

**HB1296/893023/1**

BY: Education, Energy, and the Environment Committee

AMENDMENTS TO HOUSE BILL 1296  
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 10, after “time;” insert “authorizing the Maryland Energy Administration to have access to certain confidential information under certain circumstances;”; in line 11, after “plan;” insert “requiring the Commission to issue certain procurement solicitations and a certain procurement on or before a certain date; requiring a certain procurement contract to include certain terms;”; in line 16, strike the seventh comma and substitute “and”; and in line 17, strike “, and 7-704.4(d)”.

On page 2, in line 4, strike “7-704.4(b)(1) and (e)” and substitute “7-704.4”.

AMENDMENT NO. 2

On page 7, after line 36, insert:

**“(VI) THE COMMISSION MAY NOT APPROVE AN APPLICATION FOR A REVISED ROUND 2 OFFSHORE WIND PROJECT UNLESS THE APPLICATION INCLUDES COMMITMENTS FOR IN-STATE EXPENDITURES AND INVESTMENTS IN A LOCAL SUPPLY CHAIN THAT THE COMMISSION DETERMINES ARE REASONABLY RELATED TO THE SIZE AND REQUIREMENTS OF THE PROJECT.**

**“(VII) THE ADMINISTRATION SHALL HAVE ACCESS TO ALL CONFIDENTIAL INFORMATION PRODUCED BY ANY PARTY RELATING TO A REVISED ROUND 2 OFFSHORE WIND PROJECT PROCEEDING, SUBJECT TO AN AGREEMENT TO PROTECT THE CONFIDENTIALITY OF THE INFORMATION.”**

On page 8, in lines 21 and 22, strike “**THE DEPARTMENT OF THE ENVIRONMENT, THE DEPARTMENT OF NATURAL RESOURCES**” and substitute

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“THE DEPARTMENT OF GENERAL SERVICES”; in line 25, after “(2)” insert “THE PLAN:

(I) SHALL INCLUDE A SCHEDULE OF OFFSHORE WIND ENERGY PROCUREMENTS AND PROPOSED AMOUNTS OF OFFSHORE WIND ENERGY FOR PROCUREMENT THROUGH 2031; AND

(II) MAY INCLUDE RECOMMENDATIONS ON MULTIJURISDICTIONAL OFFSHORE WIND ENERGY PROCUREMENTS AND ANY ADDITIONAL OFFSHORE WIND ENERGY PROCUREMENT RECOMMENDATIONS.

(3)”;

after line 28, insert:

“(a) (1) In this section the following words have the meanings indicated.

(2) “Community benefit agreement” has the meaning stated in § 7–704.1(e) of this subtitle.

(3) “Social cost of greenhouse gases” means the most recent social cost of greenhouse gases adopted by the U.S. Environmental Protection Agency.”;

after line 33, insert:

“(2) Each agreement entered into under paragraph (1) of this subsection shall have a term of not less than 20 years.

(3) When issuing the invitation for bids under this subsection, the Department shall take into consideration:

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- (i) the social cost of greenhouse gas emissions;
- (ii) the State's climate commitments; and
- (iii) the State's commitments under § 7-704.1(a) of this subtitle.

(4) The evaluation criteria for bids shall include:

(i) comparing the social cost of greenhouse gas emissions for offshore wind with the social cost of greenhouse gas emissions for nonrenewable power purchased from wholesale electric markets administered by PJM Interconnection; and

(ii) the extent to which an applicant's proposal provides for financial and technical assistance to support monitoring and mitigation of wildlife and habitat impacts associated with the proposed offshore wind project.

(5) Each agreement entered into under paragraph (1) of this subsection shall include:

(i) a community benefit agreement and domestic content preferences; and

(ii) a description of:

1. initial plans for mitigating the impacts of the construction and operation of the proposed offshore wind project on fisheries and the environment; and

2. the extent to which an applicant will provide for financial and technical assistance to support the monitoring and mitigation of wildlife and habitat impacts associated with the project.

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(c) (1) The Department of General Services shall identify the amount of energy necessary to meet the State’s energy needs.

(2) (i) The State shall use the energy procured under subsection (b) of this section to meet the State’s energy needs and retire the associated renewable energy credits to meet its obligations under the renewable energy portfolio standard and Chapter 38 of the Acts of the General Assembly of 2022.

(ii) The State shall be exempted from the renewable energy portfolio standard requirements under § 7–703 of this subtitle if the Department of General Services procures 100% of the State’s energy needs from the power purchase agreement required under subsection (b) of this section.

(3) The State shall offer for sale any energy or renewable energy credits remaining after the requirements under paragraph (2) of this subsection have been met on the competitive wholesale power market operated by PJM Interconnection, through bilateral sales to credit-worthy counterparties, or into renewable energy credit markets.”;

and in line 34, after “(d)” insert “**(1)**”.

On page 9, in line 1, strike “(1)” and substitute “**(I) ISSUE A DRAFT SOLICITATION FOR PROCUREMENT OF OFFSHORE WIND ENERGY FOR PUBLIC COMMENT AND REVIEW ON OR BEFORE JUNE 1, 2024;**

**(II)**”;

in lines 2 and 4, strike “(2)” and “(3)”, respectively, and substitute “**(III)**” and “**(IV)**”, respectively; in line 5, strike “(e) (1)” and substitute “**(2)**”; in line 6, after the comma insert “**ON OR BEFORE SEPTEMBER 1, 2025,**”; in lines 6 and 7, strike “on or before

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September 1, 2025” and substitute “ISSUED UNDER PARAGRAPH (1) OF THIS SUBSECTION”; strike in their entirety lines 11 through 15, inclusive, and substitute:

“(E) (1) IN ADDITION TO THE SOLICITATION AND PROCUREMENT ISSUED UNDER SUBSECTION (D) OF THIS SECTION, THE STATE:

(I) SHALL ISSUE A DRAFT SOLICITATION FOR PROCUREMENT OF OFFSHORE WIND ENERGY FOR PUBLIC COMMENT AND REVIEW ON OR BEFORE SEPTEMBER 1, 2025; AND”;

in lines 16, 18, and 21, strike “2.”, “(II)”, and “(III)”, respectively, and substitute “(II)”, “(2)”, and “(3)”, respectively; in line 18, strike “SUBPARAGRAPH (III) OF THIS PARAGRAPH” and substitute “PARAGRAPH (3) OF THIS SUBSECTION AND IN ADDITION TO ANY CONTRACT ENTERED INTO UNDER SUBSECTION (D) OF THIS SECTION, ON OR BEFORE MARCH 31, 2027”; in line 20, strike “ON OR BEFORE MARCH 31, 2027” and substitute “ISSUED UNDER PARAGRAPH (1) OF THIS SUBSECTION”; in line 22, strike “SUBPARAGRAPH (II) OF THIS PARAGRAPH” and substitute “PARAGRAPH (2) OF THIS SUBSECTION”; and after line 23, insert:

“(F) THE STATE SHALL INCORPORATE IN THE OFFSHORE WIND ENERGY PROCUREMENT CONTRACT TERMS TO FACILITATE LOW-COST PROJECT DEVELOPMENT AND TRADITIONAL PROJECT FINANCING TERMS, INCLUDING:

(1) TERMS THAT WAIVE THE AUTOMATIC TERMINATION CLAUSE REQUIRED UNDER § 13-217 OF THE STATE FINANCE AND PROCUREMENT ARTICLE;

(2) TERMS THAT ESTABLISH REMEDIES TO REIMBURSE COSTS INCURRED BY THE CONTRACTOR DIRECTLY ATTRIBUTABLE TO THE FAILURE OF THE STATE TO APPROPRIATE FUNDS FOR THE CONTRACT; AND

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**(3) ANY OTHER APPROPRIATE MECHANISMS TO ENSURE THAT OFFSHORE WIND ENERGY PROJECTS THAT MEET THE TERMS OF THE CONTRACT WILL HAVE CERTAINTY OF PAYMENT THROUGH THE DURATION OF THE CONTRACT.**

**(G) (1) Within 90 days after the operational commencement date of the power purchase agreement, any contractor providing operations and maintenance services under an agreement with the Department of General Services shall submit to the Department attestation that the contractor has entered into a labor peace agreement with each labor organization that is actively engaged in representing or attempting to represent employees performing operations and maintenance work on the projects that:**

**(i) prohibits strikes, lockouts, or any other economic interference with the contracted project;**

**(ii) describes the class or classes of covered employees to whom the labor peace agreement applies;**

**(iii) describes any class or classes of employees not currently represented by a labor organization;**

**(iv) describes the classes of covered employees for which labor peace agreement negotiations have not yet concluded; and**

**(v) for classes of employees that are not covered by a labor peace agreement, provides an attestation that no labor organization has sought to negotiate such an agreement.**

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(2) A labor peace agreement required under paragraph (1) of this subsection shall be:

(i) valid and enforceable under 29 U.S.C. § 158; and

(ii) maintained as an ongoing material condition of any continuation of payments under any agreement required by this subsection.

[(g)] (H) Nothing in this section may be construed to prevent the procurement of new offshore wind energy generation in accordance with the current or any future solicitation schedule.”