

Committee: Education, Energy, and the Environment
Testimony: Electricity - Offshore Wind Projects - Alterations (HB 1296)
Position: Support
Hearing Date: March 21, 2024

Ernesto Villasenor, Jr., J.D
Chesapeake Climate Action Network Action Fund

On behalf of the Chesapeake Climate Action Network Action Fund, we strongly support the act concerning Electricity – Offshore Wind Projects – Alterations (HB 1296), which aims to facilitate Maryland’s achievement of its offshore wind objectives by granting flexibility for ongoing offshore wind projects to adjust project scope, pricing, and timeline in response to evolving market dynamics. Without the enactment of legislation, Maryland risks losing 900 megawatts (MW) of offshore wind capacity from the initially awarded 2,000 MW. This would impede the state’s progress toward achieving its 8,500 MW (8.5 gigawatts) goal by 2031 set by the passage of the POWER Act in 2023.¹

HB 1296 also aims to clarify the authority of the Maryland Public Service Commission (PSC) regarding offshore wind energy development, ensuring Maryland’s progress towards its offshore wind energy goals while ensuring ratepayer protections and addressing market changes. It does so by clarifying the existing authority of the PSC over offshore wind energy development, providing clear guidelines for project resizing and repricing. By allowing remaining applicants to adjust their projects in response to market conditions, the bill ensures that Maryland’s offshore wind goals remain achievable.

This flexibility is vital for aligning project pricing and schedules with evolving market dynamics, benefiting Maryland’s renewable energy sector. Qualified offshore wind developers can seek approval for outstanding Round 1 and Round 2 Offshore Renewable Energy Credits (ORECs) resulting from market changes and apply to expand the capacity of existing projects to address any shortfalls. This strategic approach maximizes the potential of existing offshore wind projects in Maryland while adapting to market conditions.

Furthermore, HB 1296 maintains statutory ratepayer protections, including firm caps on ratepayer impacts. This ensures that the costs associated with offshore wind energy development remain manageable for Maryland residents. Additionally, the bill instructs the PSC to expedite the review process for project changes, facilitating timely decisions while ensuring compliance with existing laws.

¹ Maryland General Assembly (2023). *Offshore Wind Energy - State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)*. <https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/sb0781?ys=2023rs>



One particularly significant aspect of HB 1296 is the opportunities created for remaining projects to make up at least 500 MW of the lost capacity, representing a substantial opportunity to add approximately 33 turbines, further advancing Maryland's offshore wind energy capacity and contributing to the state's clean energy objectives.

In summary, HB 1296 is a critical piece of legislation that will support Maryland's offshore wind energy development efforts. By providing clarity, flexibility, and opportunities for expansion, this bill ensures that Maryland remains at the forefront of renewable energy innovation while protecting the interests of ratepayers.

CONTACT
Ernesto Villaseñor, Jr., JD | Policy Manager
Chesapeake Climate Action Network Action Fund
ernesto@chesapeakeclimate.org
310-465-6943

