



Maryland

Energy Administration

TO: Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee
FROM: MEA
SUBJECT: HB 1296 Electricity - Offshore Wind Projects - Alterations
DATE: February 29, 2024

MEA Position: FAVORABLE WITH AMENDMENTS

HB 1296 would provide alterations to move the Maryland offshore wind industry forward. The General Assembly passed the Promoting Offshore Wind Energy Resources Act (“POWER Act”) in 2023 as a determined expansion of offshore wind, so that the state may realize the long-term benefits of this clean energy resource.

MEA understands the challenges associated with establishing a new industry in the current economic environment. Since the Offshore Renewable Energy Credit (“OREC”) Orders were issued in 2017 and 2021 there have been a number of economic challenges affecting the success of the current projects, including inflation, high interest rates, and supply chain constraints.

Despite these challenges, Maryland needs more clean generation and offshore wind will be an essential industry for Maryland’s clean energy and decarbonization targets. Maryland has enacted one of the most ambitious standards in the country, a 60% reduction in GHG emissions required by the Climate Solutions Now Act (CSNA), and it cannot be achieved without an outsized contribution from the power sector. The State’s statutory goal of 8.5 GW of offshore wind generation will provide significant portions of clean energy in the generation mix in the 2030s and by necessity will require these generators to be online and available. The offshore wind projects in Maryland will support a new clean energy industry, which both provides high-skill, well-paying positions and economic stimulus in the state, given the millions in investments in steel, port, subsea cable, and turbine manufacturing facilities.

HB1296 will serve to maintain momentum in the industry in Maryland, provide the necessary restructuring for successful project parameter adjustments, provide business certainty to the supply chain, and provide a roadmap for the Maryland projects going forward.

While supportive of the bill, MEA suggests the following amendment be included in the final version:

- In the past, MEA has not always been given access to certain business confidential information produced in Public Service Commission proceedings related to the State’s offshore wind projects. The State and the Administration should not be put at an information disadvantage when determining whether or not to support, amend, or otherwise alter multi-billion dollar,

long-term contracts that seriously impact the State. Therefore, we strongly recommend the addition of the following text:

“MEA will have access to any and all confidential data produced by any party to a proceeding subject to any necessary protective agreements to preserve the integrity of the data.”

Our sincere thanks for your consideration of this testimony. For questions or additional information, please contact Landon Fahrig, Legislative Liaison, directly (landon.fahrig@maryland.gov, 410.931.1537).