

HB1296_Offshore_Wind_Projects_MLC_FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR HB1296 ELECTRICITY – OFFSHORE WIND PROJECTS - ALTERATION

Bill Sponsor: Delegate Wilson

Committee: Education, Energy, and the Environment

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of HB1296 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of activists - individuals and grassroots groups in every district in the state. We are unpaid citizen lobbyists and our Coalition supports well over 30,000 members. We represent the voices of constituents who share our concern over the harm that reliance on fossil fuels has wreaked in Maryland.

Our Coalition members strongly approve of measures to convert our energy grid to clean energy from solar and wind as soon as possible. We believe that the state should take an aggressive stance in moving in this direction.

This bill, if enacted, would allow companies that build offshore wind turbines to revise their project schedules, sizes, or pricing, including Offshore Wind Renewable Energy Credits (ORECs). This Revised Round 2 Offshore Wind Project Proceeding will start on June 1, 2024.

The goal is to support offshore wind companies by allowing them another opportunity to submit revisions to their already approved projects and also update the financing that they get from ORECs. It will also allow the Public Service Commission (PSC) to open up more lease space to other potential bidders. This will help with the state's ambitious goal to generate 8.5 gigawatts of electricity (enough to power almost 3 million homes) from offshore wind sources by 2031.

Our members appreciate that this legislation would help position Maryland more favorably to grow our offshore wind capacity. We support this bill and recommend a **FAVORABLE** report in committee.

Testimony on hb1296 as amended (Senate Hearing).pd

Uploaded by: Debbie Cohn

Position: FAV

Committee: Senate Education, Energy and the Environment Committee
Testimony on: HB1296 as amended - Electricity-Offshore Wind Projects – Alterations
Submitting: Deborah A. Cohn
Position: Favorable
Hearing Date: February 29, 2024

I appreciate the opportunity to submit testimony today in strong support of HB1296 as amended.

The Problem: Offshore wind presents a significant opportunity for Maryland to decarbonize its electricity sector while supporting an important opportunity for Maryland to recharge economic growth and jobs. The offshore wind industry, however, has been experiencing some growing pains. High inflation rates, high interest rates (which are particularly challenging in industries requiring high upfront capital investment) and large increases in demand for inputs as a result of Europe’s attempt to wean itself from Russian gas supplies have challenged offshore wind projects all along the East Coast. Projects in [Massachusetts](#), [New York](#) and [New Jersey](#) have all faced economic problems, with each state developing solutions to reflect its commitment to offshore wind. At this stage, flexibility is important – flexibility which HB1296 provides.

The Comptroller’s [State of the Economy report](#) shows that despite many positive economic indicators in Maryland, “Maryland’s economic growth effectively stalled in 2017 and...has been stagnant ever since. “From between the fourth quarter of 2016 to the first quarter of 2023, Maryland’s Gross Domestic Product (GDP)...has grown 1.6%, compared with 13.9% for the entire U.S. during the same period.” Maryland must do better. But we need to grow this economy wisely, consistent with our other goals, based on our strengths and in industries that can provide significant and sustainable long-term economic benefits.

By at least one [estimate](#) offshore wind energy along the East Coast could generate enough electricity to equal current electricity generation, entirely eliminating the need for fossil fuel based electric generation. Maryland alone might be able to generate more than one-third of its electricity demand with offshore wind, with neighboring states potentially producing much higher amounts. Given Maryland’s deep water ports, interstate highways and good apprenticeship programs, Maryland can compete to be the primary location in the Mid-Atlantic to serve as a supply chain hub for the offshore wind industry. The potential of offshore wind as an economic driver for Maryland is thus significant.

With the passage of the POWER Act last year, Maryland is considered a leader in adopting policies supportive of growth of the offshore wind industry. We need to sustain these supportive policies and a strong pipeline of projects in order to secure for Maryland the opportunity to become an East Coast supply chain hub and benefit from the economic growth and job opportunities offshore wind can provide, whether at Sparrows Point or elsewhere in Maryland. Just at the Sparrows Point Steel Mill alone, state policies to sustain our offshore wind pipeline could create over 1,000 construction jobs plus long-term manufacturing jobs for 500 steelworkers.

Wind projects offshore Maryland are facing the challenging conditions affecting other East Coast offshore wind projects. While some Maryland projects may need to adapt, interest by existing companies remains strong and several companies not currently developing wind projects offshore Maryland are interested in bidding for new lease areas that BOEM may offer.

The Solution: HB1296 would open new Round 1 and Round 2 offshore wind project proceedings to keep Maryland on track to achieve its offshore wind goals while maintaining existing ratepayer protections and firm caps on ratepayer impact. It creates the opportunity for offshore wind companies to apply for ORECs that are now available and provides these projects and companies the flexibility to increase their project size, maximize use of existing lease areas, and align their pricing and schedules to reflect recent market challenges. The new proceedings could provide an additional 500 megawatts, for a total of 1600 megawatts, just allowing full development of U.S. Wind's existing lease area. The bill also directs the Governor, the PSC and relevant state agencies to develop a plan for achieving 8,500 MW of offshore wind capacity by 2031.

HB1296 confirms Maryland's favorable regulatory framework and sends a strong signal to both the offshore wind industry and related Maryland industries that Maryland is serious about its goal of 8,500MW of offshore wind capacity and of being a supply chain hub for the East Coast offshore wind industry. HB1296 is good for economic growth, good jobs, and Maryland's future as a fully decarbonized economy.

Accordingly, I urge a **FAVORABLE** report in Committee on HB1296.

Thank you.

Deborah A. Cohn

Copy of Electricity - Offshore Wind Projects - Alt

Uploaded by: Ernesto Villasenor

Position: FAV

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
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Chesapeake Climate Action Network Action Fund
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310-465-6943



HB 1296 CF - MoCo DEP - Fitzgerald_FAV (GA 24).pdf

Uploaded by: Garrett Fitzgerald

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

HB 1296

DATE: March 21, 2024

SPONSOR: Delegates Wilson and Crosby

ASSIGNED TO: Education, Energy, and the Environment Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Favorable (Department of Environmental Protection)

Electricity - Offshore Wind Projects - Alterations

Wind power is a clean, renewable, domestic resource poised to play a critical role in powering our economy, creating jobs in Maryland, improving public health, and achieving our climate goals. Offshore wind offers a major opportunity to bring more renewable energy onto the grid, while minimizing conflicts with forest and agricultural land uses. Wind lease areas have been identified, and offshore wind projects are currently under development off the coast of Maryland in the Atlantic Ocean.

In the recent wake of one major offshore wind developer announcing a change in plans regarding future Maryland projects, this legislation will enable adjustments to help ensure achievement of new offshore wind projects. The bill will direct the Maryland Public Service Commission to open a revised Round 2 Offshore Wind Project Proceeding for the purpose of evaluating revised project schedules, sizes, or pricing for previously approved projects.

We respectfully request that the Education, Energy, and the Environment Committee issue a favorable report on House Bill 1296.

Oceantic Support HB 1296 EEE 2024 3 20.pdf

Uploaded by: Jen Brock

Position: FAV

March 21, 2024

Chair Feldman
Education, Energy, and the Environment Committee

Position: Support HB 1296

Dear Committee Members:

We respectfully urge support of legislation to ensure Maryland meets our goal of 8.5 GW of offshore wind power by 2031 established in the POWER Act of 2024. Passage will result in the fastest development of a new supply chain of facilities, ports, and transmission infrastructure; the employment of more than five thousand Marylanders; and will strategically position the State's businesses in the emerging national offshore wind industry.

Over 10 years ago, Maryland businesses founded the Business Network for Offshore Wind (our name until we recently rebranded to Oceanctic Network) to help companies better understand the opportunities that would come with the development of offshore wind. More than a decade later, our work has grown and evolved to encompass the entire country and include the perspectives not only of companies up and down the supply chain, but of the public sector, research institutions, and our partners who have been with since the beginning, organized Labor. It is from this collective perspective we urge the legislature to maintain the state's opportunity to become a hub of offshore wind activity without further delay and keep the state's offshore wind industry on track by passing HB 1296 this session.

The U.S. offshore wind market has been hit hard by global economic factors that are delaying or cancelling projects around the world. Maryland projects have not been immune. But the industry is finding a way to advance – states like New York, New Jersey and Virginia acted boldly to keep their local projects and markets on track and to protect their investments in manufacturing and ports - Maryland must take inspiration from our neighboring states to keep our climate goals in reach and to maintain the state's manufacturing strategic advantage by working with industry to develop solutions and help reset current markets. We believe new legislation and programmatic improvements can build a stronger, smarter, more resilient market, helping to insulate the industry from future macro-economic shocks.

Passing HB 1296 enables Maryland to recoup almost all the awarded ORECs lost a few months ago. This will help buttress efforts to realize offshore wind investments in facilities like Tradepoint Atlantic in Baltimore County where US Wind will be the anchor customer for Sparrows Point Steel—fabricating over 100 monopiles annually all made here in Maryland by over 500 Union Steelworkers. Our latest annual report has U.S. demand exceeding 115 GW, having grown by nearly 10% over the past year. Thousands of monopiles will be needed domestically – we can be a major manufacturing hub here in Maryland, but only if we keep our market moving forward before another state does.



The passage of HB 1296 will also ensure thousands of Marylanders – especially from the Baltimore and Eastern Shore region – will be employed sooner, rather than later. Navigating the leasing and permitting process in the U.S. takes up to eight years, meaning projects talked about today may not be built until the early 2030s. We have a project here ready to advance and begin construction as early as 1st quarter 2025.

Once all contracts are awarded, we anticipate more than 100 Maryland companies will employ workers with living wage or union jobs. Companies like Baltimore City based Strum Contracting, one of our Board members, are already training and certifying workers in welding and ready to hire more. Oceantic's OSW Market Dashboard, our intelligence tool on all current and pending U.S. offshore wind energy projects, already identified over 30 Maryland companies working in Maryland and construction and installation hasn't even begun.

However, it is important to note that while this legislation will support Maryland's first 1.5GW of offshore wind, further work is needed to identify a clear path to market for the remaining 7GW of Maryland's offshore wind goals. A resilient and economically sustainable procurement process will be crucial for realizing the full potential of offshore wind's benefits in the state. We are glad to see this legislation include a directive for the state to convene key parties to identify a path forward, and we emphasize the importance of this process.

In conclusion, this is a critical piece of legislation as it allows in the short term for increased capacity for Maryland without touching the statutory protections you established for the ratepayers to get Maryland back on track for the first 1.5 GW worth of its 8.5GW goal. And the bill's requirement of the creation of a plan to meet all of our 8.5 MW goal is critical long-term solution to establish a clear economically sustainable path to grow our industry as soon as possible.

We respectfully request support of HB 1296 and thank Chair Wilson and Vice-Chair Crosby for their leadership as well Chair Feldman and Senator Hester for their leadership on the cross-file SB 1161.

Sincerely,



Jen Brock
Chief of Staff
Oceantic Network
Jen.Brock@Oceantic.org
410-812-1503



HB 1296 ACP MAREC FAV EEE.pdf

Uploaded by: Moira Cyphers

Position: FAV



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

HB 1296 - MDLCV Support Senate - Electricity - Off

Uploaded by: Rebecca Rehr

Position: FAV



Kim Coble
Executive Director

2024 Board of
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Lynn Heller, Chair
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Kimberly Armstrong
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Verna Harrison
Melanie Hartwig-Davis
Charles Hernick
The Hon. Steve Lafferty
Patrick Miller
Bonnie L. Norman
Katherine (Kitty)
Thomas

March 21, 2024

Support: HB 1296 - Electricity - Offshore Wind Projects - Alterations

Mr. Chair and Members of the Committee:

Maryland LCV supports HB 1296 - Electricity - Offshore Wind Projects - Alterations -. HB 1296 creates a pathway at the Public Service Commission for a qualified applicant to apply for the recently relinquished ORECs that were originally granted for Orsted's Skipjack 1 & 2 projects slated to supply 900 MW of clean energy to Maryland. This initiative is another way to support the offshore wind industry and make sure state investments are directed to clean energy projects. Importantly, this legislation keeps the existing ratepayer protections in place.

In the [September 2022 Greenhouse Gas Reduction Act Progress Report](#), the Maryland Department of the Environment identified the need to deploy more renewable energy and identified offshore wind as one of the most reliable clean energy resources available to the state. The 2023 passage of the POWER Act to codify the state's specific OSW goal of 8.5 GW by 2031 is aligned with the state's greenhouse gas (GHG) emissions target of 60% by 2031, and with the 100% clean energy target outlined in the Climate Pollution Reduction Plan. The POWER Act also set up a unique procurement method for offshore wind through a state power purchase agreement, so there are still existing opportunities for qualified applications to finance projects that are in the works.

[A 2022 report from Gabel Associates](#) found that if Maryland builds 8.5 GW of offshore wind, it could save Marylanders \$4.7 billion over 30 years in reduced energy costs, and could save Marylanders as much as \$28.5 billion when accounting for environmental and health benefits. That's more than \$20 billion in potential cost savings from environmental and health benefits of reduced air pollution, including lost workdays, hospital visits, asthma, and respiratory disease.

We need to maximize the opportunities in Maryland's existing lease areas, while continuing to work with developers, labor, impacted communities, and state and federal regulators to bring clean energy from offshore wind online as expeditiously as possible.

Maryland LCV urges a favorable report on HB 1296.

Renewable Energy Sign on Senate Support for HB 129

Uploaded by: Rebecca Rehr

Position: FAV

March 21, 2024

SUPPORT HB 1296 - Electricity - Offshore Wind Projects - Alterations
Senate Education, Energy, and the Environment 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
Audubon Mid-Atlantic
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
Indivisible Howard County
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

HB1296_Favorable with Amendments_PSC for EEE.pdf

Uploaded by: Frederick Hoover

Position: FWA

FREDERICK H. HOOVER, JR.
CHAIR

MICHAEL T. RICHARD
ANTHONY J. O'DONNELL
KUMAR P. BARVE
BONNIE A. SUCHMAN



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 initial 'F'.

Frederick H. Hoover, Chair
Maryland Public Service Commission

HB1296 (SB1161) - FWA - Senate.pdf

Uploaded by: Landon Fahrig

Position: FWA



Maryland Energy Administration

TO: Chair Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee

FROM: MEA

SUBJECT: HB 1296 Electricity - Offshore Wind Projects - Alterations

DATE: March 21, 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:

On page 8, after line 19 insert

" (5) THE MARYLAND ENERGY ADMINISTRATION SHALL HAVE ACCESS TO ALL CONFIDENTIAL DATA PRODUCED BY ANY PARTY TO AN OFFSHORE WIND PROCEEDING BEFORE THE COMMISSION SUBJECT TO A PROTECTIVE AGREEMENT NECESSARY TO PRESERVE THE CONFIDENTIALITY 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).

HB1296T Pavlak UNF-Offshore Wind-Alterations3.pdf

Uploaded by: Alex Pavlak

Position: UNF

HB1296T Offshore Wind Projects - Alterations Unfavorable

- *HB1296 ignores system level risk, that OSW intermittency is incompatible with minimum cost clean PJM systems and only a fraction of the electricity generated by OSW will be dispatched by PJM.*
- *HB1296 should produce the same result as the OSW-2 competition: Bids too high, the required MW minimums are incompatible with ratepayer \$/month ratepayer caps. Ratepayer protection analysis should be independent and scrupulous. No award if ratepayer cap is not satisfied.*
- *Do nothing. Building OSW-1 for the purpose of data acquisition is not unreasonable.*

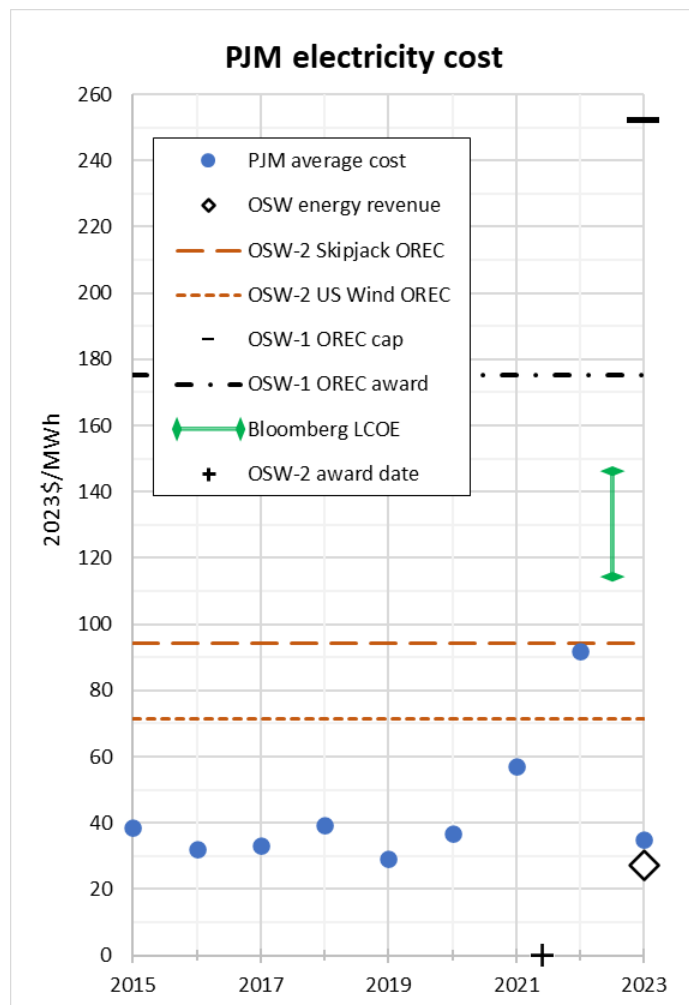
OSW electricity cost in perspective

The vertical axis is the PJM cost of electricity. It is how much the PJM market pays to generators for electricity. The units are \$/MWh, dollars per million watt-hours. For laymen thinking of ¢/kWh on their electric bill, slip the decimal one digit to the left. \$35/MWh is the same as 3.5 ¢/kWh. PJM electricity cost is marked up for transmission, distribution, admin, social costs, and other services and retailed to Maryland households at 12-16 ¢/kWh.

The blue dots are the annual average of what the PJM market paid to generators for electricity ([Table 10, v1, of the PJM som](#)) inflated to 2023\$. It is the annual average of PJM energy + capacity market prices. Costs started to rise in 2021 before the OSW-2 award, peaked in 2022 with the Ukrainian disruption of global natural gas supplies. In 2023 costs have reverted to the norm ~\$35/MWh.

The open diamond is the PJM market monitor's estimate (\$27/MWh) of what PJM's energy market would have paid an OSW developer to deliver electrical energy to the Delaware grid in 2023. It is based on PJM historical economic dispatch ([Table 7.11 of the 3Q, 2022 PJM som](#)). It remains unclear what if any capacity value would be credited to OSW.

The horizontal dashed lines are the two Maryland 2021 OREC-2 award prices in 2023\$. The blended average OREC price is



March 21, 2024

\$84/MWh guaranteed by the State of Maryland. This is offset by electricity sales at \$27/MWh. The difference, \$57/MWh, is Maryland's OSW-2 subsidy commitment. OSW-2 awarded 5,792,959 ORECs/yr. The discounted present value of the Maryland OSW-2 subsidy is \$5.7 billion. The OREC-1 cap is \$190/MWh (2012\$) or \$252/MWh 2023\$. This price is the short bar at the top of the chart. *It is 10 times PJM wholesale market value.*

The awarded OSW-2 OREC prices proved inadequate. The vertical green line shows [Bloomberg's current estimate](#) of today's OSW cost, both with and without federal tax incentives (bottom/top). Since the cost to build OSW-2 with federal incentives is greater than both OREC awards, both contractors would lose money. On January 25th Skipjack joined other east coast OSW developers [announcing](#) that it was withdrawing from its Maryland contract.

The 2021 OSW-2 award exceeded monthly ratepayer cap by 4x

A 2022 [Washington Post OpEd](#) complained that the OSW-2 OREC awards exceeded Maryland's statutory ratepayer cap by a factor of 4. OSW was good politics. My judgment is that for the next two decades, PJM electricity costs will remain flat and low. This is supported by 1) historical cost in the preceding chart shows no upward trend; and 2) cost reverted to \$35/MWh in 2023; and 3) PJM electricity cost is largely determined by natural gas prices and EIA reference scenario forecasts natural gas prices to remain almost constant ([Figure 25 of its 2022 Annual Energy Outlook](#)); and 4) the concurrent judgment during the OSW-2 evaluation of the ICF (MPSC's independent consultant), the Maryland Office of People's counsel, and one of the contractors consultants.

System level risk

The best evidence of system level risk is the Canadian Province of Ontario. Grid decarbonization was completed in 2017 using a combination of nuclear, wind, and hydro. But this transformation was not without incident.

After Ontario's nuclear plants were brought online, they suffered from periods of overgeneration. There were hours when everything was throttled back as far as it could go, yet there was still too much generation. The law said they were to dispatch wind first, so they did and shut down a nuclear plant. Shutting down nuclear was expensive and it took 3 days to get back online. Meanwhile the wind died after a few hours, and they had to fire up the fossil fuel plants to keep the lights on. Recognizing this as a high-cost high-emission strategy, the utility chose to operate the nuclear plants at baseload and shut down the wind, which they did. Today, wind generates enough electricity to power 10% of average load yet only 50% of the generated wind is dispatched, ¼ curtailed and 1/4 sold to Americans at discount prices.

Mature fair markets that align component price with total system cost will not reward intermittent generators as much as dependable generators. How this resolves in PJM is unclear because PJM has no hydro backup.



testimony HB1296 2.pdf

Uploaded by: Carol Frazier

Position: UNF

March 20, 2024

To the Honorable Members of the Senate Education, Energy and the Environment Committee

Regarding HB1296 - Electricity - Offshore Wind Projects - Alterations

Dear Senators:

I am writing to request a NO vote on this legislation.

I have looked into the issue of Offshore Wind, and I find nothing positive for Ocean City. There have been so many untruths told by the developer(s) regarding the height, number and location of the turbines that it is difficult to trust anything US Wind says (or Orsted before it pulled out and of course now, apparently, is coming back looking for increased funding from Maryland taxpayers).

My main concern is our commercial and recreational fishing industry - neither can co-exist with offshore wind farms. I would strongly suggest that all members of the committee watch the documentary "Bonnie Brady's Crash Course in Offshore Wind and the Anti-Fishing Lobby". At the time I watched this, I was generally against offshore wind, but without a specific reason - just thought it was a really bad idea. After watching, I became an activist and started reading and researching, and as I did I became more and more opposed and frankly very afraid of what would happen to my beloved Ocean City, and the fishing industry.

One fact that most people do not know is that the turbines must be regularly "cooled", which is done by drawing ocean water into electrical substations using a "once through" cooling system- this system is now prohibited in newer power plants because of the devastating effects on aquatic life. The cooling water drawn into the substation is then discharged back into the ocean at a temperature of over 90 degrees fahrenheit. Just imagine the devastating effect this will have on water temperature and marine life and habitat. There are currently four substations planned for the farm off the coast of Ocean City. In addition to watching Bonnie Brady's documentary, I would suggest everyone read the article "Offshore Wind Electrical Substations - The Secret, Silent Killers" by Jim Lovgren at Fisherynation.com.

This is just one of the incredibly harmful issues with the offshore wind farms - there are hundreds more but time and space do not allow me to list them all.

PLEASE, PLEASE do not do this to Ocean City and our commercial fishing industry.

America has improved its "carbon footprint" more than just about any nation on Earth in the last couple of decades - the problem countries are China and India - it is beyond useless and horribly destructive to push this kind of policy here in America while China and India are doing nothing.

Thank you for your consideration.

Carol Frazier
64 Bramblewood Drive
Ocean Pines, MD 21811
410-430-4456
carol.frazier54@gmail.com

WCC Oppose HB1296 and SB1161.pdf

Uploaded by: Kim Moses

Position: UNF



Worcester County Government

One West Market Street | Room 1103 | Snow Hill MD 21863-1195

(410) 632-1194 | (410) 632-3131 (fax) | admin@co.worcester.md.us | www.co.worcester.md.us

March 13, 2024

Delegate C. T. Wilson
House Office Building, Room 231
Annapolis, Maryland 21401
ct.wilson@house.state.md.us

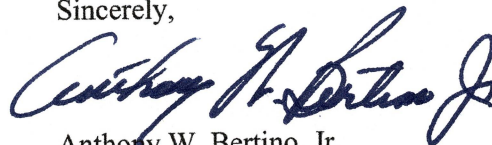
Delegate Brian M. Crosby
House Office Building, Room 231
Annapolis, Maryland 21401
brian.crosby@house.state.md.us

Dear Economic Matters Chair Delegate Wilson, Vice Chair Delegate Crosby, and members:

The Worcester County Commissioners strenuously oppose HB 1296 Electricity – Offshore Wind Projects – Alterations. This bill has immense implications to Maryland energy ratepayers and property owners, as companies like US Wind, Inc. rely heavily on taxpayer subsidies. If US Wind, Inc. lacks the financial wherewithal to cover startup costs, it is unfair to strap Marylanders with the responsibility to fund this project. It is important to note that, though the fragility of offshore wind has become increasingly evident by the cancellation of plans by other wind companies to construct similar projects to the north due to rising costs, U.S. Wind, Inc. has not only plunged ahead, but has expanded the scope of the project. What began as plans to construct 6 megawatt turbines standing 550 feet tall and located 14 miles off the Ocean City coast has burgeoned to 18 megawatt turbines that will stand 940 feet in height and be located just 11.5 miles off the coast.

No project that is the magnitude of the US Offshore Wind project has ever been built in the U.S. without a state-level mandate. There are legitimate concerns that the electrical pricing PJM Interconnection intended to pay for the generated wind power will need to be subsidized by state ratepayers due to cost escalations that have occurred since the consumer impact estimates prepared in 2012. Of further concern is that the amendments adopted by the Economic Matters Committee on March 8, 2024 were not re-scored for fiscal implications. They appear to leave the door open for revision of the wind energy procurement, which would negatively affect state ratepayers. An adequate ratepayer impact analysis will now be needed by the Public Service Commission in an expedited timeframe to ensure that any revised project procurement requirements will protect Maryland ratepayers and taxpayers rather than providing an unsustainable subsidy to out-of-state companies. We thank you in advance for your consideration of our concerns.

Sincerely,



Anthony W. Bertino, Jr.
President

cc: Senator Mary Beth Carozza
Delegate Wayne Hartman
Delegate Charles Otto



Worcester County Government

One West Market Street | Room 1103 | Snow Hill MD 21863-1195

(410) 632-1194 | (410) 632-3131 (fax) | admin@co.worcester.md.us | www.co.worcester.md.us

March 13, 2024

Senator Shelly Hettleman
State House Caucus Room
100 State Circle
Annapolis, Maryland 21401
shelly.hettleman@senate.state.md.us

Senator C. Anthony Muse
State House Caucus Room
100 State Circle
Annapolis, Maryland 21401
anthony.muse@senate.state.md.us

Dear Rules Committee Chair Senator Hettleman, Vice Chair Senator Muse, and members:

The Worcester County Commissioners strenuously oppose SB 1161 Electricity – Offshore Wind Projects – Alterations. This bill has immense implications to Maryland energy ratepayers and property owners, as companies like US Wind, Inc. rely heavily on taxpayer subsidies. If US Wind, Inc. lacks the financial wherewithal to cover startup costs, it is unfair to strap Marylanders with the responsibility to fund this project. It is important to note that, though the fragility of offshore wind has become increasingly evident by the cancellation of plans by other wind companies to construct similar projects to the north due to rising costs, U.S. Wind, Inc. has not only plunged ahead, but has expanded the scope of the project. What began as plans to construct 6 megawatt turbines standing 550 feet tall and located 14 miles off the Ocean City coast has burgeoned to 18 megawatt turbines that will stand 940 feet in height and be located just 11.5 miles off the coast.

No project that is the magnitude of the US Offshore Wind project has ever been built in the U.S. without a state-level mandate. There are legitimate concerns that the electrical pricing PJM Interconnection intended to pay for the generated wind power will need to be subsidized by state ratepayers due cost escalations that have occurred since the consumer impact estimates prepared in 2012. We thank you in advance for your consideration of our concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Anthony W. Bertino, Jr." with a stylized flourish at the end.

Anthony W. Bertino, Jr.
Resident

cc: Senator Mary Beth Carozza
Delegate Wayne Hartman
Delegate Charles Otto

HB1296.SB1164 Shawn Harman.pdf

Uploaded by: shawn harman

Position: UNF



2107 Herring Way • Ocean City, MD 21842
410-289-7438 • www.BahiaMarina.com

March 20, 2024

To Whom It May Concern:

I am writing to express my strong opposition to the proposed addition to the HB1296/SB1164 bill. This addition would have several negative consequences for our community, and I urge you to vote against it.

First, the addition would approve additional lease areas and to increase the financial support of the state to Offshore Wind. This would be a significant hardship for many people in our community, and it would make it more difficult for us as business owners, anglers, and our visitors.

Second, the addition is simply not necessary. The HB1296/SB1164 bill is already a comprehensive piece of legislation that addresses the issue of offshore wind which most of our community is opposed to. The addition would only add unnecessary complexity and bureaucracy to the bill, and it would make it more difficult to implement.

Finally, the proposed addition has not been adequately studied. There is no evidence that it would achieve its stated goals. In fact, there is evidence that it could have several unintended negative consequences.

I urge you to vote against the proposed addition to the HB1296/SB1164 bill. It is a bad idea that would have several negative consequences for our community.

Thank you for your time and consideration. Please call on my personal phone (443-497-0986) if you wish to discuss further.

Sincerely,

Shawn Harman

Owner of Bahia Marina
Owner of Fish Tales Bar and Grill
Tournament Chair of Blues for DU
Tournament Chair of the Poor Girls Open

SB1161 HB1296 Testimony in Opposition Offshore Win

Uploaded by: Susan Jones

Position: UNF



HOTEL • MOTEL • RESTAURANT • ASSOCIATION • INC.

**TESTIMONY IN OPPOSITION
SB1161 Electricity - Offshore Wind Projects - Alterations**

ON BEHALF OF THE OCEAN CITY HOTEL-MOTEL-RESTAURANT ASSOCIATION
BEFORE THE SENATE RULES March 21, 2024

On behalf of the Ocean City Hotel-Motel-Restaurant Association representing the hospitality industry, I am writing in opposition to SB1161/HB1296 Electricity Offshore Wind Projects Alterations. While we support green energy, we stand in solidarity with the Town of Ocean City and their request to place the turbines far enough offshore so as not to be visible from the horizon. Ocean City is the only one that could see a potential negative impact and we assume all the risk.

A project of this magnitude will forever alter the visitor experience. As a community that relies on beautiful vistas, tourism, and real estate, we must protect our only industries. Additionally, this bill will put our beloved State deeper into debt. By allowing alterations to OREC pricing, you could be negatively impacting Maryland citizens at a time when many are suffering economic hardships. In fact, the Office of the People's Council testimony to HB 1296 on February 29, states, "OPC notes that it may be difficult to fully analyze the revised OREC schedules and rate impacts within the 90-day timeframe that HB 1296 currently proposes."

We respectfully request your opposition to SB1161/HB1296 Electricity Offshore Wind Project Alterations.

Sincerely,

A handwritten signature in black ink that reads "Susan L. Jones".

Susan L. Jones
Executive Director

Turbines Carozza 3-20-24.docx.pdf

Uploaded by: Susan Ostrowski

Position: UNF

Susan Ostrowski, retired

March 20, 2024

21 Ivanhoe Court, Berlin, Md. 21811

posoem@icloud.com

1. "No" to HB1296. Absolutely no Offshore Renewable Energy Credits should be awarded to projects closer than 30 miles from shore; the cable landfall should not encroach on our shore neighborhoods. The planned OC, MD offshore wind turbines have not been proven to be cost effective, they kill our marine life and birds, are too tricky and oppressive for our commercial fishing boats to navigate between the 114 turbines while mandating their 10 mph (knots) at a large turbine radius, and the marine "takes" are being permitted at a higher number than usual. The sonar noise is most likely causing the disorientation deaths among whales and porpoises, causing them to confusion and the 'self-beaching' to their deaths.
2. Each turbine must have multiple oil changes yearly and when broken down, they cannot be un-assembled...they just rust and 'die.' This project has now quadrupled in price; the upkeep is reliant on local taxpayers. A wind energy industry must not only deploy energy at a reasonable price, they must "deliver the biggest environmental benefit at the lowest possible cost."
3. Absolutely "no" to the operating and maintenance facility warehouse to be built in West OC, Md. We are a vacation community, not a town for warehousing wind turbine parts, nor a port to dock ships transporting turbine blades. This invasion of our community will eventually create a mini-Port of Newark Container Terminal (N.J.) opening up a world of possibilities. Moving freight through this port will destroy our community, cheapening it to a "berth and crane facility." No!
4. Statistics: studies in neighboring Cape May County, NJ show they are a \$7B tourist industry. Polls show only 85% tourists will return if turbines are built. That's a whopping loss \$993M loss in tourism.

Travis-Fisher-HB1296-Offshore-Wind.pdf

Uploaded by: Travis Fisher

Position: UNF



Statement

of

Travis Fisher

**Director of Energy and Environmental Policy Studies
Cato Institute**

before the

**Maryland Senate Education, Energy, and the Environment Committee
The Maryland State Senate**

March 21, 2024

RE: HB 1296 - "Electricity - Offshore Wind Projects - Alterations"

Chairman Feldman, Vice Chair Kagan, and Members of the Education, Energy, and the Environment Committee.

My name is Travis Fisher, Director of Energy and Environmental Policy at the Cato Institute.

Regarding HB 1296, I want to highlight that no one has built an offshore wind project in the United States without a state-level mandate, and offshore wind remains a very expensive energy resource for the people of Maryland.

I join you as an expert witness and a resident of Maryland. My wife and I are raising a family (and paying an electric bill) in Silver Spring. And it's frustrating when I see Maryland pursue unwise energy policies.

I estimate the offshore wind mandate will cost each household in Maryland more than \$25,000.

Unreliable energy like offshore wind is particularly costly because it can't really replace existing power plants. We end up paying for offshore wind plus backup sources like gas-fired generators.

We have an opportunity now to reevaluate offshore wind policy. Wind developers keep asking eastern states for more subsidies, but we need to put the people of Maryland first.

It's not too late to recognize the folly of the forced energy transition and drop the offshore wind mandate in Maryland.

The best path forward is to see what gets built without the mandate. Again, no one has built an offshore wind project in the United States without a state-level mandate. The only way to know what type of power plant makes the most sense for the people of Maryland is to put it to the market test.

Thank you.

HB1296 in the Senate OPC Testimony.pdf

Uploaded by: David Lapp

Position: INFO

DAVID S. LAPP
PEOPLE'S COUNSEL

WILLIAM F. FIELDS
DEPUTY PEOPLE'S COUNSEL

JULIANA BELL
DEPUTY PEOPLE'S COUNSEL

— OPC —
OFFICE OF PEOPLE'S COUNSEL
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BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

CARISSA RALBOVSKY
CHIEF OPERATING OFFICER

BILL NO.: House Bill 1296 (Senate Bill 1161)
Electricity - Offshore Wind Projects - Alterations

COMMITTEE: Education, Energy, and the Environment Committee

HEARING DATE: March 21, 2024

SPONSOR: Delegates Wilson and Crosby (Senators Feldman and Hester)

POSITION: Informational

The Office of People’s Counsel provides the following information on House Bill 1296 for the Committee’s consideration. HB 1296 requires the Public Service Commission (“PSC”) to open a 90-day proceeding to revise project sizes, schedules, or offshore wind renewable energy credit (“OREC”) pricing for previously approved Round 2 offshore wind (“OSW”) projects. The bill also allows Round 1 OSW projects to request an increase in the maximum number of ORECs sold under the project and modify project schedules, though it does not allow the OREC prices to change for Round 1 projects as it does for Round 2 projects.

HB 1296 retains the existing ratepayer protection provisions, meaning that the PSC may only approve a modified Round 1 or 2 OREC price schedule if the rate impact is less than the existing caps.¹ Thus, HB1296 should not result in an increased bill impact on residential ratepayers.

Additional analysis will be required to ensure the ratepayer protections are met, and OPC notes that it may be difficult to fully analyze the revised OREC schedules and rate impacts within the 90-day timeframe that HB 1296 currently proposes. In the original

¹ The existing caps are: all Round 1 projects combined must have a projected residential rate impact under \$1.50 a month in 2012 dollars, and all Round 2 projects combined must have a projected residential rate impact under \$0.88 per month in 2018 dollars. There are also rate impact caps for nonresidential customers.

Rounds 1 and 2, OPC was a party to the proceedings and presented analysis and testimony. The PSC contracted with an outside consulting firm to perform rate impact analyses, and it should do so again here to make sure the OREC schedule modifications meet the ratepayer protection provisions. It would be a significant challenge for OPC to ensure compliance with the ratepayer impact limits within the tight timeframe currently proposed. Further, the PSC may need to issue an RFP and award a contract for a rate impact consultant. The consultant would have to perform the necessary rate impact analysis, and the PSC would have to analyze the consultant's work as well as the analysis of the OSW company and any intervenors all within 90 days. OPC is concerned that it may not be feasible to conduct an adequate review of the rate impact estimates in 90 days.