

HOUSE BILL 1296

M5, C5

(4lr3198)

ENROLLED BILL

— *Economic Matters/Education, Energy, and the Environment* —

Introduced by **Delegates Wilson and Crosby**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Electricity – Offshore Wind Projects – Alterations**

3 FOR the purpose of requiring the Public Service Commission to open a certain proceeding
4 to evaluate certain offshore wind projects; authorizing certain offshore wind projects
5 to submit certain revised plans for project schedules, sizes, or pricing, including
6 offshore wind renewable energy credit pricing and, under certain circumstances, to
7 seek approval from the Commission to increase the maximum amount of offshore
8 wind renewable energy credits sold under a certain order, subject to certain
9 limitations; requiring the Commission to approve, conditionally approve, or deny
10 certain applications within a certain period of time; authorizing the Maryland
11 Energy Administration to have access to certain confidential information under
12 certain circumstances; requiring the Commission to develop and report to the
13 General Assembly on a certain plan; requiring the Commission to issue certain
14 procurement solicitations and a certain procurement on or before a certain date;
15 requiring a certain procurement contract to include certain terms; altering the

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



Department of General Services' requirements and processes for the procurement of offshore wind energy; and generally relating to offshore wind projects.

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section ~~7-701(a), (b), (f), (g), (k), (p), and (p-1) and~~ 7-704.1(a), (c)(6)(ii), (g), (h), and (i), and 7-704.4(d)

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

BY adding to

Article – Public Utilities

Section ~~7-704.1(l) and (m)~~

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section ~~7-704.4(b)(1) and (c)~~ 7-704.4

Annotated Code of Maryland

(2020 Replacement Volume and 2023 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

That the Laws of Maryland read as follows:

Article – Public Utilities

7-701.

(a) In this subtitle the following words have the meanings indicated.

(b) “Administration” means the Maryland Energy Administration.

(f) “Offshore wind energy” means energy generated by a qualified offshore wind project.

(g) “Offshore wind renewable energy credit” or “OREC” means a renewable energy credit equal to the generation attributes of 1 megawatt-hour of electricity that is derived from offshore wind energy.

(k) “Qualified offshore wind project” means a wind turbine electricity generation facility, including the associated transmission-related interconnection facilities and equipment, that:

(1) is located:

1 (i) on the outer continental shelf of the Atlantic Ocean in an area
2 that the United States Department of the Interior designates for leasing; and

3 (ii) more than 10 miles off the coast of the State for a project selected
4 under § 7–704.4 of this subtitle or approved under § 7–704.1 of this subtitle after June 1,
5 2023; and

6 (2) interconnects to the PJM Interconnection grid:

7 (i) at a point located on the Delmarva Peninsula; or

8 (ii) through an offshore wind transmission project selected under §
9 7–704.3 of this subtitle.

10 (p) “Round 1 offshore wind project” means a qualified offshore wind project that:

11 (1) is between 10 and 30 miles off the coast of the State; and

12 (2) the Commission approved under § 7–704.1 of this subtitle before July
13 1, 2017.

14 (p–1) “Round 2 offshore wind project” means a qualified offshore wind project that:

15 (1) is not less than 10 miles off the coast of the State; and

16 (2) the Commission approves under § 7–704.1 of this subtitle on or after
17 July 1, 2017.

18 7–704.1.

19 (a) (1) The General Assembly finds and declares that:

20 (i) the State has a goal of reaching 8,500 megawatts of offshore wind
21 energy capacity by 2031, including Round 1 offshore wind projects, Round 2 offshore wind
22 projects, and any other procurement efforts;

23 (ii) the General Assembly anticipates the issuance of sufficient wind
24 energy leases in the central Atlantic region to satisfy the goal stated in item (i) of this
25 paragraph;

26 (iii) the development of offshore wind energy is important to the
27 economic well-being of the State and the nation;

28 (iv) offshore wind can provide clean energy at the scale needed to
29 help achieve the State’s economy-wide net-zero greenhouse gas emissions reduction
30 targets established in Chapter 38 of the Acts of the General Assembly of 2022;

1 (v) it is in the public interest of the State to facilitate the
2 construction of at least 1,200 megawatts of Round 2 offshore wind projects in order to:

3 1. position the State to take advantage of the economic
4 development benefits of the emerging offshore wind industry;

5 2. promote the development of renewable energy sources
6 that increase the nation's independence from foreign sources of fossil fuels;

7 3. reduce the adverse environmental and health impacts of
8 traditional fossil fuel energy sources; and

9 4. provide a long-term hedge against volatile prices of fossil
10 fuels; and

11 (vi) it is in the public interest of the State to maximize the
12 opportunities for obtaining and using federal funds for offshore wind and related
13 transmission projects through the inclusion of specified labor standards and goals, domestic
14 content requirements, and other provisions to align State law with provisions of the federal
15 Infrastructure Investment and Jobs Act of 2021 and the federal Inflation Reduction Act of
16 2022.

17 (2) After the effective date of Commission regulations implementing this
18 section and § 7-704.2 of this subtitle, and before June 30, 2017, a person may submit an
19 application to the Commission for approval of a proposed Round 1 offshore wind project.

20 (3) (i) On receipt of the application for approval of a Round 1 offshore
21 wind project, the Commission shall:

22 1. open an application period when other interested persons
23 may submit applications for approval of Round 1 offshore wind projects; and

24 2. provide notice that the Commission is accepting
25 applications for approval of Round 1 offshore wind projects.

26 (ii) The Commission shall set the closing date for the application
27 period to be no sooner than 90 days after the notice provided under subparagraph (i) of this
28 paragraph.

29 (4) The Commission shall provide additional application periods
30 beginning, respectively:

31 (i) January 1, 2020, for consideration of Round 2 offshore wind
32 projects to begin creating ORECs not later than 2026;

33 (ii) January 1, 2021, for consideration of Round 2 offshore wind
34 projects to begin creating ORECs not later than 2028; and

1 (iii) January 1, 2022, for consideration of Round 2 offshore wind
2 projects to begin creating ORECs not later than 2030.

3 (5) In its discretion, the Commission may provide for additional application
4 periods that meet the requirements of this section.

5 (c) An application shall include:

6 (6) a commitment to:

7 (ii) deposit at least \$6,000,000, in the manner required under
8 subsection (h) of this section, into the Maryland Offshore Wind Business Development
9 Fund established under § 9–20C–03 of the State Government Article;

10 (g) (1) An order the Commission issues approving a proposed offshore wind
11 project shall:

12 (i) specify the OREC price schedule, which may not authorize an
13 OREC price greater than, for a Round 1 offshore wind project, \$190 per megawatt–hour in
14 2012 dollars;

15 (ii) specify the duration of the OREC pricing schedule, not to exceed
16 20 years;

17 (iii) specify the number of ORECs the offshore wind project may sell
18 each year;

19 (iv) provide that:

20 1. a payment may not be made for an OREC until electricity
21 supply is generated by the offshore wind project; and

22 2. ratepayers, purchasers of ORECs, and the State shall be
23 held harmless for any cost overruns associated with the offshore wind project; and

24 (v) require that any debt instrument issued in connection with a
25 qualified offshore wind project include language specifying that the debt instrument does
26 not establish a debt, obligation, or liability of the State.

27 (2) An order approving a proposed offshore wind project vests the owner of
28 the qualified offshore wind project with the right to receive payments for ORECs according
29 to the terms in the order.

30 (3) On or before March 1 each year, the Commission shall report to the
31 Governor and, in accordance with § 2–1257 of the State Government Article, to the Senate

1 Committee on Education, Energy, and the Environment and the House Economic Matters
2 Committee on:

3 (i) compliance by applicants with the minority business enterprise
4 participation goals under subsection (e)(4) of this section; and

5 (ii) with respect to the community benefit agreement under
6 subsection (f)(1) of this section:

7 1. the availability and use of opportunities for local
8 businesses and small, minority, women-owned, and veteran-owned businesses;

9 2. the success of efforts to promote career training
10 opportunities in the manufacturing, maintenance, and construction industries for local
11 residents, veterans, women, and minorities; and

12 3. compliance with the minority workforce goal under
13 subsection (f)(1)(i)5 of this section.

14 (h) For Round 2 offshore wind project applications, the Commission shall approve
15 OREC orders representing a minimum of 400 megawatts of nameplate capacity proposed
16 during each application period unless:

17 (1) not enough Round 2 offshore wind project applications are submitted to
18 meet the net benefit test under subsection (c)(3) of this section; or

19 (2) the cumulative net ratepayer impact exceeds the maximums provided
20 in subsection (f)(1)(ii)2 of this section.

21 (i) (1) Within 60 days after the Commission approves the application of a
22 proposed offshore wind project, the qualified offshore wind project shall deposit \$2,000,000
23 into the Maryland Offshore Wind Business Development Fund established under §
24 9-20C-03 of the State Government Article.

25 (2) Within 1 year after the initial deposit under paragraph (1) of this
26 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
27 the Maryland Offshore Wind Business Development Fund.

28 (3) Within 2 years after the initial deposit under paragraph (1) of this
29 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
30 the Maryland Offshore Wind Business Development Fund.

31 **(L) (1) IN THIS SUBSECTION, “REVISED ROUND 2 OFFSHORE WIND**
32 **PROJECT” MEANS A ROUND 2 OFFSHORE WIND PROJECT THAT HAS FILED AN**
33 **APPLICATION WITH THE COMMISSION FOR REVISED PROJECT SCHEDULES, SIZES,**
34 **OR PRICING, INCLUDING OREC PRICING, UNDER THIS SUBSECTION.**

1 **(2) THIS SUBSECTION APPLIES TO ROUND 1 OFFSHORE WIND**
2 **PROJECTS AND ROUND 2 OFFSHORE WIND PROJECTS THAT:**

3 **(I) ARE TO BE LOCATED IN A WIND ENERGY AREA AUTHORIZED**
4 **BY THE BUREAU OF OCEAN ENERGY MANAGEMENT; AND**

5 **(II) POSSESS ORECS, OR ARE SUBJECT TO A COMMISSION**
6 **ORDER APPROVING AN OREC PRICE SCHEDULE, AS OF JUNE 1, 2024.**

7 **(3) (I) ON JUNE 1, 2024, THE COMMISSION SHALL OPEN A**
8 **REVISED ROUND 2 OFFSHORE WIND PROJECT PROCEEDING THAT IS LIMITED TO**
9 **EVALUATING REVISED PROJECT SCHEDULES, SIZES, OR PRICING, INCLUDING**
10 **OREC PRICING, FOR A PREVIOUSLY APPROVED ROUND 2 OFFSHORE WIND**
11 **PROJECT.**

12 **(II) ANY PREVIOUSLY APPROVED ROUND 2 OFFSHORE WIND**
13 **PROJECT MAY SUBMIT A REVISED PLAN FOR THE PROJECT BY FILING AN**
14 **APPLICATION WITH THE COMMISSION.**

15 **(III) AN APPLICATION FOR A REVISED ROUND 2 OFFSHORE WIND**
16 **PROJECT SHALL BE LIMITED TO ADDRESSING REVISED PROJECT SCHEDULES, SIZES,**
17 **OR PRICING, INCLUDING OREC PRICING.**

18 **(IV) 1. ON RECEIPT OF AN APPLICATION FOR APPROVAL OF**
19 **A REVISED ROUND 2 OFFSHORE WIND PROJECT, THE COMMISSION SHALL CONDUCT**
20 **AN EXPEDITED REVIEW OF THE APPLICATION.**

21 **2. UNLESS EXTENDED BY MUTUAL CONSENT OF THE**
22 **PARTIES, THE COMMISSION SHALL APPROVE, CONDITIONALLY APPROVE, OR DENY**
23 **AN APPLICATION WITHIN 90 DAYS AFTER THE APPLICATION IS FILED AND FOUND BY**
24 **THE COMMISSION TO BE ADMINISTRATIVELY COMPLETE.**

25 **(V) 1. EXCEPT AS PROVIDED IN SUBSUBPARAGRAPHS 2 AND**
26 **3 OF THIS SUBPARAGRAPH, AN APPLICATION FOR A REVISED ROUND 2 OFFSHORE**
27 **WIND PROJECT SHALL BE SUBJECT TO ALL CRITERIA SET FORTH IN THIS SECTION**
28 **FOR ROUND 2 OFFSHORE WIND PROJECTS.**

29 **2. AN APPLICATION FOR A REVISED ROUND 2**
30 **OFFSHORE WIND PROJECT IS NOT SUBJECT TO THE REQUIREMENTS OF**
31 **SUBSECTIONS (C)(6)(II) AND (I) OF THIS SECTION.**

32 **3. IF IN A REVISED ROUND 2 OFFSHORE WIND PROJECT**
33 **PROCEEDING THE COMMISSION REVIEWS MULTIPLE REASONABLE PROPOSALS**

1 MEETING THE REQUIREMENTS OF THIS SECTION FOR ROUND 2 OFFSHORE WIND
2 PROJECTS, THE COMMISSION SHALL ISSUE ORDERS APPROVING THE REVISED
3 ROUND 2 OFFSHORE WIND PROJECTS NECESSARY TO FACILITATE AS MUCH ENERGY
4 CAPACITY AS IS CONSISTENT WITH THE ROUND 2 OFFSHORE WIND PROJECT
5 RATEPAYER PROTECTIONS UNDER THIS SECTION, INCLUDING AT LEAST 800
6 MEGAWATTS OF CAPACITY FROM REVISED ROUND 2 OFFSHORE WIND PROJECTS, IF
7 PRACTICABLE, EVEN IF THE REVISED ROUND 2 OFFSHORE WIND PROJECT
8 APPLICATIONS MAY RESULT IN LOWER TOTAL ENERGY CAPACITY AWARDED THAN
9 WAS PREVIOUSLY AWARDED TO THE REVISED ROUND 2 OFFSHORE WIND PROJECT
10 IN ITS PREVIOUSLY APPROVED ROUND 2 OFFSHORE WIND PROJECT APPLICATION.

11 4. WHEN EVALUATING AN APPLICATION FOR A REVISED
12 ROUND 2 OFFSHORE WIND PROJECT, THE COMMISSION SHALL, TO THE EXTENT
13 PRACTICABLE, EXTEND PRIOR OR EXISTING PROCEEDINGS FOR APPLICANTS THAT
14 HAVE A PREVIOUSLY APPROVED ORDER FOR A ROUND 2 OFFSHORE WIND PROJECT.

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

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

24 (4) (I) IN ORDER TO MAXIMIZE THE AMOUNT OF RENEWABLE
25 ENERGY GENERATED BY A ROUND 1 OFFSHORE WIND PROJECT, ANY ROUND 1
26 OFFSHORE WIND PROJECT MAY SEEK APPROVAL FROM THE COMMISSION TO AMEND
27 ITS PREVIOUSLY APPROVED ROUND 1 OFFSHORE WIND PROJECT ORDER TO:

28 1. INCREASE THE MAXIMUM AMOUNT OF ORECS SOLD
29 UNDER THE PREVIOUS ORDER, CONSISTENT WITH THE ROUND 1 OFFSHORE WIND
30 PROJECT RATEPAYER PROTECTIONS UNDER THIS SECTION; AND

31 2. MODIFY ITS PROJECT SCHEDULE.

32 (II) THE COMMISSION MAY APPROVE A REQUEST FOR AN
33 INCREASED AMOUNT OF ORECS SOLD UNDER A PREVIOUSLY APPROVED ROUND 1
34 OFFSHORE WIND PROJECT ORDER ON A SHOWING THAT:

1 1. THE UNIT PRICING OF THE ADDITIONAL ORECS DOES
2 NOT EXCEED THE PRICING UNDER THE PREVIOUSLY APPROVED ROUND 1
3 OFFSHORE WIND PROJECT ORDER; AND

4 2. THE ROUND 1 OFFSHORE WIND PROJECT IS IN
5 COMPLIANCE WITH THE RATEPAYER PROTECTION PROVISIONS REQUIRED FOR
6 ROUND 1 OFFSHORE WIND PROJECTS, TAKING INTO CONSIDERATION CHANGES IN
7 ECONOMIC CONDITIONS SINCE THE ORIGINAL ROUND 1 OFFSHORE WIND PROJECT
8 AWARDS.

9 (M) (1) THE COMMISSION, WITH THE ASSISTANCE OF THE
10 ADMINISTRATION, ~~THE DEPARTMENT OF THE ENVIRONMENT, THE DEPARTMENT~~
11 ~~OF NATURAL RESOURCES~~ THE DEPARTMENT OF GENERAL SERVICES, AND OTHER
12 INTERESTED STATE UNITS SHALL DEVELOP A PLAN FOR ACHIEVING A TOTAL OF
13 8,500 MEGAWATTS OF OFFSHORE WIND ENERGY CAPACITY BY 2031.

14 (2) THE PLAN:

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

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

21 (3) ON OR BEFORE JANUARY 1, 2025, THE COMMISSION SHALL
22 SUBMIT A REPORT ON THE PLAN TO THE GENERAL ASSEMBLY, IN ACCORDANCE
23 WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

24 7-704.4.

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

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

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

30 (b) (1) The Department of General Services, in consultation with the Public
31 Service Commission, shall issue a competitive sealed procurement solicitation and may
32 enter into at least one contract for a power purchase agreement to procure [up to 5,000,000
33 megawatt-hours annually of] offshore wind energy and associated renewable energy
34 credits from one or more qualified offshore wind projects.

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

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

5 (i) the social cost of greenhouse gas emissions;

6 (ii) the State's climate commitments; and

7 (iii) the State's commitments under § 7-704.1(a) of this subtitle.

8 (4) The evaluation criteria for bids shall include:

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

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

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

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

19 (ii) a description of:

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

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

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

27 (2) (i) The State shall use the energy procured under subsection (b) of
28 this section to meet the State's energy needs and retire the associated renewable energy
29 credits to meet its obligations under the renewable energy portfolio standard and Chapter
30 38 of the Acts of the General Assembly of 2022.

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

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

9 (d) (1) The State shall:

10 ~~(1)~~ (I) ISSUE A DRAFT SOLICITATION FOR PROCUREMENT OF
 11 OFFSHORE WIND ENERGY FOR PUBLIC COMMENT AND REVIEW ON OR BEFORE JUNE
 12 1, 2024;

13 (II) issue a procurement for offshore wind energy on or before July
 14 31, 2024;

15 ~~(2)~~ (III) provide a procurement submission process window of not less
 16 than 180 days; and

17 ~~(3)~~ (IV) award contracts in a timely manner.

18 ~~(e)~~ ~~(1)~~ (2) (I) Subject to SUBPARAGRAPH (II) OF THIS paragraph [(2)
 19 of this subsection], ON OR BEFORE SEPTEMBER 1, 2025, the State may enter into a
 20 contract or contracts for the procurement on or before September 1, 2025 ISSUED UNDER
 21 PARAGRAPH (1) OF THIS SUBSECTION.

22 [(2)] (II) The State may modify the date established in SUBPARAGRAPH
 23 (I) OF THIS paragraph [(1) of this subsection] if an unforeseen circumstance adversely
 24 affects the procurement submission process.

25 ~~(2) (1) IF NO QUALIFIED OFFSHORE WIND PROJECTS ARE~~
 26 ~~SUBMITTED DURING THE PROCUREMENT SUBMISSION PROCESS UNDER~~
 27 ~~PARAGRAPH (1) OF THIS SUBSECTION, THE STATE:~~

28 ~~1. MAY EVALUATE AND REVISE THE CONDITIONS OF THE~~
 29 ~~OFFSHORE WIND ENERGY PROCUREMENT; AND~~

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

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

4 ~~2.~~ (II) SHALL ISSUE A PROCUREMENT FOR OFFSHORE WIND
5 ENERGY ON OR BEFORE DECEMBER 31, 2025.

6 ~~(H) (2) SUBJECT TO SUBPARAGRAPH (H) OF THIS~~
7 ~~PARAGRAPH~~ PARAGRAPH (3) OF THIS SUBSECTION AND IN ADDITION TO ANY
8 CONTRACT ENTERED INTO UNDER SUBSECTION (D) OF THIS SECTION, ON OR BEFORE
9 MARCH 31, 2027, THE STATE MAY ENTER INTO A CONTRACT OR CONTRACTS FOR
10 THE PROCUREMENT ~~ON OR BEFORE MARCH 31, 2027~~ ISSUED UNDER PARAGRAPH
11 (1) OF THIS SUBSECTION.

12 ~~(H) (3) THE STATE MAY MODIFY THE DATE ESTABLISHED IN~~
13 ~~SUBPARAGRAPH (H) OF THIS PARAGRAPH~~ PARAGRAPH (2) OF THIS SUBSECTION IF
14 AN UNFORESEEN CIRCUMSTANCE ADVERSELY AFFECTS THE PROCUREMENT
15 SUBMISSION PROCESS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June
19 1, 2024.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.