

February 29, 2024

Chair Wilson
Economic Matters Committee

Dear Economic Matters Committee Members:

We respectfully urge support of legislation to ensure Maryland meets our goal of 8.5 GW of offshore wind power by 2031 established in the POWER Act of 2024. Passage will result in the fastest development of a new supply chain of facilities, ports, and transmission infrastructure; the employment of more than five thousand Marylanders; and will strategically position the State's businesses in the emerging national offshore wind industry.



Over 10 years ago, Maryland businesses founded the Business Network for Offshore Wind (our name until we recently rebranded to Oceantic Network) to help companies better understand the opportunities that would come with the development of offshore wind. More than a decade later, our work has grown and evolved to encompass the entire country and include the perspectives not only of companies up and down the supply chain, but of the public sector, research institutions, and our partners who have been with since the beginning, organized Labor. It is from this collective perspective we urge the legislature to maintain the state's opportunity to become a hub of offshore wind activity without further delay and keep the state's offshore wind industry on track by passing HB 1296 this session.

The U.S. offshore wind market has been hit hard by global economic factors that are delaying or cancelling projects around the world. Maryland projects have not been immune. But the industry is finding a way to advance – states like New York, New Jersey and Virginia acted boldly to keep their local projects and markets on track and to protect their investments in manufacturing and ports - Maryland must take inspiration from our neighboring states to keep our climate goals in reach and to maintain the state's manufacturing strategic advantage by working with industry to develop solutions and help reset current markets. We believe new legislation and programmatic improvements can build a stronger, smarter, more resilient market, helping to insulate the industry from future macro-economic shocks.

Passing HB 1296 enables Maryland to recoup almost all the awarded ORECs lost a few months ago. This will help buttress efforts to realize offshore wind investments in facilities like Tradepoint Atlantic in Baltimore County where US Wind will be the anchor customer for Sparrows Point Steel—fabricating over 100 monopiles annually all made here in Maryland by over 500 Union Steelworkers. Our latest annual report has U.S. demand exceeding 115 GW, having grown by nearly 10% over the past year. Thousands of monopiles will be needed domestically – we can be a major manufacturing hub here in Maryland, but only if we keep our market moving forward before another state does.

The passage of HB 1296 will also ensure thousands of Marylanders – especially from the Baltimore and Eastern Shore region – will be employed sooner, rather than later. Navigating the leasing and permitting process in the U.S. takes up to eight years, meaning projects talked about today may not be built until the early 2030s. We have a project here ready to advance and begin construction as early as 1st quarter 2025.

Once all contracts are awarded, we anticipate more than 100 Maryland companies will employ workers with living wage or union jobs. Companies like Baltimore City based Strum Contracting, one of our Board members, are already training and certifying workers in welding and ready to hire more. Oceantic's OSW Market Dashboard, our intelligence tool on all current and pending U.S. offshore wind energy projects, already identified over 30 Maryland companies working in Maryland and construction and installation hasn't even begun.



However, it is important to note that while this legislation will support Maryland's first 1.5GW of offshore wind, further work is needed to identify a clear path to market for the remaining 7GW of Maryland's offshore wind goals. A resilient and economically sustainable procurement process will be crucial for realizing the full potential of offshore wind's benefits in the state. We are glad to see this legislation include a directive for the state to convene key parties to identify a path forward, and we emphasize the importance of this process.

In conclusion, this is a critical piece of legislation as it allows in the short term for increased capacity for Maryland without touching the statutory protections you established for the ratepayers to get Maryland back on track for the first 1.5 GW worth of its 8.5GW goal. And the bill's requirement of the creation of a plan to meet all of our 8.5 MW goal is critical long-term solution to establish a clear economically sustainable path to grow our industry as soon as possible.

We respectfully request support of HB 1296 and thank Chair Wilson and Vice-Chair Wilson for their leadership.

Sincerely,

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