup> Tackling the Climate Crisis at Home and Abroad, Executive Order, Exec. Order No. 14088 signed January 27, 2021, 86 Fed. Reg. 7619 (February 1, 2021).

<sup>9</sup> 43 U.S.C. § 1331 et seq.

<sup>10</sup> 43 U.S.C. § 1337 (p).

management of such activities should consider economic, social, and environmental values of renewable and non-renewable resources contained within the OCS.<sup>11</sup> Proper consideration must also be given to other uses of the seabed including fisheries navigation and marine productivity.<sup>12</sup>

While BOEM manages the offshore wind program, DOE's Wind Energy Technologies Office invests in research to address issues in renewable energy development.<sup>13</sup> This RFI focuses specifically on research needs related to the effects of offshore wind energy on communities, including economic factors.<sup>14</sup>

## II. Advocacy's Comments

On January 7, 2022, Advocacy filed a public comment letter to BOEM on its request for information on reducing or avoiding impacts of offshore wind development on fisheries.<sup>15</sup> In its comments, Advocacy encouraged BOEM to conduct small business impact analyses of proposed lease sales and include that information in its draft environmental impact statements. Advocacy also held a roundtable to discuss this issue on December 14, 2021. During the roundtable, Advocacy heard from small fisheries as well as representatives from the offshore wind energy industries. Advocacy has also engaged with small coastal communities in the past whose primary sources of income are in offshore activities. Based on this outreach, and Advocacy's involvement in small entity equity and interests, Advocacy encourages DOE to consider the below comments in developing and conducting research on the impacts of offshore wind.

### A. DOE should conduct research to evaluate the economic impacts of offshore wind development on coastal communities.

To date, there have been no comprehensive studies conducted on the impacts of offshore wind development on coastal communities and on the small business economies that make up these regions. Small communities are often entirely dependent on just a few small businesses to support their economies. Many small coastal communities rely on fisheries, charter vessels, recreational activities, and other offshore activities as their primary sources of income. Many of these communities have unique identities and cultures that are linked to fishing and other industries.

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<sup>11</sup> 43 U.S.C. § 1344 (a) (1).

<sup>12</sup> *Id.* at (a) (2).

<sup>13</sup> U.S. Dep't of Energy, Office of Energy Efficiency & Renewable Energy, Request for Information: Offshore Wind Social Science Research Needs DE-FOA-0002695, (Feb. 9, 2022), [DOE Requests Inputs to Inform Social Science Research Related to Offshore Wind | Department of Energy](https://www.energy.gov/oeere/foia/2022/01/12/advocacy-comments-on-boems-rfi-for-reducing-or-avoiding-impacts-of-offshore-wind-energy-on-fisheries/).

<sup>14</sup> *Id.*

<sup>15</sup> See Comments from the Office of Advocacy, U.S. Small Business Administration filed on January 7, 2022, <https://advocacy.sba.gov/2022/01/12/advocacy-comments-on-boems-rfi-for-reducing-or-avoiding-impacts-of-offshore-wind-energy-on-fisheries/>.

One small fisherman in California described the cumulative impacts a disruption from an offshore wind development project can have on a small coastal community. For example, if a fisherman cannot safely dock in a particular location or if ports and docks are overly saturated with wind-energy related equipment and vessels, there is a direct impact on the other businesses that rely on that fishing economy such as buyers, distributors, vessel fueling and maintenance, transportation and shipping carriers, and restaurants.

DOE should therefore conduct research on the economic and cultural impacts of offshore wind on small fishing communities. By understanding these impacts, Advocacy is hopeful that offshore wind developers and BOEM will find ways to mitigate the effects of development projects on these communities and the small businesses within them.

**B. DOE should engage with Advocacy and other agencies to locate small business data to include in its research.**

Small fishing firms make up 99.4 percent of the fishing industry. Table 1 shows the makeup of the U.S. fishing industry based on firm size. Even though the small business size standards for this industry range from \$6 million (shellfish fishing) to \$22 million (finfish fishing) in annual revenue, over 70 percent of firms in this industry have an annual revenue below \$500,000, and 17.4 percent below \$100,000. DOE can combine these and other industry data to understand the total impact of offshore wind as well as how the relative impacts will differ based on firm size. For example, an impact of \$10,000 per firm would represent less than 0.1 percent of annual revenue for a large fishery, but it would represent an average of 18.8 percent of annual revenue for the 434 fisheries in the smallest size category.

Table 1. U.S. Fishing Industry (NAICS Code 1141)

Firm Size (by Receipts)	Firm Count	% of Small Firms	Avg. Receipts
Small Firms	2,493	100.0%	\$535,456
<\$100K	434	17.4%	\$53,168
\$100K - \$499K	1,320	52.9%	\$258,786
\$500K - \$999K	397	15.9%	\$671,322
\$1M - \$2.49M	286	11.5%	\$1,582,465
\$2.5M - \$4.99M	41	1.6%	\$3,385,220
\$5M - \$7.49M	9	0.4%	\$6,416,889
\$7.5M - \$9.99M	9	0.4%	\$8,531,667
			\$49,591,31
Large Firms	16	N/A	3

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Note: Data provided by the Census Bureau's Statistics of US Businesses (2017).

Similar data are available for other industries and with geographic breakdowns. For example, Advocacy releases annual small business profiles at the state and congressional district levels, providing the number of small businesses and their employees at the 2-digit NAICS level.<sup>16</sup> These profiles use data from the Census Bureau's Statistics of U.S. Businesses, where DOE can look further into congressional district data or use metropolitan statistical area data to better understand the industry breakdown, firm characteristics, and potential impacts in areas affected by offshore wind.<sup>17</sup> DOE can complement Census data with U.S. Department of Agriculture data for industries not included in Census data, like crop and animal production and aquaculture.<sup>18</sup>

The list of data sources above is not exhaustive. DOE should work with Advocacy and other agencies to access data to help examine the impacts of offshore wind on small coastal communities and businesses. Advocacy can help DOE identify relevant publicly available data, provide insight from similar past studies and rulemakings, or connect DOE with small businesses who can provide important, real-time information that other sources cannot capture. The U.S. National Marine Fisheries Service may have information on fisheries that would be helpful. The U.S. Department of Agriculture may be able to provide more information on industries missing from the Census data, such as aquaculture.

### **III. Conclusion**

To date, there have been no comprehensive studies on the impacts of offshore wind development on small businesses and small coastal communities, yet these development projects often have significant impacts on the economies and cultures of these regions. DOE should therefore consider research to study the direct impacts offshore wind development has on these communities and offer suggestions for mitigation of these impacts. If you have any questions or require additional information, please contact me or Assistant Chief Counsel Prianka Sharma at (202) 205-6938 or by email at prianka.sharma@sba.gov.

Sincerely,

/s/

Major L. Clark, III  
Deputy Chief Counsel

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<sup>16</sup> SBA Office of Advocacy, 2021 Small Business Profiles for Congressional Districts, (Dec. 29, 2021), <https://advocacy.sba.gov/2021/12/29/2021-small-business-profiles-for-congressional-districts/>

<sup>17</sup> U.S. Census Bureau Statistics of U.S. Businesses: 2017 Annual Data Tables by Establishment Industry (Washington, DC, March 2022), [2017 SUSB Annual Data Tables by Establishment Industry \(census.gov\)](https://www.census.gov/data/tables/2017/susb/2017-susb-annual-data-tables-by-establishment-industry.html)

<sup>18</sup> USDA Economic Research Service, Aquaculture Data, [USDA ERS - Aquaculture Data](https://www.ers.usda.gov/data/aquaculture/) (last visited March 9, 2022)

Office of Advocacy  
U.S. Small Business Administration

/s/

Prianka P. Sharma  
Assistant Chief Counsel  
Office of Advocacy  
U.S. Small Business Administration

Copy to: Dominic Mancini, Deputy Administrator  
Office of Information and Regulatory Affairs  
Office of Management and Budget