

February 29, 2024

SUPPORT HB 1296 - Electricity - Offshore Wind Projects - Alterations
Economic Matters Committee

Mr Chair and Members of the Committee,

The undersigned groups are writing in support of HB 1296 and request a favorable report on this important bill. Offshore wind is a massive opportunity for economic growth, and with the passage of the POWER Act last year, Maryland is a leader on the east coast in adopting policies to help this growing industry scale. For Maryland to secure its place as a supply chain hub, with five anticipated supply chain investments in-state, we'll need a strong development pipeline in place.

This pipeline is directly dependent on the opportunities to build offshore wind. As the industry weathers bumps along its growth trajectory, flexibility is important. HB 1296 recognizes the opportunity to keep the state's offshore wind build out on track – even as some projects must reconsider their approach to development.

HB 1296 will ensure that Maryland can meet its offshore wind goals by allowing remaining offshore wind projects to modify project size, pricing, and schedule in light of recent market changes. Absent legislation, Maryland faces the potential of losing 900 megawatts (MW) of offshore wind capacity out of the initial 2,000 MW awarded.

The bill maintains existing statutory ratepayer protections, including firm caps on ratepayer impacts, it permits the remaining applicants to resize and reprice their projects to add additional capacity to make up for some of the anticipated loss. The bill aligns project pricing and schedules with new market conditions to ensure that Maryland's offshore wind goals remain on track, by permitting qualified offshore wind developers to apply for outstanding Round 1 and Round 2 ORECs created as a result of changes in the market and to add additional capacity to existing projects to make up for the shortfall. HB 1296 is an opportunity for remaining projects to make up at least 500 MW (approximately 33 additional turbines) of the 900 MW of lost capacity – ensuring the state's path to 8.5 GW by 2031 stays on track.

America's shores possess a power potential of more than twice the electricity the US uses today. The scale of opportunity for offshore wind is incredible: tapping this resource means that these projects will create pathways to the middle class for people from all backgrounds and communities.

Maximizing our existing lease areas send a strong signal about Maryland's intent: that the POWER Act was more than a goal. HB 1296 is about continuing that forward momentum in Maryland.

Signed,

American Clean Power Association

Cedar Lane Unitarian Universalist Environmental Justice Ministry

Chesapeake Climate Action Network Action Fund

Climate Reality Greater Maryland

Elders Climate Action Maryland

Gnatt Medical Associates

Howard County Climate Action

IBEW Local 24

MAREC Action

Maryland League of Conservation Voters

Maryland Legislative Coalition Climate Justice Wing

Mizrahi Family Charitable Fund

Montgomery County Faith Alliance for Climate Solutions (MC-FACS)

Unitarian Universalist Legislative Ministry of Maryland