

Offshore Wind Constitutional Amendment Ballot Language and Background

Ballot Language

"Do you support an amendment to require that federal revenues received by the state generated from Outer Continental Shelf alternative or renewable energy production be deposited into the Coastal Protection and Restoration Fund?"

Background

COAST IN CRISIS

Louisiana is in the midst of a land loss crisis that has claimed 2,000 square miles of land since the 1930s. Without action to protect our coast and its communities, we could lose as much as 3,000 additional square miles of land over the next 50 years. Barrier islands, marshes and swamps throughout our coast reduce incoming storm surge, helping to lower flooding impacts. If we continue to lose these habitats, the vulnerability of communities and infrastructure will increase substantially. Additionally, our flood protection systems will become more vulnerable as the land around them continues to disappear.

Without action, damages from flooding will increase from \$15.2 billion in annual estimated damages to approximately \$24.3 billion in annual estimated damages at the end of 50 years. Given the importance of so many of south Louisiana's assets—our waterways, natural resources, unique culture and wetlands—the effects of this additional land loss and the increased risk of flooding would be catastrophic. We must take bold action now, before it's too late.

The risk of continued land loss is concentrated in coastal Louisiana, but the economic implications will also spread throughout the nation due to the state's importance in shipping, energy production, chemicals, and other sectors.ⁱ

- As much as \$4.6 billion in Louisiana business, residential and infrastructure assets are at risk due to land loss over the next 50 years if no action is taken to protect or restore the state's coast. Economic disruptions could cost an additional \$9.8 billion from land loss alone.ⁱⁱ
- In addition to the direct impact of land loss, Louisiana would also face increased storm damage further inland as the coastal buffer disappears.
 - Up to \$176.4 billion in business, residential and infrastructure assets could be lost, along with an additional \$67.7 billion in disrupted economic activity from just one storm.ⁱⁱⁱ

FUNDING FOR THE COAST—REVENUE SHARING/IMPACT ASSISTANCE

Energy production in the federal waters of the Gulf of Mexico would not be possible without the communities, workers, infrastructure, and ecosystems of Gulf States like Louisiana. When the Gulf of Mexico Energy Securities Act (GOMESA) passed in 2006, we gained a model for sharing Outer Continental Shelf revenues with energy producing states, coastal counties and parishes, and conservation programs. GOMESA not only sent those revenues back to Gulf producing states and counties but committed them to improving the resilience of the regions that made that energy production possible. Louisiana voters also overwhelmingly elected to further dedicate all state GOMESA dollars to the coastal trust fund.

Under current federal law, however, revenues generated from offshore wind must be returned to the US Treasury. Federal efforts like the RISEE (Reinvesting in Shoreline Economies and Ecosystems Act) & BREEZE (Budgeting for Renewable Electrical Energy Zone Earnings Act) acts seek to amend GOMESA to increase amounts shared with Gulf Coast energy producing states and to begin sharing offshore wind revenues. Should federal law allow for additional revenues to flow to Gulf States involved in traditional and alternative energy production, it would help reduce the coming funding gap for coastal protection and restoration investments resulting from the end of *Deepwater Horizon* oil spill payments in 2031.

THE WIND AMENDMENT

The Constitutional Amendment to provide that federal revenues received by the state from Outer Continental Shelf alternative or renewable energy production be deposited into the Coastal Trust Fund will be on the ballot on November 5th, 2024. It seeks to amend current state law to add offshore renewable and alternative energy sources to the existing revenue sharing model we have for oil and gas.

Every type of energy production that occurs off our coast depends on healthy and resilient communities and ecosystems and so funds generated by that energy production should be reinvested in coastal protection and restoration. With offshore alternative energy production still in the earliest stages it will not be a silver bullet for Louisiana's coastal funding cliff, but it is a positive step toward closing that funding gap and continuing our strong track record of investing in the protection and restoration of our coast for the benefit of the entire state and its economy.

ⁱ Barnes, S. *et al.* Economic Evaluation of Coastal Land Loss in Louisiana. *J. Ocean Coast. Econ.* **4**, 1-39 (2017). <https://coastal.la.gov/wp-content/uploads/2015/12/LSU-Rand-Report-on-Economics-of-Land-Loss.pdf>

ⁱⁱ Barnes, S. *et al.* Investment Decisions for Coastal Restoration: Timely Actions, Sustainable Benefits. Policy Research Brief, August 2023. <https://blancocenter.louisiana.edu/sites/blancocenter/files/Blanco%20Center-Timing%20of%20Benefits-Aug%202023.pdf>

ⁱⁱⁱ Barnes, S. *et al.* Investment Decisions for Coastal Restoration: Timely Actions, Sustainable Benefits. Policy Research Brief, August 2023. <https://blancocenter.louisiana.edu/sites/blancocenter/files/Blanco%20Center-Timing%20of%20Benefits-Aug%202023.pdf>