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February 29, 2024

Support: HB 1296 - Electricity - Offshore Wind Projects - Alterations

Mr. Chair and Members of the Committee:

Maryland LCV supports HB 1296 - Electricity - Offshore Wind Projects - Alterations - and thanks Chair Wilson for introducing this legislation. HB 1296 creates a pathway at the Public Service Commission for a qualified applicant to apply for the recently relinquished ORECs that were originally granted for Orsted's Skipjack 1 & 2 projects slated to supply 900 MW of clean energy to Maryland. This initiative is another way to support the offshore wind industry and make sure state investments are directed to clean energy projects. Importantly, this legislation keeps the existing ratepayer protections in place.

In the [September 2022 Greenhouse Gas Reduction Act Progress Report](#), the Maryland Department of the Environment identified the need to deploy more renewable energy and identified offshore wind as one of the most reliable clean energy resources available to the state. The 2023 passage of the POWER Act to codify the state's specific OSW goal of 8.5 GW by 2031 is aligned with the state's greenhouse gas (GHG) emissions target of 60% by 2031, and with the 100% clean energy target outlined in the Climate Pollution Reduction Plan. The POWER Act also set up a unique procurement method for offshore wind through a state power purchase agreement, so there are still existing opportunities for qualified applications to finance projects that are in the works.

[A 2022 report from Gabel Associates](#) found that if Maryland builds 8.5 GW of offshore wind, it could save Marylanders \$4.7 billion over 30 years in reduced energy costs, and could save Marylanders as much as \$28.5 billion when accounting for environmental and health benefits. That's more than \$20 billion in potential cost savings from environmental and health benefits of reduced air pollution, including lost workdays, hospital visits, asthma, and respiratory disease.

We need to maximize the opportunities in Maryland's existing lease areas, while continuing to work with developers, labor, impacted communities, and state and federal regulators to bring clean energy from offshore wind online as expeditiously as possible.

Maryland LCV urges a favorable report on HB 1296.