



February 4, 2025

RE: Support for HB 398 – Abundant, Affordable Clean Energy – Procurement and Development

Dear Chair Wilson and Members of the Economic Matters Committee:

Oceantic Network submits this letter in support of HB 398, the Abundant, Affordable, Clean, Energy (AACE) Act. In particular, we support that AACE directs the Public Service Commission's transmission study related to offshore wind to prioritize transmission pathways, which will directly serve Maryland's electric load requirements. The transmission pathways are crucial to protect Maryland ratepayers from rising electric utility bills. We respectfully request the Committee issue a favorable report on the bill.

The Network is a 501(c)(3) non-profit that equips and mobilizes a collaborative network to advance markets, strengthen the supply chain, and create jobs. Since 2013, the Network has brought together business and government, both domestically and internationally, to educate and to prepare companies and small businesses to enter the offshore wind market. The Network uses the voice of its members to support federal, state, and local policies to advance the development of the U.S. offshore wind industry. We empower our members with the education, tools, and connections necessary to participate in the offshore wind market. Our membership represents the entire U.S. offshore wind supply chain, including domestic and international developers, tier-one manufacturers, state agencies, community colleges, local marine service providers, and many Maryland businesses.

As we noted in our comments, to reach the State's plan to reach 8.5 GW from offshore wind mandated by this body, Oceantic encourages Maryland to utilize a solicitation process that allows for planned transmission development. A model for a planned transmission pathway can be seen by New Jersey's State Agreement Approach process that secures a transmission pathway towards at least 7.5 GW of power generation. By pursuing a planned transmission development process, New Jersey Board of Public Utilities estimated it would save ratepayers \$900 million over the cost of individual transmission solutions.<sup>1</sup>

On February 3, New Jersey announced a pause on its current offshore wind solicitation and port development due to investor and Federal uncertainties, which creates a prime opportunity for Maryland to lead the offshore wind industry across the Mid-Atlantic and establish a regional transmission and manufacturing hub. By ensuring that transmission challenges are addressed without placing excessive burdens on ratepayers, Maryland's agencies can give developers and suppliers the assurance needed for a well-planned market deployment, which fosters a stronger regional market and encourages greater supply chain investment. Further, Maryland should coordinate with neighboring states to attract manufacturing clusters supported by larger combined markets.

Planned transmission, decoupled from the cost of project development, is the right policy approach for Maryland to greatly reduce overall ratepayer impact, provide a clear development line-of-sight to support the State's 8.5 GW of offshore wind and secure its position as a leading manufacturing state

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<sup>1</sup> NJBPU, [Selected Projects Will Save New Jersey Ratepayers \\$900 Million](#)

with hundreds of local jobs. Below is more detailed information on the importance of how planned transmission can attract needed market investment.

### **Planned Transmission Can Help Secure State Supply Chain Commitments**

Maryland is emerging as a supply chain leader in the U.S. thanks to the vision of Governor Moore and the legislature, and the boldness of the Public Service Commission. By approving US Wind's OREC reconfiguration, the state secured commitments to support the development of Hellenic Cables and Sparrows Point Steel; no other state has secured major supply chain investments on this scale. Now, the state should act to ensure its supply chain and manufacturing have a dependable market to sell into, maximizing local employment and economic development. The following outlines Maryland's growing influential role as a regional transmission and manufacturing hub:

- **Hellenic Cables' cable facility and the creation of a monopile facility in Sparrows Point automatically place Maryland in a leadership position.** Sparrows Point Steel (SPS) will be the first fully functional monopile facility in the US. The current site is 88 acres and includes one of the largest graving docks on the East Coast; however, there remains the option to lease an additional 24 acres from property owner Tradepoint Atlantic. Sparrows Point Steel expects to employ hundreds of full-time workers including those from United Steelworkers, with whom they've established a Memorandum of Understanding (MOU)<sup>2</sup>.
- **US Wind has also signed an MOU with the Baltimore-DC Building & Construction Trades for construction of the wind farm, as well as to support logistics and port operations.** At full capacity, SPS will create 530 jobs and can produce approximately 100 monopiles, transition pieces, or turbine towers each year; however, industry demand cycles will have the plant operating at roughly 80% capacity<sup>3</sup>.
- **US Wind committed to a \$90 million investment in Hellenic Cables' array cable facility at Wagner's Point, which will be the first of its kind in the nation.** The land at Wagner's Point will be developed in two phases, the first of which will be completed at the end of 2026. Phase One, with a budget of \$200 million (including land acquisition costs), will see the construction of a land cables plant to address the need for transmission and distribution grid upgrades. Phase Two will expand the plant, adding the capability to manufacture subsea cables<sup>4</sup>.
- **Hellenic Cables estimates that it will hire 200 tradespeople during construction and 120 manufacturing positions while the facility is operational, with an additional 250 indirect jobs being created as well<sup>5</sup>.** Both facilities will give Marylanders the opportunity to go to work on projects in Maryland and the entire country.

While the facilities are likely to sell their components to projects all along the East Coast, building a stable local market is the best policy measure to secure the future of the facilities, and planned transmission development can unlock that market development. This is true beyond Sparrows Point

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<sup>2</sup> United Steelworkers, [USW, US Wind Announce Partnership to Transform Historic Sparrows Point Site](#)

<sup>3</sup> US Wind, [Sparrows Point Steel](#)

<sup>4</sup> Cenergy Holdings, [Final Investment Decision reached for a cables manufacturing facility in Maryland, USA](#)

<sup>5</sup> Office of Governor Wes Moore, [Governor Moore Announces Support for New Cable Manufacturing Facility in Baltimore](#)



Steel and Hellenic Cable – the 44 Maryland companies already working in offshore wind (having won 62 contracts) will be bolstered by a consistent local market development.

The AACE Act directs the offshore wind policy of the State towards transmission planning on a multistate, regional, or inter-regional basis, directing the Public Service Commission to “consult with other states served by PJM Interconnection to evaluate regional transmission cooperation that could help achieve the State’s renewable energy and offshore wind energy goals with greater efficiency.”

We thank Delegate Charkoudian for leadership as a sponsor. Again, Oceanic respectfully requests the Committee issue a favorable report on the bill.

Sincerely,

A handwritten signature in black ink that reads "Jen Brock". The signature is written in a cursive, flowing style.

Jen Brock  
Chief of Staff