



March 21, 2024

Brian Feldman, Chair
Maryland Senate Education, Energy, and the Environment Committee
2 West, Miller Senate Office Building
11 Bladen St.
Annapolis, MD 21401

American Clean Power & MAREC Action: HB 1296, FAVORABLE

Dear Chairman Feldman and members of the Senate EEE Committee:

The American Clean Power Association (ACP) is the leading voice of today's multi-tech clean energy industry, representing over 800 energy storage, wind, utility-scale solar, green hydrogen and transmission companies. ACP is committed to meeting America's national security, economic and climate goals with fast-growing, low-cost, and reliable domestic power.

MAREC Action is a Maryland-based coalition of utility-scale solar, wind, and battery storage developers, wind turbine and solar panel manufacturers, and public interest organizations dedicated to promoting the growth and development of renewable energy in Maryland and across the PJM grid.

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 the right policies to help this growing industry attain scale. Maryland has five anticipated supply chain investments in state and we need a strong wind farm development pipeline to secure Maryland's place as an offshore wind supply chain hub.

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 creates a path forward for offshore wind while maintaining existing statutory ratepayer protections, including firm caps on ratepayer impacts. Under the proposed legislation, qualified offshore wind developers could apply for outstanding Round 1 and Round 2 ORECs created because of changes in the market and 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 gigawatts (GW) by 2031 stays on track.

Looking farther ahead, HB1296 also establishes a mechanism for the Public Service Commission and the Moore-Miller Administration to develop an action plan for achieving the POWER Act’s 8.5 GW offshore wind target. The POWER Act set this target, but future growth of the industry beyond Round 1 and 2 offshore wind projects requires a specific and actionable plan to procure additional offshore wind capacity—including a mechanism (such as an expanded DGS procurement or ORECs) and a schedule for future procurements. Leading businesses in the offshore wind sector are currently considering investments in Maryland and HB1296’s proposed planning process will help turn those investments into jobs and clean energy for Maryland.

America’s shores possess a power potential of more than twice the electricity the U.S. 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 and charting the path to 8.5 GW will 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.

On behalf of both our organizations, thank you for the opportunity to provide testimony on HB 1296. **American Clean Power Association and MAREC Action appreciate your careful consideration of this legislation and respectfully request a favorable report.**

Moira Cyphers
Eastern Region State Affairs Director
American Clean Power Association
(301) 318-4220
MCyphers@cleanpower.org

Evan Vaughan
Executive Director
MAREC Action
(202) 431-4640
evaughan@marec.us