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PUBLIC SERVICE COMMISSION

March 20, 2024

Chair Brian Feldman
Education, Energy and the Environment Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

RE: HB1296 - Favorable with Amendment — ELECTRICITY – OFFSHORE WIND PROJECTS – ALTERNATIONS

Dear Chair Feldman and Committee Members:

Recognizing that the development of offshore wind energy is important to the economic well-being of the State, the Maryland General Assembly passed the Maryland Offshore Wind Energy Act of 2013. This Act established the first round of offshore wind procurement for Maryland along with the payment mechanism, offshore wind renewable energy credits (“ORECs”), for offshore wind projects under the Renewable Portfolio Standard (“RPS”). The General Assembly passed the Clean Energy Jobs Act of 2019 which established the second round of offshore wind procurement and the Promoting Offshore Wind Energy Resources Act in 2023 which requires the Maryland Public Service Commission (Commission) to open a procurement for offshore wind transmission solutions. HB 1296 requires the Commission to open a revised Round 2 proceeding to consider changes to projects with OREC awards as of June 1, 2024.

The Commission oversees the procurement of offshore wind projects and approves projects for ORECs. With Skipjack withdrawing from its OREC awards on January 25, 2024, the projects currently approved with OREC awards are US Wind’s Round 1 and Round 2 projects for a total of 1,056.5 MW of capacity. The Commission supports the changes made in HB 1296 with one amendment. As drafted, the Commission has 90 days to approve, conditionally, approve or deny applications filed under the revised Round 2 proceeding. The Commission believes an additional 30 days would ensure that the process runs smoothly, parties have sufficient time to participate, and the Commission enough time to render a decision. Accordingly, the Commission requests the following amendment:

2. UNLESS EXTENDED BY MUTUAL CONSENT OF THE PARTIES, THE COMMISSION SHALL APPROVE, CONDITIONALLY APPROVE, OR DENY AN APPLICATION WITHIN ~~90~~ 120 DAYS AFTER THE APPLICATION IS FILED AND FOUND BY THE COMMISSION TO BE ADMINISTRATIVELY COMPLETE.

I appreciate the opportunity to provide favorable testimony, with amendments on HB 1296. Please contact the Commission's Director of Legislative Affairs, Christina M. Ochoa, at christina.ochoa1@maryland.gov if you have any questions.

Sincerely,

A handwritten signature in blue ink that reads "Frederick H. Hoover". The signature is written in a cursive style with a large, prominent initial "F".

Frederick H. Hoover, Chair
Maryland Public Service Commission