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## Offshore Wind: Status and Issues for the 119<sup>th</sup> Congress

The Outer Continental Shelf Lands Act, as amended (OCSLA, 43 U.S.C. §1337(p)), authorizes the Secretary of the Interior to lease submerged lands on the U.S. outer continental shelf (OCS) for development of renewable energy, including wind energy. The Department of the Interior's (DOI's) Bureau of Ocean Energy Management (BOEM) carries out this responsibility. BOEM has awarded dozens of leases for offshore wind development, primarily in the Atlantic region and also offshore of California (five leases) and in the Gulf of America (one lease). Two wind farms are operating on the federally managed OCS off the coasts of Massachusetts and Rhode Island (in addition to a project in Rhode Island state waters), and several more projects have begun construction.

The U.S. offshore wind industry has faced economic challenges in recent years that have led to the postponement or cancellation of some projects. Projects also have faced lawsuits from coastal homeowners and preservationists, the fishing industry, tribes, and those concerned about potential impacts to marine wildlife. In 2025, federal policies toward U.S. offshore wind have shifted from those in place during the Biden Administration. President Trump has halted OCS wind leasing and permitting and directed other actions to reverse prior federal support for offshore wind. Also, in P.L. 119-21, the FY2025 budget reconciliation act, Congress limited offshore wind tax credits and rescinded unobligated balances for federally funded activities related to interregional and offshore wind electricity transmission. Congress continues to consider issues related to offshore wind leasing, permitting, transmission, tax credits, and related matters through oversight and legislation.

### Offshore Wind Leasing

On January 20, 2025, President Trump issued a memorandum on offshore wind, which used presidential authority under Section 12(a) of the OCSLA (43 U.S.C. §1341(a)) to “temporarily” withdraw the entire OCS from availability for “any new or renewed wind energy leasing.” The withdrawal halted work on offshore wind lease sales proposed by the Biden Administration, including a sale for the Central Atlantic area and other scheduled sales. BOEM later rescinded a 2024 regulation requiring the Secretary of the Interior to publish schedules of future offshore renewable energy lease sales. The President’s memorandum also ordered the Secretary of the Interior, in consultation with the Attorney General as needed, to review the “ecological, economic, and environmental necessity” and “any legal bases” for terminating or amending existing wind leases, while stating that its provisions do not affect rights under existing leases.

The memorandum stated that further wind leasing on the OCS is prohibited “until this Presidential Memorandum is

revoked.” Because OCSLA Section 12(a) does not explicitly provide revocation authority, there is legal uncertainty about whether a President can revoke a Section 12(a) withdrawal, and courts may address this matter. In the 119<sup>th</sup> Congress, H.R. 513 and H.R. 3742 would modify the Section 12(a) withdrawal authority. Concerning offshore wind leasing specifically, H.R. 1781 and S. 837 would provide that the President’s memorandum shall have no force or effect, and no federal funds may be used to implement it. If the withdrawal were nullified in this manner by law, DOI could consider whether to proceed with additional OCS wind leasing under its leasing regulations at 30 C.F.R. Part 585, Subpart C, and relevant statutes. Alternatively, Congress could legislate directly on offshore wind lease sales, either to require or prohibit sales. For instance, in the 119<sup>th</sup> Congress, H.R. 674 would prohibit wind leasing in parts of the Gulf of Maine.

### Permitting Activities on Existing Leases

President Trump’s memorandum also directed the Secretary of the Interior and other relevant Secretaries and agency heads to temporarily halt certain permitting and approval activities for offshore (and onshore) wind projects, pending a “comprehensive assessment and review of Federal wind leasing and permitting practices.” The temporary halt applies to issuance of new or renewed approvals, rights of way, permits, leases, and loans for wind projects.

BOEM administers approximately 40 active offshore wind leases, many of which are affected by the temporary halt on offshore wind permits and approvals. Most lessees have not yet received the necessary permits and approvals for project construction. After a lease is awarded, developers must submit construction and operations plans (COPs) to BOEM for approval and apply for necessary permits from other agencies, such as the National Oceanic and Atmospheric Administration (NOAA) and the U.S. Army Corps of Engineers. Agencies must ensure their permitting and approval actions comply with the National Environmental Policy Act (NEPA; 42 U.S.C. §§4321 et seq.). BOEM typically has led the preparation of an environmental impact statement (EIS) and record of decision, which other agencies may sign onto, to inform conditions for approving COPs and issuing permits. The President’s memorandum halts these activities pending a comprehensive review of federal wind leasing and permitting practices. Accordingly, BOEM has canceled or postponed activities related to EISs for pending offshore wind projects (e.g., in the Atlantic and Pacific regions). Separately, BOEM’s FY2026 budget request seeks the elimination of funding for the BOEM renewable energy program, which would remove agency capacity for project review and permitting.

For 11 active commercial-scale projects, all in the Atlantic region, the approvals and permits to authorize construction and operations had been issued prior to the President's memorandum. These projects are at various stages of completion. The 12-turbine South Fork Wind Farm offshore of Rhode Island and Massachusetts is fully constructed and operating. The 62-turbine Vineyard Wind 1 project off Massachusetts is partly constructed and has begun delivering power to the grid. Some but not all of the other projects have begun or are partway through construction. Although these projects have already received federal approvals, BOEM is reevaluating some previously granted approvals. For example, on April 16, 2025, BOEM issued a stop-work order to Empire Wind, a permitted project off the New York coast that had begun offshore construction. BOEM stated it was requiring a halt to the project based on feedback received in the context of DOI's broad review of permitting practices. BOEM lifted the stop-work order on May 19, 2025. On August 22, 2025, BOEM issued a stop-work order to Revolution Wind, a project off Rhode Island that the developer stated is 80% complete. In the order, BOEM cited concerns about national security and interference with other ocean uses. On September 22, 2025, a U.S. district court preliminarily enjoined the Administration from enforcing the order. Separately, the Administration has stated in court filings its intent to remand or revoke prior COP approvals for the MarWin, SouthCoast Wind, and New England Wind projects, all in the Atlantic region.

Some Members of Congress and other stakeholders support the President's approach of halting or reconsidering offshore wind permits pending further study of permitting practices and project impacts. Some 118<sup>th</sup> Congress bills, including House-passed H.R. 1, would have required similar studies. In response to a 2023 request from some Members, the Government Accountability Office issued a report in April 2025 that found both positive and negative potential impacts from offshore wind and recommended improvements to DOI consultation with stakeholders.

Other Members of Congress have opposed the Administration's actions as endangering jobs in the offshore wind industry and limiting a renewable energy source that could help meet growing electricity demand. Some observers have expressed concern that revoking authorizations for projects in the construction phase may create general uncertainty around U.S. energy investment and steer energy companies toward other nations, including China. Some 119<sup>th</sup> Congress bills would counter the Administration's policies. For instance, H.R. 3742 would require that DOI "seek to issue permits" sufficient to achieve specified offshore wind production goals and would authorize establishment of an entity to finance and construct offshore wind transmission infrastructure, among other provisions.

## Offshore Wind Transmission

Separately from the President's wind memorandum, he also issued on January 20, 2025, Executive Order (E.O.) 14154, "Unleashing American Energy." Among other actions, this E.O. directed agencies to pause the disbursement of funds appropriated through P.L. 117-169, commonly known as

the Inflation Reduction Act (IRA), or P.L. 117-58, the Infrastructure Investment and Jobs Act (IIJA), and to review processes, policies, and programs for issuing specified grants, loans, contracts, and other disbursements. The effects of E.O. 14154 on IRA funding appropriated for activities related to interregional and offshore wind electricity transmission are uncertain. A federal district court preliminarily enjoined the Administration from enforcing certain directives to pause federal funds under existing awards. P.L. 119-21 rescinded unobligated balances for these and other IRA-funded activities.

Hearings in the 119<sup>th</sup> Congress in March and April 2025 examined whether more electricity generation and transmission are needed to meet projections of increased electricity demand. Congress may consider what role, if any, offshore wind and interregional electricity transmission might have in meeting potential electricity demand. For example, in the 119<sup>th</sup> Congress, H.R. 1047 would direct the Federal Energy Regulatory Commission (FERC) to issue regulations to reform the interconnection queue process to prioritize dispatchable power generation (such as fossil-fuel or nuclear power plants) over non-dispatchable power generation (such as solar and wind power plants). Another bill, H.R. 603, would amend the Federal Power Act to direct FERC to issue regulations to improve interregional electricity transfer capabilities.

## Offshore Wind Tax Credits

The pause ordered under E.O. 14154 on the disbursement of funds appropriated through the IRA and IIJA does not apply to the offshore wind tax credits enacted or modified by the IRA. Developers can claim the energy investment tax credit (ITC), the clean electricity investment tax credit (CEITC), the Production Tax Credit (PTC), or the Clean Electricity Production Tax Credit (CEPTC), and manufacturers of offshore energy components can claim the advanced manufacturing production credit (AMPC).

P.L. 119-21 limits the use of the CEITC and the CEPTC to offshore wind facilities that began construction on or before the date of enactment, are placed in service before 2028, and meet various other requirements. In addition, the AMPC is limited to wind energy components sold before 2028. A number of other restrictions, including foreign entity restrictions and the elimination of tax credit transferability, are also applied to the AMPC.

## For Additional Reading

CRS Report R40175, *Offshore Wind Energy Development: Legal Framework*

CRS Insight IN11980, *Offshore Wind Provisions in the Inflation Reduction Act*

CRS Report R47894, *Potential Impacts of Offshore Wind on the Marine Ecosystem and Associated Species: Background and Issues for Congress*

CRS In Focus IF12782, *Offshore Energy Agency Appropriations, FY2025*

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