

SENATE BILL 781

M5, C5, P2

(3lr1939)

ENROLLED BILL

— *Education, Energy, and the Environment/Economic Matters* —

Introduced by **Senators Hester, Feldman, and Brooks**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

1 AN ACT concerning

2 **Offshore Wind Energy – State Goals and Procurement**
3 **(Promoting Offshore Wind Energy Resources Act)**

4 FOR the purpose of requiring an application for any new qualified offshore wind project
5 and a certain proposal for an offshore wind transmission facility to be subject to a
6 certain community benefit agreement; altering the requirements for a certain report
7 on offshore wind projects; authorizing certain offshore wind project developers to
8 apply for an exemption from certain requirements; requiring the Public Service
9 Commission to request that PJM Interconnection conduct a certain analysis of
10 transmission system *upgrade and* expansion options; requiring the Commission to
11 take certain actions regarding the transmission system and the analysis of
12 transmission system expansion options; requiring and authorizing the Commission
13 ~~to issue a certain number of competitive solicitations for,~~ or PJM Interconnection at
14 the request of the Commission, to take certain actions on proposals for certain
15 offshore wind transmission facilities and transmission upgrades and expansions;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



~~requiring the Commission to develop certain criteria for selecting a proposal and include certain specifications in the solicitation; exempting certain proposals from the requirement to obtain a certificate of public convenience and necessity; establishing that procurement of certain proposals may not impact the interconnection plans of certain earlier offshore wind projects; requiring the Department of General Services, in consultation with the Commission, to issue an invitation for bids a certain solicitation for a certain power purchase agreement within a certain time frame; requiring the Department to identify the amount of energy necessary to meet the State's energy needs; requiring the State to use certain energy and associated renewable energy credits in a certain manner, offer for sale certain energy or associated renewable energy credits, issue a certain procurement on or before a certain date, and enter into a contract or contracts for that procurement on or before a certain date; establishing that the State be exempted from the renewable energy portfolio standard requirements under certain circumstances; requiring certain contractors to submit a certain attestation within a certain number of days after the operational commencement date of a certain power purchase agreement; requiring the Commission to submit, on or before a certain date each year, a report to the General Assembly on certain information collected under the Commission's Supplier Diversity Program; requiring a certain certification agency to initiate a certain study regarding clean energy and offshore wind industries and certain remedial measures;~~ and generally relating to the development of renewable energy.

BY repealing and reenacting, without amendments,

Article – Public Utilities

Section 7–701(a)

Annotated Code of Maryland

(2020 Replacement Volume and 2022 Supplement)

BY adding to

Article – Public Utilities

Section 7–701(g–1) and (h–1), 7–704.3, ~~and~~ 7–704.4, and 7–704.5

Annotated Code of Maryland

(2020 Replacement Volume and 2022 Supplement)

BY repealing and reenacting, with amendments,

Article – Public Utilities

Section 7–701(k) and 7–704.1

Annotated Code of Maryland

(2020 Replacement Volume and 2022 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
That the Laws of Maryland read as follows:

Article – Public Utilities

7–701.

1 (a) In this subtitle the following words have the meanings indicated.

2 (G-1) “OFFSHORE WIND TRANSMISSION PROJECT” MEANS AN ELECTRIC
3 TRANSMISSION PROJECT SELECTED BY THE COMMISSION UNDER ~~§ 7-704.4~~ § 7-704.3
4 OF THIS SUBTITLE TO INTERCONNECT DIRECTLY OR INDIRECTLY WITH ONE OR
5 MORE QUALIFIED OFFSHORE WIND PROJECTS.

6 (H-1) “PJM INTERCONNECTION” MEANS PJM INTERCONNECTION, LLC OR
7 ANY SUCCESSOR ORGANIZATION THAT SERVICES THE PJM REGION.

8 (k) “Qualified offshore wind project” means a wind turbine electricity generation
9 facility, including the associated transmission-related interconnection facilities and
10 equipment, that:

11 (1) is located:

12 (I) on the outer continental shelf of the Atlantic Ocean in an area
13 that the United States Department of the Interior designates for leasing [after coordination
14 and consultation with the State in accordance with § 388(a) of the Energy Policy Act of
15 2005]; AND

16 (II) MORE THAN 10 MILES OFF THE COAST OF THE STATE FOR A
17 PROJECT SELECTED UNDER § 7-704.4 OF THIS SUBTITLE OR APPROVED UNDER §
18 7-704.1 OF THIS SUBTITLE AFTER JUNE 1, 2023; and

19 (2) interconnects to the PJM Interconnection grid:

20 (I) at a point located on the Delmarva Peninsula; OR

21 (II) THROUGH AN OFFSHORE WIND TRANSMISSION PROJECT
22 SELECTED UNDER § 7-704.3 OF THIS SUBTITLE.

23 7-704.1.

24 (a) (1) The General Assembly finds and declares that:

25 (I) THE STATE HAS A GOAL OF REACHING 8,500 MEGAWATTS OF
26 OFFSHORE WIND ENERGY CAPACITY BY 2031, INCLUDING ROUND 1 OFFSHORE WIND
27 PROJECTS, ROUND 2 OFFSHORE WIND PROJECTS, AND ANY OTHER PROCUREMENT
28 EFFORTS;

29 (II) THE GENERAL ASSEMBLY ANTICIPATES THE ISSUANCE OF
30 SUFFICIENT WIND ENERGY LEASES IN THE CENTRAL ATLANTIC REGION TO SATISFY
31 THE GOAL STATED IN ITEM (I) OF THIS PARAGRAPH;

1 [(i)] (III) the development of offshore wind energy is important to
2 the economic well-being of the State and the nation; [and]

3 (IV) OFFSHORE WIND CAN PROVIDE CLEAN ENERGY AT THE
4 SCALE NEEDED TO HELP ACHIEVE THE STATE'S ECONOMY-WIDE NET-ZERO
5 GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED IN CHAPTER 38
6 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2022; ~~AND~~

7 [(ii)] (V) it is in the public interest of the State to facilitate the
8 construction of at least 1,200 megawatts of Round 2 offshore wind projects in order to:

9 1. position the State to take advantage of the economic
10 development benefits of the emerging offshore wind industry;

11 2. promote the development of renewable energy sources
12 that increase the nation's independence from foreign sources of fossil fuels;

13 3. reduce the adverse environmental and health impacts of
14 traditional fossil fuel energy sources; and

15 4. provide a long-term hedge against volatile prices of fossil
16 fuels; AND

17 (VI) IT IS IN THE PUBLIC INTEREST OF THE STATE TO MAXIMIZE
18 THE OPPORTUNITIES FOR OBTAINING AND USING FEDERAL FUNDS FOR OFFSHORE
19 WIND AND RELATED TRANSMISSION PROJECTS THROUGH THE INCLUSION OF
20 SPECIFIED LABOR STANDARDS AND GOALS, DOMESTIC CONTENT REQUIREMENTS,
21 AND OTHER PROVISIONS TO ALIGN STATE LAW WITH PROVISIONS OF THE FEDERAL
22 INFRASTRUCTURE INVESTMENT AND JOBS ACT OF 2021 AND THE FEDERAL
23 INFLATION REDUCTION ACT OF 2022.

24 (2) After the effective date of Commission regulations implementing this
25 section and § 7-704.2 of this subtitle, and before June 30, 2017, a person may submit an
26 application to the Commission for approval of a proposed Round 1 offshore wind project.

27 (3) (i) On receipt of the application for approval of a Round 1 offshore
28 wind project, the Commission shall:

29 1. open an application period when other interested persons
30 may submit applications for approval of Round 1 offshore wind projects; and

31 2. provide notice that the Commission is accepting
32 applications for approval of Round 1 offshore wind projects.

1 (ii) The Commission shall set the closing date for the application
2 period to be no sooner than 90 days after the notice provided under subparagraph (i) of this
3 paragraph.

4 (4) The Commission shall provide additional application periods
5 beginning, respectively:

6 (i) January 1, 2020, for consideration of Round 2 offshore wind
7 projects to begin creating ORECs not later than 2026;

8 (ii) January 1, 2021, for consideration of Round 2 offshore wind
9 projects to begin creating ORECs not later than 2028; and

10 (iii) January 1, 2022, for consideration of Round 2 offshore wind
11 projects to begin creating ORECs not later than 2030.

12 (5) In its discretion, the Commission may provide for additional application
13 periods **THAT MEET THE REQUIREMENTS OF THIS SECTION.**

14 (b) Unless extended by mutual consent of the parties, the Commission shall
15 approve, conditionally approve, or deny an application within 180 days after the close of
16 the application period.

17 (c) An application shall include:

18 (1) a detailed description and financial analysis of the offshore wind
19 project;

20 (2) the proposed method of financing the offshore wind project, including
21 documentation demonstrating that the applicant has applied for all current eligible State
22 and federal grants, rebates, tax credits, loan guarantees, or other programs available to
23 offset the cost of the project or provide tax advantages;

24 (3) a cost–benefit analysis that shall include at a minimum:

25 (i) a detailed input–output analysis of the impact of the offshore
26 wind project on income, employment, wages, and taxes in the State with particular
27 emphasis on in–State manufacturing employment;

28 (ii) detailed information concerning assumed employment impacts
29 in the State, including the expected duration of employment opportunities, the salary of
30 each position, and other supporting evidence of employment impacts;

31 (iii) an analysis of the anticipated environmental benefits, health
32 benefits, and environmental impacts of the offshore wind project to the citizens of the State;

1 (iv) an analysis of any impact on residential, commercial, and
2 industrial ratepayers over the life of the offshore wind project;

3 (v) an analysis of any long-term effect on energy and capacity
4 markets as a result of the proposed offshore wind project;

5 (vi) an analysis of any impact on businesses in the State; and

6 (vii) other benefits, such as increased in-State construction,
7 operations, maintenance, and equipment purchase;

8 (4) a proposed OREC pricing schedule for the offshore wind project that
9 shall specify a price for the generation attributes, including the energy, capacity, ancillary
10 services, and environmental attributes;

11 (5) a decommissioning plan for the project, including provisions for
12 decommissioning as required by the United States Department of the Interior;

13 (6) a commitment to:

14 (i) abide by the requirements set forth in subsection [(e)] (F) of this
15 section; and

16 (ii) deposit at least \$6,000,000, in the manner required under
17 subsection [(g)] (H) of this section, into the Maryland Offshore Wind Business Development
18 Fund established under § 9-20C-03 of the State Government Article;

19 (7) a description of the applicant's plan for engaging small businesses, as
20 defined in § 14-501 of the State Finance and Procurement Article;

21 (8) a commitment that the applicant will:

22 (i) use best efforts to apply for all eligible State and federal grants,
23 rebates, tax credits, loan guarantees, or other similar benefits as those benefits become
24 available; and

25 (ii) **SUBJECT TO SUBSECTION (K) OF THIS SECTION**, pass along to
26 ratepayers, without the need for any subsequent Commission approval, 80% of the value of
27 any [state] STATE or federal grants, rebates, tax credits, loan guarantees, or other similar
28 benefits received by the project and not included in the application; and

29 (9) any other information the Commission requires.

30 (D) **THE FOLLOWING ARE SUBJECT TO A COMMUNITY BENEFIT AGREEMENT**
31 **UNDER SUBSECTION (F) OF THIS SECTION:**

1 **(1) AN APPLICATION FOR ANY NEW QUALIFIED OFFSHORE WIND**
2 **PROJECT; AND**

3 **(2) A PROPOSAL ~~FILED AND APPROVED IN ACCORDANCE WITH~~**
4 **SELECTED BY THE COMMISSION UNDER § 7-704.3 OF THIS SUBTITLE FOR AN**
5 **OFFSHORE WIND TRANSMISSION PROJECT.**

6 **[(d)] (E)** (1) The Commission shall use the following criteria to evaluate and
7 compare proposed offshore wind projects submitted during an application period:

8 (i) lowest cost impact on ratepayers of the price set under a proposed
9 OREC pricing schedule;

10 (ii) potential reductions in transmission congestion prices within the
11 State;

12 (iii) potential changes in capacity prices within the State;

13 (iv) potential reductions in locational marginal pricing;

14 (v) potential long-term changes in capacity prices within the State
15 from the offshore wind project as it compares to conventional energy sources;

16 (vi) the extent to which the cost-benefit analysis submitted under
17 subsection (c)(3) of this section demonstrates positive net economic, environmental, and
18 health benefits to the State;

19 (vii) the extent to which an applicant's plan for engaging small
20 businesses meets the goals specified in Title 14, Subtitle 5 of the State Finance and
21 Procurement Article;

22 (viii) the extent to which an applicant's plan provides for the use of
23 skilled labor, particularly with regard to the construction and manufacturing components
24 of the project, through outreach, hiring, or referral systems that are affiliated with
25 registered apprenticeship programs under Title 11, Subtitle 4 of the Labor and
26 Employment Article;

27 (ix) the extent to which an applicant's plan provides for the use of an
28 agreement designed to ensure the use of skilled labor and to promote the prompt, efficient,
29 and safe completion of the project, particularly with regard to the construction,
30 manufacturing, and maintenance of the project;

31 (x) the extent to which an applicant's plan provides for
32 compensation to its employees and subcontractors consistent with wages outlined under §§
33 17-201 through 17-228 of the State Finance and Procurement Article;

1 (xi) siting and project feasibility;

2 (xii) the extent to which the proposed offshore wind project would
3 require transmission or distribution infrastructure improvements in the State;

4 (xiii) estimated ability to assist in meeting the renewable energy
5 portfolio standard under § 7–703 of this subtitle; and

6 (xiv) any other criteria that the Commission determines to be
7 appropriate.

8 (2) In evaluating and comparing an applicant’s proposed offshore wind
9 project under paragraph (1) of this subsection, the Commission shall contract for the
10 services of independent consultants and experts.

11 (3) The Commission shall verify that representatives of the United States
12 Department of Defense and the maritime industry have had the opportunity, through the
13 federal leasing process, to express concerns regarding project siting.

14 (4) (i) In this paragraph, “minority” means an individual who is a
15 member of any of the groups listed in § 14–301(k)(1)(i) of the State Finance and
16 Procurement Article.

17 (ii) If an applicant is seeking investors in a proposed offshore wind
18 project, it shall take the following steps before the Commission may approve the proposed
19 project:

20 1. make serious, good–faith efforts to solicit and interview a
21 reasonable number of minority investors;

22 2. as part of the application, submit a statement to the
23 Commission that lists the names and addresses of all minority investors interviewed and
24 whether or not any of those investors have purchased an equity share in the entity
25 submitting an application;

26 3. as a condition to the Commission’s approval of the offshore
27 wind project, sign a memorandum of understanding with the Commission that requires the
28 applicant to again make serious, good–faith efforts to interview minority investors in any
29 future attempts to raise venture capital or attract new investors to the offshore wind
30 project; and

31 4. as a condition to the Commission’s approval of the offshore
32 wind project, sign a memorandum of understanding with the Commission that requires the
33 applicant to use best efforts and effective outreach to obtain, as a goal, contractors and
34 subcontractors for the project that are minority business enterprises, to the extent
35 practicable, as supported by a disparity study.

1 (iii) The Governor's Office of Small, Minority, and Women Business
 2 Affairs, in consultation with the Office of the Attorney General, shall provide assistance to
 3 all potential applicants and potential minority investors to satisfy the requirements under
 4 subparagraph (ii)1 and 3 of this paragraph.

5 (5) As a condition of the Commission's approval of the offshore wind
 6 project, the applicant shall sign a memorandum of understanding with the Commission
 7 and skilled labor organizations that requires the applicant to follow the portions of the
 8 applicant's plan that relate to the criteria set forth in paragraph (1)(viii) and (ix) of this
 9 subsection.

10 [(e)] (F) (1) (i) In this paragraph, "community benefit agreement" means
 11 an agreement applicable to the development of any qualified offshore wind project OR
 12 OFFSHORE WIND TRANSMISSION FACILITY that:

13 1. promotes increased opportunities for local businesses and
 14 small, minority, women-owned, and veteran-owned businesses in the clean energy
 15 industry, ~~INCLUDING THE USE OF A PREFERENCE GIVEN TO BUSINESSES THAT ARE~~
 16 ~~CERTIFIED UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE~~
 17 ~~PROGRAM;~~

18 2. ensures the timely, safe, and efficient completion of the
 19 project by:

20 A. facilitating a steady supply of highly skilled craft workers
 21 who shall be paid not less than the prevailing wage rate determined by the Commissioner
 22 of Labor and Industry under Title 17, Subtitle 2 of the State Finance and Procurement
 23 Article; AND

24 B. GUARANTEEING THAT THE CONSTRUCTION WORK
 25 PERFORMED IN CONNECTION WITH THE PROJECT WILL BE SUBJECT TO AN
 26 AGREEMENT THAT:

27 I. IS WITH ONE OR MORE LABOR ORGANIZATIONS; AND

28 II. ESTABLISHES, IN ACCORDANCE WITH PARAGRAPH (3)
 29 OF THIS SUBSECTION, THE TERMS AND CONDITIONS OF EMPLOYMENT AT THE
 30 CONSTRUCTION SITE OF THE PROJECT OR A PORTION OF THE PROJECT;

31 3. promotes safe completion of the project by ensuring that
 32 at least 80% of the craft workers on the project have completed an Occupational Safety and
 33 Health Administration 10-hour or 30-hour course;

1 4. promotes career training opportunities in the
2 **MANUFACTURING, MAINTENANCE, AND** construction [industry] **INDUSTRIES** for local
3 residents, veterans, women, and minorities;

4 5. provides for best efforts and effective outreach to obtain,
5 as a goal, the use of a workforce including minorities, to the extent practicable; [and]

6 6. reflects a 21st-century labor-management approach **BY**
7 **DEVELOPERS AND SUPPLIERS** based on cooperation, harmony, and partnership **THAT**
8 **PROACTIVELY SEEKS TO ENSURE THAT WORKERS CAN FREELY CHOOSE TO BOTH**
9 **ORGANIZE AND COLLECTIVELY BARGAIN;**

10 7. **PROVIDES PLANS TO USE DOMESTIC IRON, STEEL,**
11 **AND MANUFACTURED GOODS TO THE GREATEST EXTENT PRACTICABLE BY**
12 **DISCLOSING CONTRACTED SUPPLIERS;**

13 8. **USES LOCALLY AND DOMESTICALLY MANUFACTURED**
14 **CONSTRUCTION MATERIALS AND COMPONENTS; AND**

15 9. **MAXIMIZES THE USE OF SKILLED LOCAL LABOR,**
16 **PARTICULARLY WITH REGARD TO THE CONSTRUCTION AND MANUFACTURING**
17 **COMPONENTS OF THE PROJECT, USING METHODS INCLUDING OUTREACH, HIRING,**
18 **OR REFERRAL METHODS THAT ARE AFFILIATED WITH REGISTERED**
19 **APPRENTICESHIP PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND**
20 **EMPLOYMENT ARTICLE.**

21 (ii) If the Commission receives reasonable proposals that
22 demonstrate positive net economic, environmental, and health benefits to the State, based
23 on the criteria specified in subsection (c)(3) of this section, and subject to subparagraph (iii)
24 of this paragraph, the Commission shall approve orders to facilitate the financing of
25 qualified offshore wind projects, including at least 1,200 megawatts of Round 2 offshore
26 wind projects.

27 (iii) The Commission may not approve an applicant's proposed
28 offshore wind project unless:

29 1. for a Round 1 offshore wind project application:

30 A. the projected net rate impact for an average residential
31 customer, based on annual consumption of 12,000 kilowatt-hours, combined with the
32 projected net rate impact of other Round 1 offshore wind projects, does not exceed \$1.50 per
33 month in 2012 dollars, over the duration of the proposed OREC pricing schedule;

34 B. the projected net rate impact for all nonresidential
35 customers considered as a blended average, combined with the projected net rate impact of

1 other Round 1 offshore wind projects, does not exceed 1.5% of nonresidential customers'
2 total annual electric bills, over the duration of the proposed OREC pricing schedule; and

3 C. the price specified in the proposed OREC price schedule
4 does not exceed \$190 per megawatt-hour in 2012 dollars; and

5 2. for a Round 2 offshore wind project application:

6 A. the projected incremental net rate impact for an average
7 residential customer, based on annual consumption of 12 megawatt-hours, combined with
8 the projected incremental net rate impact of other Round 2 offshore wind projects, does not
9 exceed 88 cents per month in 2018 dollars, over the duration of the proposed OREC pricing
10 schedule;

11 B. the projected incremental net rate impact for all
12 nonresidential customers considered as a blended average, combined with the projected net
13 rate impact of other Round 2 offshore wind projects, does not exceed 0.9% of nonresidential
14 customers' total annual electric bills during any year of the proposed OREC pricing
15 schedule; and

16 C. the project is subject to a community benefit agreement.

17 (2) (i) When calculating the net benefits to the State under paragraph
18 (1)(ii) of this subsection, the Commission shall contract for the services of independent
19 consultants and experts.

20 (ii) When calculating the projected net average rate impacts for
21 Round 1 offshore wind projects under paragraph (1)(iii)1A and B of this subsection and for
22 Round 2 offshore wind projects under paragraph (1)(iii)2A and B of this subsection, the
23 Commission shall apply the same net OREC cost per megawatt-hour to residential and
24 nonresidential customers.

25 **(3) AN AGREEMENT REQUIRED UNDER PARAGRAPH (1)(I)2B OF THIS**
26 **SUBSECTION SHALL:**

27 **(I) GUARANTEE AGAINST STRIKES, LOCKOUTS, AND SIMILAR**
28 **DISRUPTIONS;**

29 **(II) ENSURE THAT ALL WORK ON THE PROJECT FULLY**
30 **CONFORMS TO ALL RELEVANT STATE AND FEDERAL LAWS, RULES, AND**
31 **REGULATIONS;**

32 **(III) CREATE MUTUALLY BINDING PROCEDURES FOR RESOLVING**
33 **LABOR DISPUTES ARISING DURING THE TERM OF THE PROJECT;**

1 (ii) with respect to the community benefit agreement under
2 subsection [(e)(1)] **(F)(1)** of this section:

3 1. the availability and use of opportunities for local
4 businesses and small, minority, women-owned, and veteran-owned businesses;

5 2. the success of efforts to promote career training
6 opportunities in the **MANUFACTURING, MAINTENANCE, AND** construction [industry]
7 **INDUSTRIES** for local residents, veterans, women, and minorities; and

8 3. compliance with the minority workforce goal under
9 subsection [(e)(1)(i)5] **(F)(1)(I)5** of this section.

10 **[(g)] (H)** For Round 2 offshore wind project applications, the Commission shall
11 approve OREC orders representing a minimum of 400 megawatts of nameplate capacity
12 proposed during each application period unless:

13 (1) not enough Round 2 offshore wind project applications are submitted to
14 meet the net benefit test under subsection (c)(3) of this section; or

15 (2) the cumulative net ratepayer impact exceeds the maximums provided
16 in subsection [(e)(1)(ii)2] **(F)(1)(II)2** of this section.

17 **[(h)] (I)** (1) Within 60 days after the Commission approves the application of
18 a proposed offshore wind project, the qualified offshore wind project shall deposit
19 \$2,000,000 into the Maryland Offshore Wind Business Development Fund established
20 under § 9-20C-03 of the State Government Article.

21 (2) Within 1 year after the initial deposit under paragraph (1) of this
22 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
23 the Maryland Offshore Wind Business Development Fund.

24 (3) Within 2 years after the initial deposit under paragraph (1) of this
25 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
26 the Maryland Offshore Wind Business Development Fund.

27 **[(i)] (J)** (1) The findings and evidence relied on by the General Assembly for
28 the continuation of the Minority Business Enterprise Program under Title 14, Subtitle 3 of
29 the State Finance and Procurement Article are incorporated in this subsection.

30 (2) To the extent practicable and authorized by the United States
31 Constitution, approved applicants for a proposed offshore wind project shall comply with
32 the State's Minority Business Enterprise Program.

33 (3) (i) On or before 6 months after the issuance of an order approving
34 an OREC application, the Governor's Office of Small, Minority, and Women Business

1 Affairs, in consultation with the Office of the Attorney General and an approved applicant,
 2 shall establish a clear plan for setting reasonable and appropriate minority business
 3 enterprise participation goals and procedures for each phase of the qualified offshore wind
 4 project.

5 (ii) To the extent practicable, the goals and procedures specified in
 6 subparagraph (i) of this paragraph shall be based on the requirements of Title 14, Subtitle
 7 3 of the State Finance and Procurement Article and the regulations implementing that
 8 subtitle.

9 (iii) Every 6 months following the issuance of an order approving an
 10 OREC application, an approved applicant shall submit a report on its progress establishing
 11 and implementing minority business enterprise goals and procedures to the Commission.

12 (4) On and after July 1, 2023, the provisions of this subsection and any
 13 regulations adopted in accordance with this subsection shall be of no effect and may not be
 14 enforced.

15 **(K) (1) A DEVELOPER OF A ROUND 1 OFFSHORE WIND PROJECT OR**
 16 **ROUND 2 OFFSHORE WIND PROJECT APPROVED UNDER THIS SECTION MAY APPLY**
 17 **TO THE COMMISSION FOR AN A FULL OR PARTIAL EXEMPTION FROM THE**
 18 **REQUIREMENTS IN SUBSECTION (C)(8)(II) OF THIS SECTION FOR ANY FEDERAL**
 19 **INFLATION REDUCTION ACT OF 2022 GRANTS, REBATES, TAX CREDITS, OR LOAN**
 20 **GUARANTEES RECEIVED BY THE PROJECT IF AT LEAST 15% OF THE TOTAL LABOR**
 21 **HOURS OF CONSTRUCTION, ALTERATION, OR REPAIR WORK FOR THE PROJECT,**
 22 **INCLUDING ANY CONSTRUCTION, ALTERATION, OR REPAIR WORK PERFORMED BY A**
 23 **CONTRACTOR OR SUBCONTRACTOR, IS PERFORMED BY QUALIFIED APPRENTICES**
 24 **CONSISTENT WITH FEDERAL LAW.**

25 **(2) A DEVELOPER SEEKING AN EXEMPTION UNDER PARAGRAPH (1)**
 26 **OF THIS SUBSECTION SHALL CERTIFY THAT THE EXEMPTION IS REQUIRED TO**
 27 **FULFILL THE DEVELOPER'S OBLIGATIONS UNDER AN APPROVED OREC ORDER.**

28 **(3) THE COMMISSION SHALL:**

29 **(I) ESTABLISH AN APPLICATION PROCESS FOR A DEVELOPER**
 30 **TO APPLY FOR AN EXEMPTION UNDER PARAGRAPH (1) OF THIS SUBSECTION;**

31 **(II) ~~SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION,~~**
 32 **APPROVE, DENY, OR REQUEST ADDITIONAL INFORMATION REGARDING AN**
 33 **APPLICATION SUBMITTED UNDER THIS SUBSECTION WITHIN ~~45~~ 60 DAYS AFTER**
 34 **RECEIPT OF THE APPLICATION;**

1 **(III) IN EVALUATING AN APPLICATION SUBMITTED UNDER THIS**
 2 **SUBSECTION, TAKE INTO CONSIDERATION THE POTENTIAL BENEFITS AND IMPACTS**
 3 **OF APPROVING THE APPLICATION, INCLUDING:**

4 **1. THE STATE'S GOALS FOR DEVELOPING OFFSHORE**
 5 **WIND ENERGY;**

6 **2. WORKFORCE AND SUPPLY CHAIN IMPACTS; AND**

7 **3. THE RISK THAT PRICE INFLATION MAY HAVE ON**
 8 **ACHIEVING THE STATE'S OFFSHORE WIND ENERGY GOALS; AND**

9 **(IV) KEEP ANY PROPRIETARY INFORMATION SUBMITTED BY AN**
 10 **APPLICANT CONFIDENTIAL.**

11 ~~**(4) A REQUEST MADE BY THE COMMISSION FOR ADDITIONAL**~~
 12 ~~**INFORMATION UNDER PARAGRAPH (3)(I) OF THIS SUBSECTION SHALL RESTART A**~~
 13 ~~**NEW 45-DAY PERIOD OF REVIEW. IF THE COMMISSION APPROVES A PARTIAL**~~
 14 ~~**EXEMPTION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE NONEXEMPT VALUE**~~
 15 ~~**OF ANY FEDERAL INFLATION REDUCTION ACT OF 2022 GRANTS, REBATES, TAX**~~
 16 ~~**CREDITS, OR LOAN GUARANTEES RECEIVED BY THE PROJECT SHALL BE PASSED**~~
 17 ~~**ALONG TO RATEPAYERS.**~~

18 **7-704.3.**

19 **(A) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS IN THE**
 20 **PUBLIC INTEREST TO UPGRADE AND EXPAND THE TRANSMISSION SYSTEM TO**
 21 **ACCOMMODATE THE BUILDOUT OF AT LEAST 8,500 MEGAWATTS OF OFFSHORE WIND**
 22 **ENERGY FROM QUALIFIED OFFSHORE WIND PROJECTS SERVING THE STATE BY**
 23 **2031.**

24 **(B) (1) ~~(H)~~ TO MEET THE ~~GOAL~~ GOALS ESTABLISHED UNDER § 7-703 OF**
 25 **THIS SUBTITLE AND SUBSECTION (A) OF THIS SECTION, THE COMMISSION, IN**
 26 **CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION AND ~~PJM~~**
 27 **~~INTERCONNECTION~~, SHALL REQUEST THAT PJM INTERCONNECTION CONDUCT AN**
 28 **ANALYSIS OF TRANSMISSION SYSTEM UPGRADE AND EXPANSION OPTIONS THAT**
 29 **TAKE INTO CONSIDERATION BOTH ONSHORE AND OFFSHORE INFRASTRUCTURE.**

30 ~~**(H) IN CONDUCTING THE ANALYSIS REQUIRED UNDER**~~
 31 ~~**SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE**~~

32 **(2) THE COMMISSION:**

1 **(I) SHALL CONSULT WITH OTHER STATES SERVED BY PJM**
 2 **INTERCONNECTION TO EVALUATE REGIONAL TRANSMISSION COOPERATION THAT**
 3 **COULD HELP ACHIEVE THE STATE’S RENEWABLE ENERGY AND OFFSHORE WIND**
 4 **ENERGY GOALS WITH GREATER EFFICIENCY;**

5 **(II) SHALL WORK WITH PJM INTERCONNECTION TO ENSURE**
 6 **THAT THE ANALYSIS REQUESTED UNDER PARAGRAPH (1) OF THIS SUBSECTION**
 7 **INCLUDES AN ANALYSIS OF SOLUTIONS THAT:**

8 **1. USE AN OPEN-ACCESS COLLECTOR TRANSMISSION**
 9 **SYSTEM TO ALLOW FOR THE INTERCONNECTION OF MULTIPLE QUALIFIED**
 10 **OFFSHORE WIND PROJECTS AT A SINGLE SUBSTATION;**

11 **2. AVOID A SIGNIFICANT OUTAGE, OR SINGLE**
 12 **CONTINGENCY, OF ANY PART OF THE TRANSMISSION SYSTEM;**

13 **3. REDUCE PERMITTING RISKS, IMPACTS ON**
 14 **COMMUNITIES, AND UNNECESSARY HIGH COSTS;**

15 **4. LEVERAGE EXISTING INFRASTRUCTURE;**

16 **5. OFFER BENEFITS THAT ADDRESS ADDITIONAL GRID**
 17 **CHALLENGES; AND**

18 **6. ADDRESS ANY OTHER ISSUES THAT THE COMMISSION**
 19 **IDENTIFIES; AND**

20 **(III) MAY ALSO CONSULT WITH OWNERS OF TRANSMISSION**
 21 **FACILITIES IN THE STATE TO GATHER RELEVANT TECHNICAL INFORMATION.**

22 **(2) (3) THE COMMISSION MAY ENTER INTO ANY NECESSARY**
 23 **AGREEMENTS WITH PJM INTERCONNECTION FOR TRANSMISSION PLANNING TO:**

24 **(I) FURTHER THE COMMISSION’S INITIATE PJM**
 25 **INTERCONNECTION’S ANALYSIS; OR**

26 **(II) ASSIST WITH THE SOLICITATION OF PROPOSALS FOR**
 27 **OFFSHORE WIND TRANSMISSION PROJECTS.**

28 **(3) (4) ON OR BEFORE JULY 1, 2024, THE COMMISSION SHALL**
 29 **SUBMIT ~~ITS COMPLETED~~ A STATUS UPDATE ON THE ANALYSIS REQUESTED UNDER**
 30 **PARAGRAPH (1) OF THIS SUBSECTION TO THE GENERAL ASSEMBLY, IN**
 31 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

1 (C) (1) ON OR BEFORE ~~DECEMBER 1, 2024~~ JULY 1, 2025, THE
2 COMMISSION SHALL ISSUE, OR REQUEST THAT PJM INTERCONNECTION ISSUE, ONE
3 OR MORE COMPETITIVE SOLICITATIONS FOR PROPOSALS FOR OPEN ACCESS
4 OFFSHORE WIND TRANSMISSION FACILITIES AND ~~NECESSARY~~ COMPLEMENTARY
5 ONSHORE TRANSMISSION UPGRADES AND EXPANSIONS.

6 (2) THE COMMISSION MAY ISSUE, OR REQUEST THAT PJM
7 INTERCONNECTION ISSUE, FURTHER SOLICITATIONS FOR PROPOSALS AFTER THIS
8 DATE IF DETERMINED NECESSARY BY THE COMMISSION.

9 (D) IN DEVELOPING CRITERIA FOR SELECTING A PROPOSAL UNDER THIS
10 SECTION, THE COMMISSION:

11 (1) SHALL CONSIDER THE ANALYSIS REQUIRED UNDER SUBSECTION
12 (B) OF THIS SECTION, INCLUDING A CONSIDERATION OF POTENTIAL
13 INTERCONNECTION POINTS ~~AND CABLE ROUTES~~;

14 (2) SHALL EVALUATE THE POTENTIAL FOR COOPERATING WITH
15 OTHER STATES IN THE PJM REGION TO MAXIMIZE CONSUMER BENEFITS THAT WILL
16 BEST ACHIEVE THE STATE'S RENEWABLE ENERGY AND OFFSHORE WIND ENERGY
17 GOALS; AND

18 (3) MAY CONSULT WITH THE ADMINISTRATION, ELECTRIC
19 COMPANIES, TRANSMISSION FACILITY OWNERS, AND OTHER STATES OR ENTITIES
20 DESIGNATED BY THOSE STATES IN DEVELOPING OR COORDINATING EQUIVALENT
21 STANDARDS FOR THE APPROVAL OF TRANSMISSION PROJECTS UNDER THIS
22 SECTION THAT WILL FACILITATE THE INTEGRATION OF MULTIPLE OFFSHORE WIND
23 ENERGY PROJECTS AND POTENTIAL MULTISTATE OFFSHORE WIND TRANSMISSION
24 PROJECTS.

25 (E) (1) THE COMMISSION SHALL INCLUDE, OR WORK WITH PJM
26 INTERCONNECTION TO INCLUDE, SPECIFICATIONS IN THE SOLICITATION THAT
27 REQUIRE PROPOSALS TO:

28 (I) ALLOW FUTURE TRANSMISSION LINES TO CONNECT IN A
29 MESHED MANNER AND SHARE LANDING POINTS;

30 (II) CONSIDER OTHER ONSHORE AND OFFSHORE CLEAN
31 ENERGY GENERATION AND STORAGE FACILITIES; ~~AND~~

32 (III) INCORPORATE COMMUNITY BENEFIT AGREEMENTS IN
33 ACCORDANCE WITH § 7-704.1 OF THIS SUBTITLE;

1 (IV) ADDRESS THE SITING, ENVIRONMENTAL, AND
2 SOCIOECONOMIC INFORMATION REQUIRED TO BE CONSIDERED BY THE
3 COMMISSION UNDER § 7-207 OF THIS TITLE FOR AN APPLICATION FOR A
4 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, INCLUDING
5 OPPORTUNITIES FOR PUBLIC ENGAGEMENT AND COMMENT WITH UNITS OF STATE
6 AND LOCAL GOVERNMENT AND THE GENERAL PUBLIC;

7 (V) DEMONSTRATE NET BENEFITS TO RATEPAYERS IN THE
8 STATE WHEN COMPARED WITH AN ALTERNATIVE BASELINE SCENARIO UNDER WHICH
9 8,500 MEGAWATTS OF OFFSHORE WIND ENERGY CAPACITY IS CONNECTED TO PJM
10 INTERCONNECTION INDEPENDENT OF AN OFFSHORE WIND TRANSMISSION PROJECT
11 TO ACHIEVE THE GOAL ESTABLISHED UNDER § 7-704.1(A)(1)(I) OF THIS SUBTITLE;
12 AND

13 ~~(V)~~ (VI) ENSURE A COMPETITIVE BIDDING PROCESS BY
14 REDACTING PROPRIETARY INFORMATION PROVIDED TO THE COMMISSION OR TO
15 PJM INTERCONNECTION.

16 (2) THE COMMISSION MAY ~~CONSIDER~~ EVALUATE, OR REQUEST THAT
17 PJM INTERCONNECTION ASSIST WITH THE EVALUATION OF, PROPOSALS THAT
18 INCLUDE:

19 (I) UPGRADING THE EXISTING TRANSMISSION GRID;

20 (II) EXTENDING THE EXISTING TRANSMISSION GRID ONSHORE
21 AND OFFSHORE TO BE CLOSER TO OFFSHORE WIND ENERGY LOCATIONS;

22 (III) INTERCONNECTING BETWEEN OFFSHORE SUBSTATIONS;

23 (IV) ADDING ENERGY STORAGE; AND

24 (V) THE USE OF HVDC CONVERTER TECHNOLOGY TO SUPPORT
25 POTENTIAL WEAKNESSES IN THE TRANSMISSION GRID.

26 (3) THE COMMISSION MAY SELECT A PROPOSAL OR PROPOSALS THAT
27 INCLUDE:

28 (I) FEDERAL FUNDING IN THE FORM OF A MATCH, GRANT,
29 LOAN, OR OWNERSHIP AND OPERATION BY THE UNITED STATES GOVERNMENT;

30 (II) COST SHARING AMONG STATES OR RECOVERY OF
31 TRANSMISSION COSTS THROUGH FEDERAL TRANSMISSION RATES, CONSISTENT
32 WITH THE POLICIES AND TARIFFS OF THE FEDERAL ENERGY REGULATORY
33 COMMISSION;

1 (III) A COMBINATION OF THE FUNDING METHODS OUTLINED IN
2 ITEMS (I) AND (II) OF THIS PARAGRAPH; OR

3 (IV) ANY OTHER AVAILABLE FUNDING MECHANISMS.

4 (4) EACH PROPOSAL SHOULD MAXIMIZE ACCESS TO AND BE
5 CONSISTENT WITH THE TERMS OF THE U.S. DEPARTMENT OF ENERGY FUNDING
6 PROGRAMS, INCLUDING THOSE ESTABLISHED:

7 (I) UNDER THE FEDERAL INFRASTRUCTURE INVESTMENT AND
8 JOBS ACT;

9 (II) UNDER THE FEDERAL INFLATION REDUCTION ACT OF
10 2022;

11 (III) THROUGH THE U.S. DEPARTMENT OF ENERGY
12 TRANSMISSION FACILITATION PROGRAM; AND

13 (IV) THROUGH ANY LOAN PROGRAMS, OFFICE PROGRAMS, OR
14 RESILIENCY FUNDING.

15 ~~(5) (I) EACH PROPOSAL SHALL INCLUDE A COST-BENEFIT~~
16 ~~ANALYSIS TO DEMONSTRATE THE OVERALL BENEFITS OF THE PROPOSAL TO THE~~
17 ~~STATE AND TO RATEPAYERS.~~

18 ~~(II) THE COST-BENEFIT ANALYSIS REQUIRED UNDER~~
19 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE AN ASSESSMENT OF~~
20 ~~POTENTIAL COST ALLOCATION BETWEEN STATES.~~

21 (F) THE SOLICITATION PROCESS SHALL:

22 (1) INCLUDE A PREQUALIFICATION PROCESS TO ENSURE THE
23 FINANCIAL AND TECHNICAL COMPETENCE AND CAPABILITIES OF THE ENTITIES
24 RESPONDING TO THE SOLICITATION FOR PROPOSALS;

25 (2) PROVIDE FOR RIGOROUS SEPARATION BETWEEN INDIVIDUALS OR
26 FIRMS PARTICIPATING IN THE REVIEW, ANALYSIS, AND SELECTION OF THE
27 PROPOSALS BY OR ON BEHALF OF THE COMMISSION AND THOSE PARTICIPATING IN
28 THE DEVELOPMENT OR MANAGEMENT OF PROPOSALS; AND

29 (3) PROMOTE RIGOROUS COMPETITION AMONG PREQUALIFIED
30 ENTITIES IN THE PREPARATION AND SUBMISSION OF THEIR PROPOSALS.

1 (G) THE COMMISSION MAY MODIFY, OR REQUEST THAT PJM
 2 INTERCONNECTION MODIFY, A SOLICITATION FOR PROPOSALS AT ANY TIME IN
 3 ORDER TO SATISFY ELIGIBILITY CRITERIA FOR U.S. DEPARTMENT OF ENERGY
 4 FUNDING PROGRAMS.

5 (H) IN SELECTING A PROPOSAL UNDER THIS SECTION, THE COMMISSION
 6 SHALL TAKE INTO CONSIDERATION THE TOTAL AMOUNT OF NEW TRANSMISSION
 7 INFRASTRUCTURE NEEDED TO:

8 (1) MAINTAIN ELECTRIC SYSTEM RELIABILITY;

9 (2) ~~AVOID UNNECESSARY UPGRADE COSTS TO THE EXISTING~~
 10 ~~TRANSMISSION GRID;~~

11 ~~(3)~~ ACHIEVE THE STATE'S OFFSHORE WIND, RENEWABLE ENERGY,
 12 AND DECARBONIZATION GOALS;

13 ~~(4)~~ (3) OBTAIN DEMONSTRABLE BENEFITS TO THE CONSUMER AND
 14 ENVIRONMENT; AND

15 ~~(5)~~ (4) FOSTER ECONOMIC DEVELOPMENT AND JOB CREATION IN
 16 THE STATE.

17 (I) THE COMMISSION SHALL:

18 (1) ~~EVALUATE~~ REQUEST THAT PJM INTERCONNECTION ASSIST WITH
 19 THE EVALUATION OF EACH PROPOSAL SUBMITTED IN ACCORDANCE WITH THIS
 20 SECTION; AND

21 (2) AFTER NOTICE, ONE OR MORE HEARINGS TO RECEIVE PUBLIC
 22 COMMENT, AND AN EVIDENTIARY HEARING, AND SUBJECT TO SUBSECTION (J) OF
 23 THIS SECTION, ON OR BEFORE ~~JULY~~ DECEMBER 1, 2026 2027, BY ORDER, SELECT A
 24 PROPOSAL OR PROPOSALS FOR DEVELOPMENT:

25 (I) USING A FUNDING MECHANISM OR COMBINATION OF
 26 FUNDING MECHANISMS IDENTIFIED IN SUBSECTION (E)(3) OF THIS SECTION; AND

27 (II) THAT DEMONSTRATE NET BENEFITS TO RATEPAYERS IN THE
 28 STATE WHEN COMPARED WITH AN ALTERNATIVE BASELINE SCENARIO UNDER
 29 SUBSECTION (E)(1)(V) OF THIS SECTION.

30 (J) IF THE COMMISSION FINDS THAT NONE OF THE PROPOSALS ~~ARE~~
 31 ~~BENEFICIALLY COST-EFFECTIVE OR~~ ADEQUATELY SUPPORT THE GOALS
 32 ESTABLISHED UNDER THIS SECTION OR DEMONSTRATE NET BENEFITS TO

1 RATEPAYERS IN THE STATE WHEN COMPARED WITH AN ALTERNATIVE BASELINE
2 SCENARIO UNDER SUBSECTION (E)(1)(V) OF THIS SECTION, THEN THE COMMISSION
3 MAY END THE SOLICITATION PROCESS WITHOUT SELECTING A PROPOSAL.

4 (K) (1) THE COMMISSION MAY, FOR A PROPOSAL SELECTED UNDER
5 SUBSECTION (I) OF THIS SECTION:

6 (I) ADOPT CONDITIONS FOR THE CONSTRUCTION AND
7 OPERATION OF FACILITIES INCLUDED IN THE PROPOSAL; AND

8 (II) CONSIDER ANY CONDITIONS PROPOSED BY THE POWER
9 PLANT RESEARCH PROGRAM.

10 (2) THE REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC
11 CONVENIENCE AND NECESSITY UNDER § 7-207 OR § 7-208 OF THIS TITLE DOES NOT
12 APPLY TO A PROPOSAL SELECTED UNDER SUBSECTION (I) OF THIS SECTION.

13 (3) AN ORDER SELECTING A PROPOSAL UNDER SUBSECTION (I) OF
14 THIS SECTION CONSTITUTES AUTHORIZATION BY THE COMMISSION TO CONSTRUCT
15 AND OPERATE FACILITIES THAT WOULD OTHERWISE REQUIRE A CERTIFICATE OF
16 PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207 OR § 7-208 OF THIS TITLE.

17 (L) EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION, A A
18 PROPOSAL ~~APPROVED~~ SELECTED UNDER THIS SECTION IS SUBJECT TO ALL OTHER
19 RELEVANT REQUIREMENTS FOR THE SITING AND CONSTRUCTION OF TRANSMISSION
20 LINES, ~~INCLUDING ANY REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC~~
21 ~~CONVENIENCE AND NECESSITY.~~

22 ~~(L)~~ (M) SELECTION OF COORDINATED TRANSMISSION PROPOSALS MAY
23 NOT IMPACT THE INTERCONNECTION PLANS OF EARLIER OFFSHORE WIND
24 PROJECTS, INCLUDING OCS-A 0490 (US WIND) AND OCS-A 0519 (SKIPJACK),
25 UNLESS THE LEASEHOLDERS FOR THESE PROJECTS OPT TO PARTICIPATE IN THE
26 PROPOSAL BY NOTIFYING THE COMMISSION BY MAIL OR E-MAIL BEFORE THE
27 COMPLETION OF THE ANALYSIS OF TRANSMISSION SYSTEM EXPANSION OPTIONS
28 UNDER SUBSECTION (B) OF THIS SECTION.

29 ~~(M)~~ (N) IF NO PROPOSAL HAS BEEN ~~APPROVED~~ SELECTED UNDER THIS
30 SECTION BY ~~JULY~~ DECEMBER 1, 2026 2027, THE COMMISSION SHALL SUBMIT A
31 STATEMENT OF DETERMINATION TO THE GOVERNOR AND GENERAL ASSEMBLY
32 THAT:

33 (1) PROVIDES A COMPREHENSIVE EXPLANATION OF THE
34 COMMISSION'S ~~DECISION~~ DETERMINATION; AND

1 **(2) RECOMMENDS A PATH FORWARD TO ACHIEVE THE STATE’S GOAL**
 2 **UNDER SUBSECTION (A) OF THIS SECTION.**

3 ~~(N)~~ **(O) AFTER THE COMMISSION SELECTS A PROPOSAL OR PROPOSALS,**
 4 **THE COMMISSION SHALL WORK WITH THE MARYLAND ENERGY ADMINISTRATION,**
 5 **TRANSMISSION DEVELOPER OR DEVELOPERS, TRANSMISSION FACILITY OWNERS,**
 6 **PJM INTERCONNECTION, THE FEDERAL ENERGY REGULATORY COMMISSION, AND**
 7 **ANY OTHER STATES THAT VOLUNTARILY PARTICIPATE, TO FACILITATE THE**
 8 **DEVELOPMENT OF THE PROPOSAL OR PROPOSALS AND THE CONSTRUCTION OF THE**
 9 **PROPOSED OFFSHORE WIND PROJECT OR PROJECTS.**

10 ~~(O)~~ **(P) THE COMMISSION:**

11 **(1) SHALL CARRY OUT THE PROVISIONS OF THIS SECTION BY**
 12 **OBTAINING INFORMATION THROUGH REQUEST, COOPERATION, SUBPOENA, OR ANY**
 13 **OTHER LEGAL METHOD FROM TRANSMISSION OWNERS, PJM INTERCONNECTION,**
 14 **OR ANY OTHER ENTITY; AND**

15 **(2) MAY RETAIN CONSULTANTS.**

16 **7-704.4.**

17 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**
 18 **INDICATED.**

19 **(2) “COMMUNITY BENEFIT AGREEMENT” HAS THE MEANING STATED**
 20 **IN § 7-704.1(E) OF THIS SUBTITLE.**

21 **(3) “SOCIAL COST OF GREENHOUSE GASES” MEANS THE MOST**
 22 **RECENT SOCIAL COST OF GREENHOUSE GASES ADOPTED BY THE U.S.**
 23 **ENVIRONMENTAL PROTECTION AGENCY.**

24 **(B) (1) ~~BETWEEN JULY 31, 2024, AND APRIL 30, 2025, THE~~ THE**
 25 **DEPARTMENT OF GENERAL SERVICES, IN CONSULTATION WITH THE PUBLIC**
 26 **SERVICE COMMISSION, SHALL ISSUE AN INVITATION FOR BIDS A COMPETITIVE**
 27 **SEALED PROCUREMENT SOLICITATION AND MAY ENTER INTO AT LEAST ONE**
 28 **CONTRACT FOR A POWER PURCHASE AGREEMENT TO PROCURE BETWEEN 1,000,000**
 29 **AND 8,000,000 UP TO 5,000,000 MEGAWATT-HOURS ANNUALLY OF OFFSHORE WIND**
 30 **ENERGY AND ASSOCIATED RENEWABLE ENERGY CREDITS FROM ONE OR MORE**
 31 **QUALIFIED OFFSHORE WIND PROJECTS.**

32 **(2) EACH AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF**
 33 **THIS SUBSECTION SHALL HAVE A TERM OF NOT LESS THAN 20 YEARS.**

1 **(3) WHEN ISSUING THE INVITATION FOR BIDS UNDER THIS**
2 **SUBSECTION, THE DEPARTMENT SHALL TAKE INTO CONSIDERATION:**

3 **(I) THE SOCIAL COST OF GREENHOUSE GAS EMISSIONS;**

4 **(II) THE STATE'S CLIMATE COMMITMENTS; AND**

5 **(III) THE STATE'S COMMITMENTS UNDER § 7-704.1(A) OF THIS**
6 **SUBTITLE.**

7 **(4) THE EVALUATION CRITERIA FOR BIDS SHALL INCLUDE:**

8 **(I) COMPARING THE SOCIAL COST OF GREENHOUSE GAS**
9 **EMISSIONS FOR OFFSHORE WIND WITH THE SOCIAL COST OF GREENHOUSE GAS**
10 **EMISSIONS FOR NONRENEWABLE POWER PURCHASED FROM WHOLESALE ELECTRIC**
11 **MARKETS ADMINISTERED BY PJM INTERCONNECTION; AND**

12 **(II) THE EXTENT TO WHICH AN APPLICANT'S PROPOSAL**
13 **PROVIDES FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT MONITORING**
14 **AND MITIGATION OF WILDLIFE AND HABITAT IMPACTS ASSOCIATED WITH THE**
15 **PROPOSED OFFSHORE WIND PROJECT.**

16 **(5) EACH AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF**
17 **THIS SUBSECTION SHALL INCLUDE:**

18 **(I) A COMMUNITY BENEFIT AGREEMENT AND DOMESTIC**
19 **CONTENT PREFERENCES; AND**

20 **(II) A DESCRIPTION OF:**

21 **1. INITIAL PLANS FOR MITIGATING THE IMPACTS OF THE**
22 **CONSTRUCTION AND OPERATION OF THE PROPOSED OFFSHORE WIND PROJECT ON**
23 **FISHERIES AND THE ENVIRONMENT; AND**

24 **2. THE EXTENT TO WHICH AN APPLICANT WILL PROVIDE**
25 **FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT THE MONITORING AND**
26 **MITIGATION OF WILDLIFE AND HABITAT IMPACTS ASSOCIATED WITH THE PROJECT.**

27 **(C) (1) THE DEPARTMENT OF GENERAL SERVICES SHALL IDENTIFY THE**
28 **AMOUNT OF ENERGY NECESSARY TO MEET THE STATE'S ENERGY NEEDS.**

29 **(2) (I) THE STATE SHALL USE THE ENERGY PROCURED UNDER**
30 **SUBSECTION (B) OF THIS SECTION TO MEET THE STATE'S ENERGY NEEDS AND**
31 **RETIRE THE ASSOCIATED RENEWABLE ENERGY CREDITS TO MEET ITS OBLIGATIONS**

1 UNDER THE RENEWABLE ENERGY PORTFOLIO STANDARD AND CHAPTER 38 OF THE
2 ACTS OF THE GENERAL ASSEMBLY OF 2022.

3 (II) THE STATE SHALL BE EXEMPTED FROM THE RENEWABLE
4 ENERGY PORTFOLIO STANDARD REQUIREMENTS UNDER § 7-703 OF THIS SUBTITLE
5 IF THE DEPARTMENT OF GENERAL SERVICES PROCURES 100% OF THE STATE'S
6 ENERGY NEEDS FROM THE POWER PURCHASE AGREEMENT REQUIRED UNDER
7 SUBSECTION (B) OF THIS SECTION.

8 (3) THE STATE SHALL OFFER FOR SALE ANY ENERGY OR RENEWABLE
9 ENERGY CREDITS REMAINING AFTER THE REQUIREMENTS UNDER PARAGRAPH (2)
10 OF THIS SUBSECTION HAVE BEEN MET ON THE COMPETITIVE WHOLESALE POWER
11 MARKET OPERATED BY PJM INTERCONNECTION, THROUGH BILATERAL SALES TO
12 CREDIT-WORTHY COUNTERPARTIES, OR INTO RENEWABLE ENERGY CREDIT
13 MARKETS.

14 (D) THE STATE SHALL:

15 (1) ISSUE A PROCUREMENT FOR OFFSHORE WIND ENERGY ON OR
16 BEFORE JULY 31, 2024;

17 (2) PROVIDE A ~~BIDDING~~ PROCUREMENT SUBMISSION PROCESS
18 WINDOW OF NOT LESS THAN 180 DAYS; AND

19 (3) AWARD CONTRACTS IN A TIMELY MANNER; ~~AND~~

20 ~~(4) ENTER INTO A CONTRACT OR CONTRACTS FOR THE~~
21 ~~PROCUREMENT ON OR BEFORE APRIL 30, 2025.~~

22 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE STATE
23 MAY ENTER INTO A CONTRACT OR CONTRACTS FOR THE PROCUREMENT ON OR
24 BEFORE SEPTEMBER 1, 2025.

25 (2) THE STATE MAY MODIFY THE DATE ESTABLISHED IN PARAGRAPH
26 (1) OF THIS SUBSECTION IF AN UNFORESEEN CIRCUMSTANCE ADVERSELY AFFECTS
27 THE PROCUREMENT SUBMISSION PROCESS.

28 (F) (1) WITHIN 90 DAYS AFTER THE OPERATIONAL COMMENCEMENT
29 DATE OF THE POWER PURCHASE AGREEMENT, ANY CONTRACTOR PROVIDING
30 OPERATIONS AND MAINTENANCE SERVICES UNDER AN AGREEMENT WITH THE
31 DEPARTMENT OF GENERAL SERVICES SHALL SUBMIT TO THE DEPARTMENT
32 ATTESTATION THAT THE CONTRACTOR HAS ENTERED INTO A LABOR PEACE
33 AGREEMENT WITH EACH LABOR ORGANIZATION THAT IS ACTIVELY ENGAGED IN

1 REPRESENTING OR ATTEMPTING TO REPRESENT EMPLOYEES PERFORMING
2 OPERATIONS AND MAINTENANCE WORK ON THE PROJECTS THAT:

3 (I) PROHIBITS STRIKES, LOCKOUTS, OR ANY OTHER ECONOMIC
4 INTERFERENCE WITH THE CONTRACTED PROJECT;

5 (II) DESCRIBES THE CLASS OR CLASSES OF COVERED
6 EMPLOYEES TO WHOM THE LABOR PEACE AGREEMENT APPLIES;

7 (III) DESCRIBES ANY CLASS OR CLASSES OF EMPLOYEES NOT
8 CURRENTLY REPRESENTED BY A LABOR ORGANIZATION;

9 (IV) DESCRIBES THE CLASSES OF COVERED EMPLOYEES FOR
10 WHICH LABOR PEACE AGREEMENT NEGOTIATIONS HAVE NOT YET CONCLUDED; AND

11 (V) FOR CLASSES OF EMPLOYEES THAT ARE NOT COVERED BY A
12 LABOR PEACE AGREEMENT, PROVIDES AN ATTESTATION THAT NO LABOR
13 ORGANIZATION HAS SOUGHT TO NEGOTIATE SUCH AN AGREEMENT.

14 (2) A LABOR PEACE AGREEMENT REQUIRED UNDER PARAGRAPH (1)
15 OF THIS SUBSECTION SHALL BE:

16 (I) VALID AND ENFORCEABLE UNDER 29 U.S.C. § 158; AND

17 (II) MAINTAINED AS AN ONGOING MATERIAL CONDITION OF ANY
18 CONTINUATION OF PAYMENTS UNDER ANY AGREEMENT REQUIRED BY THIS
19 SUBSECTION.

20 (G) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PREVENT THE
21 PROCUREMENT OF NEW OFFSHORE WIND ENERGY GENERATION IN ACCORDANCE
22 WITH THE CURRENT OR ANY FUTURE SOLICITATION SCHEDULE.

23 7-704.5.

24 (A) ON OR BEFORE DECEMBER 31, 2024, AND ON OR BEFORE EACH
25 DECEMBER 31 THEREAFTER, THE COMMISSION SHALL SUBMIT A REPORT TO THE
26 GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT
27 ARTICLE, ON THE INFORMATION COLLECTED UNDER THE COMMISSION'S SUPPLIER
28 DIVERSITY PROGRAM REGARDING OFFSHORE WIND DEVELOPERS.

29 (B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION
30 SHALL INCLUDE:

1 (1) EFFORTS TO PROMOTE OPPORTUNITIES FOR SMALL, MINORITY,
2 WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES;

3 (2) INFORMATION ON PARTICIPATING OFFSHORE WIND DEVELOPERS;

4 (3) PARTICIPATION OF SMALL, MINORITY, WOMEN-OWNED, AND
5 VETERAN-OWNED BUSINESSES ~~AND BUSINESSES CERTIFIED UNDER THE FEDERAL~~
6 ~~DISADVANTAGED BUSINESS ENTERPRISE PROGRAM~~ IN OFFSHORE WIND PROJECTS,
7 INCLUDING:

8 (I) THE NUMBER OF SMALL, MINORITY, WOMEN-OWNED, AND
9 VETERAN-OWNED BUSINESSES ~~AND BUSINESSES CERTIFIED UNDER THE FEDERAL~~
10 ~~DISADVANTAGED BUSINESS ENTERPRISE PROGRAM~~ THAT RECEIVE CONTRACTS OR
11 SUBCONTRACTS FOR OFFSHORE WIND PROJECTS; AND

12 (II) THE PERCENTAGE OF CONTRACTORS AND
13 SUBCONTRACTORS ON OFFSHORE WIND PROJECTS THAT ARE SMALL, MINORITY,
14 WOMEN-OWNED, OR VETERAN-OWNED BUSINESSES ~~AND BUSINESSES CERTIFIED~~
15 ~~UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE PROGRAM; AND~~

16 (4) PLANS TO INCREASE FUTURE PARTICIPATION OF SMALL,
17 MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES ~~AND BUSINESSES~~
18 ~~CERTIFIED UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE~~
19 ~~PROGRAM~~ IN OFFSHORE WIND PROJECTS.

20 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General
21 Assembly that:

22 (1) four Position Identification Numbers (PINs) be created in the Public
23 Service Commission for full-time positions that will focus only on implementing the
24 provisions of § 7-704.3 of the Public Utilities Article, as enacted by Section 1 of this Act;
25 and

26 (2) notwithstanding any other provision of law, for fiscal year 2025, the
27 Governor may include in the annual budget bill an appropriation of not less than
28 \$3,500,000 of additional funding to the budget of the Public Service Commission for the
29 studies and analyses required under § 7-704.3 of the Public Utilities Article, as enacted by
30 Section 1 of this Act.

31 ~~SECTION 3. AND BE IT FURTHER ENACTED, That:~~

32 ~~(a) The certification agency designated by the Board of Public Works under §~~
33 ~~14-303(b) of the State Finance and Procurement Article and the Governor's Office of Small,~~
34 ~~Minority, and Women Business Affairs, in consultation with the Public Service Commission,~~
35 ~~the Maryland Department of Labor, the Office of the Attorney General, and the General~~

~~Assembly, shall initiate a study regarding the participation of small, minority, women owned, and veteran owned businesses and businesses certified under the federal Disadvantaged Business Enterprise Program that receive contracts or subcontracts for offshore wind projects under this Act to evaluate whether the enactment of remedial measures to assist minority and women owned businesses in the clean energy and offshore wind industries would comply with the U.S. Supreme Court decision in City of Richmond v. J. A. Croson Co., 488 U.S. 469, and any subsequent federal or constitutional requirements.~~

~~(b) The certification agency and the Governor's Office of Small, Minority, and Women Business Affairs shall submit the findings of the study required under subsection (a) of this section to the Legislative Policy Committee, in accordance with § 2-1257 of the State Government Article, on or before December 31, 2025, so that the General Assembly may review the findings before the 2026 session.~~

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.