

SENATE BILL 781

M5, C5, P2

3lr1939
CF HB 793

By: **Senators Hester, Feldman, and Brooks**

Introduced and read first time: February 6, 2023

Assigned to: Finance

Reassigned: Education, Energy, and the Environment, February 9, 2023

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 7, 2023

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 expansion options; requiring the Commission to take certain
11 actions regarding the transmission system and the analysis of transmission system
12 expansion options; requiring and authorizing the Commission ~~to issue a certain~~
13 ~~number of competitive solicitations for~~, or PJM Interconnection at the request of the
14 Commission, to take certain actions on proposals for certain offshore wind
15 transmission facilities and transmission upgrades and expansions; ~~requiring the~~
16 ~~Commission to develop certain criteria for selecting a proposal and include certain~~
17 ~~specifications in the solicitation~~; exempting certain proposals from the requirement
18 to obtain a certificate of public convenience and necessity; establishing that
19 procurement of certain proposals may not impact the interconnection plans of certain
20 earlier offshore wind projects; requiring the Department of General Services, in
21 consultation with the Commission, to issue ~~an invitation for bids~~ a certain
22 solicitation for a certain power purchase agreement ~~within a certain time frame~~;
23 requiring the Department to identify the amount of energy necessary to meet the
24 State's energy needs; requiring the State to use certain energy and associated

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.



1 renewable energy credits in a certain manner, offer for sale certain energy or
 2 associated renewable energy credits, issue a certain procurement on or before a
 3 certain date, and enter into a contract or contracts for that procurement on or before
 4 a certain date; establishing that the State be exempted from the renewable energy
 5 portfolio standard requirements under certain circumstances; requiring certain
 6 contractors to submit a certain attestation within a certain number of days after the
 7 operational commencement date of a certain power purchase agreement; requiring
 8 the Commission to submit, on or before a certain date each year, a report to the
 9 General Assembly on certain information collected under the Commission's Supplier
 10 Diversity Program; and generally relating to the development of renewable energy.

11 BY repealing and reenacting, without amendments,
 12 Article – Public Utilities
 13 Section 7-701(a)
 14 Annotated Code of Maryland
 15 (2020 Replacement Volume and 2022 Supplement)

16 BY adding to
 17 Article – Public Utilities
 18 Section 7-701(g-1) and (h-1), 7-704.3, ~~and~~ 7-704.4, and 7-704.5
 19 Annotated Code of Maryland
 20 (2020 Replacement Volume and 2022 Supplement)

21 BY repealing and reenacting, with amendments,
 22 Article – Public Utilities
 23 Section 7-701(k) and 7-704.1
 24 Annotated Code of Maryland
 25 (2020 Replacement Volume and 2022 Supplement)

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

28 **Article – Public Utilities**

29 7-701.

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

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

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

1 (k) “Qualified offshore wind project” means a wind turbine electricity generation
2 facility, including the associated transmission–related interconnection facilities and
3 equipment, that:

4 (1) is located:

5 (I) on the outer continental shelf of the Atlantic Ocean in an area
6 that the United States Department of the Interior designates for leasing [after coordination
7 and consultation with the State in accordance with § 388(a) of the Energy Policy Act of
8 2005]; AND

9 (II) MORE THAN 10 MILES OFF THE COAST OF THE STATE FOR A
10 PROJECT SELECTED UNDER § 7–704.4 OF THIS SUBTITLE OR APPROVED UNDER §
11 7–704.1 OF THIS SUBTITLE AFTER JUNE 1, 2023; and

12 (2) interconnects to the PJM Interconnection grid:

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

14 (II) THROUGH AN OFFSHORE WIND TRANSMISSION PROJECT
15 SELECTED UNDER § 7–704.3 OF THIS SUBTITLE.

16 7–704.1.

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

18 (I) **THE STATE HAS A GOAL OF REACHING 8,500 MEGAWATTS OF**
19 **OFFSHORE WIND ENERGY CAPACITY BY 2031, INCLUDING ROUND 1 OFFSHORE WIND**
20 **PROJECTS, ROUND 2 OFFSHORE WIND PROJECTS, AND ANY OTHER PROCUREMENT**
21 **EFFORTS;**

22 (II) **THE GENERAL ASSEMBLY ANTICIPATES THE ISSUANCE OF**
23 **SUFFICIENT WIND ENERGY LEASES IN THE CENTRAL ATLANTIC REGION TO SATISFY**
24 **THE GOAL STATED IN ITEM (I) OF THIS PARAGRAPH;**

25 [(i)] (III) **the development of offshore wind energy is important to**
26 **the economic well–being of the State and the nation; [and]**

27 (IV) **OFFSHORE WIND CAN PROVIDE CLEAN ENERGY AT THE**
28 **SCALE NEEDED TO HELP ACHIEVE THE STATE’S ECONOMY–WIDE NET–ZERO**
29 **GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED IN CHAPTER 38**
30 **OF THE ACTS OF THE GENERAL ASSEMBLY OF 2022; AND**

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

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

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

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

7 4. provide a long-term hedge against volatile prices of fossil
8 fuels.

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

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

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

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

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

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

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

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

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

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

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

4 (c) An application shall include:

5 (1) a detailed description and financial analysis of the offshore wind
6 project;

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

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

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

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

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

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

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

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

25 (vii) other benefits, such as increased in–State construction,
26 operations, maintenance, and equipment purchase;

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

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

32 (6) a commitment to:

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

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

6 (7) a description of the applicant’s plan for engaging small businesses, as
7 defined in § 14–501 of the State Finance and Procurement Article;

8 (8) a commitment that the applicant will:

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

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

16 (9) any other information the Commission requires.

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

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

21 **(2) A PROPOSAL ~~FILED AND APPROVED IN ACCORDANCE WITH~~**
22 **SELECTED BY THE COMMISSION UNDER § 7–704.3 OF THIS SUBTITLE FOR AN**
23 **OFFSHORE WIND TRANSMISSION PROJECT.**

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

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

28 (ii) potential reductions in transmission congestion prices within the
29 State;

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

31 (iv) potential reductions in locational marginal pricing;

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

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

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

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

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

18 (x) the extent to which an applicant's plan provides for
19 compensation to its employees and subcontractors consistent with wages outlined under §§
20 17-201 through 17-228 of the State Finance and Procurement Article;

21 (xi) siting and project feasibility;

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

24 (xiii) estimated ability to assist in meeting the renewable energy
25 portfolio standard under § 7-703 of this subtitle; and

26 (xiv) any other criteria that the Commission determines to be
27 appropriate.

28 (2) In evaluating and comparing an applicant's proposed offshore wind
29 project under paragraph (1) of this subsection, the Commission shall contract for the
30 services of independent consultants and experts.

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

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

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

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

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

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

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

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

27 (5) As a condition of the Commission’s approval of the offshore wind
28 project, the applicant shall sign a memorandum of understanding with the Commission
29 and skilled labor organizations that requires the applicant to follow the portions of the
30 applicant’s plan that relate to the criteria set forth in paragraph (1)(viii) and (ix) of this
31 subsection.

32 [(e)] (F) (1) (i) In this paragraph, “community benefit agreement” means
33 an agreement applicable to the development of any qualified offshore wind project **OR**
34 **OFFSHORE WIND TRANSMISSION FACILITY** that:

35 1. promotes increased opportunities for local businesses and
36 small, minority, women–owned, and veteran–owned businesses in the clean energy
37 industry;

1 **APPRENTICESHIP PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND**
2 **EMPLOYMENT ARTICLE.**

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

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

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

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

16 B. the projected net rate impact for all nonresidential
17 customers considered as a blended average, combined with the projected net rate impact of
18 other Round 1 offshore wind projects, does not exceed 1.5% of nonresidential customers'
19 total annual electric bills, over the duration of the proposed OREC pricing schedule; and

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

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

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

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

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

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

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

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

8 **(I) GUARANTEE AGAINST STRIKES, LOCKOUTS, AND SIMILAR**
 9 **DISRUPTIONS;**

10 **(II) ENSURE THAT ALL WORK ON THE PROJECT FULLY**
 11 **CONFORMS TO ALL RELEVANT STATE AND FEDERAL LAWS, RULES, AND**
 12 **REGULATIONS;**

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

15 **(IV) SET FORTH OTHER MECHANISMS FOR**
 16 **LABOR-MANAGEMENT COOPERATION ON MATTERS OF MUTUAL INTEREST AND**
 17 **CONCERN, INCLUDING PRODUCTIVITY, QUALITY OF WORK, SAFETY, AND HEALTH;**
 18 **AND**

19 **(V) BIND ALL CONTRACTORS AND SUBCONTRACTORS TO THE**
 20 **TERMS OF THE AGREEMENT THROUGH THE INCLUSION OF APPROPRIATE**
 21 **PROVISIONS IN ALL RELEVANT SOLICITATION AND CONTRACT DOCUMENTS.**

22 **[(f)] (G)** (1) An order the Commission issues approving a proposed offshore
 23 wind project shall:

24 (i) specify the OREC price schedule, which may not authorize an
 25 OREC price greater than, for a Round 1 offshore wind project, \$190 per megawatt-hour in
 26 2012 dollars;

27 (ii) specify the duration of the OREC pricing schedule, not to exceed
 28 20 years;

29 (iii) specify the number of ORECs the offshore wind project may sell
 30 each year;

31 (iv) provide that:

32 1. a payment may not be made for an OREC until electricity
 33 supply is generated by the offshore wind project; and

1 2. ratepayers, purchasers of ORECs, and the State shall be
2 held harmless for any cost overruns associated with the offshore wind project; and

3 (v) require that any debt instrument issued in connection with a
4 qualified offshore wind project include language specifying that the debt instrument does
5 not establish a debt, obligation, or liability of the State.

6 (2) An order approving a proposed offshore wind project vests the owner of
7 the qualified offshore wind project with the right to receive payments for ORECs according
8 to the terms in the order.

9 (3) On or before March 1 each year, the Commission shall report to the
10 Governor and, in accordance with § 2–1257 of the State Government Article, to the Senate
11 ~~Finance~~ Committee **ON EDUCATION, ENERGY, AND THE ENVIRONMENT** and the House
12 Economic Matters Committee on:

13 (i) compliance by applicants with the minority business enterprise
14 participation goals under subsection [(d)(4)] **(E)(4)** of this section; and

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

17 1. the availability and use of opportunities for local
18 businesses and small, minority, women–owned, and veteran–owned businesses;

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

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

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

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

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

31 [(h)] **(I)** (1) Within 60 days after the Commission approves the application of
32 a proposed offshore wind project, the qualified offshore wind project shall deposit

1 \$2,000,000 into the Maryland Offshore Wind Business Development Fund established
2 under § 9–20C–03 of the State Government Article.

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

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

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

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

15 (3) (i) On or before 6 months after the issuance of an order approving
16 an OREC application, the Governor’s Office of Small, Minority, and Women Business
17 Affairs, in consultation with the Office of the Attorney General and an approved applicant,
18 shall establish a clear plan for setting reasonable and appropriate minority business
19 enterprise participation goals and procedures for each phase of the qualified offshore wind
20 project.

21 (ii) To the extent practicable, the goals and procedures specified in
22 subparagraph (i) of this paragraph shall be based on the requirements of Title 14, Subtitle
23 3 of the State Finance and Procurement Article and the regulations implementing that
24 subtitle.

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

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

31 **(K) (1) A DEVELOPER OF A ROUND 1 OFFSHORE WIND PROJECT OR**
32 **ROUND 2 OFFSHORE WIND PROJECT APPROVED UNDER THIS SECTION MAY APPLY**
33 **TO THE COMMISSION FOR AN EXEMPTION FROM THE REQUIREMENTS IN**
34 **SUBSECTION (C)(8)(II) OF THIS SECTION FOR ANY FEDERAL INFLATION REDUCTION**
35 **ACT OF 2022 GRANTS, REBATES, TAX CREDITS, OR LOAN GUARANTEES RECEIVED BY**
36 **THE PROJECT IF AT LEAST 15% OF THE TOTAL LABOR HOURS OF CONSTRUCTION,**
37 **ALTERATION, OR REPAIR WORK FOR THE PROJECT, INCLUDING ANY**

1 CONSTRUCTION, ALTERATION, OR REPAIR WORK PERFORMED BY A CONTRACTOR OR
2 SUBCONTRACTOR, IS PERFORMED BY QUALIFIED APPRENTICES CONSISTENT WITH
3 FEDERAL LAW.

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

7 (3) THE COMMISSION SHALL:

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

10 (II) SUBJECT TO PARAGRAPH (4) OF THIS SUBSECTION,
11 APPROVE, DENY, OR REQUEST ADDITIONAL INFORMATION REGARDING AN
12 APPLICATION SUBMITTED UNDER THIS SUBSECTION WITHIN 45 DAYS AFTER
13 RECEIPT OF THE APPLICATION;

14 (III) IN EVALUATING AN APPLICATION SUBMITTED UNDER THIS
15 SUBSECTION, TAKE INTO CONSIDERATION THE POTENTIAL BENEFITS AND IMPACTS
16 OF APPROVING THE APPLICATION, INCLUDING:

17 1. THE STATE'S GOALS FOR DEVELOPING OFFSHORE
18 WIND ENERGY;

19 2. WORKFORCE AND SUPPLY CHAIN IMPACTS; AND

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

22 (IV) KEEP ANY PROPRIETARY INFORMATION SUBMITTED BY AN
23 APPLICANT CONFIDENTIAL.

24 (4) A REQUEST MADE BY THE COMMISSION FOR ADDITIONAL
25 INFORMATION UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION SHALL RESTART A
26 NEW 45-DAY PERIOD OF REVIEW.

27 **7-704.3.**

28 **(A) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS IN THE**
29 **PUBLIC INTEREST TO UPGRADE AND EXPAND THE TRANSMISSION SYSTEM TO**
30 **ACCOMMODATE THE BUILDOUT OF AT LEAST 8,500 MEGAWATTS OF OFFSHORE WIND**
31 **ENERGY FROM QUALIFIED OFFSHORE WIND PROJECTS SERVING THE STATE BY**
32 **2031.**

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

7 ~~(H) IN CONDUCTING THE ANALYSIS REQUIRED UNDER~~
8 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE~~

9 (2) THE COMMISSION:

10 (I) SHALL CONSULT WITH OTHER STATES SERVED BY PJM
11 INTERCONNECTION TO EVALUATE REGIONAL TRANSMISSION COOPERATION THAT
12 COULD HELP ACHIEVE THE STATE'S RENEWABLE ENERGY AND OFFSHORE WIND
13 ENERGY GOALS WITH GREATER EFFICIENCY;

14 (II) SHALL WORK WITH PJM INTERCONNECTION TO ENSURE
15 THAT THE ANALYSIS REQUESTED UNDER PARAGRAPH (1) OF THIS SUBSECTION
16 INCLUDES AN ANALYSIS OF SOLUTIONS THAT:

17 1. USE AN OPEN-ACCESS COLLECTOR TRANSMISSION
18 SYSTEM TO ALLOW FOR THE INTERCONNECTION OF MULTIPLE QUALIFIED
19 OFFSHORE WIND PROJECTS AT A SINGLE SUBSTATION;

20 2. AVOID A SIGNIFICANT OUTAGE, OR SINGLE
21 CONTINGENCY, OF ANY PART OF THE TRANSMISSION SYSTEM;

22 3. REDUCE PERMITTING RISKS, IMPACTS ON
23 COMMUNITIES, AND UNNECESSARY HIGH COSTS;

24 4. LEVERAGE EXISTING INFRASTRUCTURE;

25 5. OFFER BENEFITS THAT ADDRESS ADDITIONAL GRID
26 CHALLENGES; AND

27 6. ADDRESS ANY OTHER ISSUES THAT THE COMMISSION
28 IDENTIFIES; AND

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

1 ~~(2)~~ **(3)** THE COMMISSION MAY ENTER INTO ANY NECESSARY
2 AGREEMENTS WITH PJM INTERCONNECTION FOR TRANSMISSION PLANNING TO:

3 (I) ~~FURTHER THE COMMISSION'S~~ INITIATE PJM
4 INTERCONNECTION'S ANALYSIS; OR

5 (II) ASSIST WITH THE SOLICITATION OF PROPOSALS FOR
6 OFFSHORE WIND TRANSMISSION PROJECTS.

7 ~~(3)~~ **(4)** ON OR BEFORE JULY 1, 2024, THE COMMISSION SHALL
8 SUBMIT ~~ITS COMPLETED~~ A STATUS UPDATE ON THE ANALYSIS REQUESTED UNDER
9 PARAGRAPH (1) OF THIS SUBSECTION TO THE GENERAL ASSEMBLY, IN
10 ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

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

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

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

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

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

28 (3) MAY CONSULT WITH THE ADMINISTRATION, ELECTRIC
29 COMPANIES, TRANSMISSION FACILITY OWNERS, AND OTHER STATES OR ENTITIES
30 DESIGNATED BY THOSE STATES IN DEVELOPING OR COORDINATING EQUIVALENT
31 STANDARDS FOR THE APPROVAL OF TRANSMISSION PROJECTS UNDER THIS
32 SECTION THAT WILL FACILITATE THE INTEGRATION OF MULTIPLE OFFSHORE WIND
33 ENERGY PROJECTS AND POTENTIAL MULTISTATE OFFSHORE WIND TRANSMISSION
34 PROJECTS.

1 **(E) (1) THE COMMISSION SHALL INCLUDE, OR WORK WITH PJM**
2 **INTERCONNECTION TO INCLUDE, SPECIFICATIONS IN THE SOLICITATION THAT**
3 **REQUIRE PROPOSALS TO:**

4 **(I) ALLOW FUTURE TRANSMISSION LINES TO CONNECT IN A**
5 **MESHED MANNER AND SHARE LANDING POINTS;**

6 **(II) CONSIDER OTHER ONSHORE AND OFFSHORE CLEAN**
7 **ENERGY GENERATION AND STORAGE FACILITIES; ~~AND~~**

8 **(III) INCORPORATE COMMUNITY BENEFIT AGREEMENTS IN**
9 **ACCORDANCE WITH § 7-704.1 OF THIS SUBTITLE;**

10 **(IV) ADDRESS THE SITING, ENVIRONMENTAL, AND**
11 **SOCIOECONOMIC INFORMATION REQUIRED TO BE CONSIDERED BY THE**
12 **COMMISSION UNDER § 7-207 OF THIS TITLE FOR AN APPLICATION FOR A**
13 **CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; AND**

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

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

20 **(I) UPGRADING THE EXISTING TRANSMISSION GRID;**

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

23 **(III) INTERCONNECTING BETWEEN OFFSHORE SUBSTATIONS;**

24 **(IV) ADDING ENERGY STORAGE; AND**

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

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

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

1 (II) COST SHARING AMONG STATES OR RECOVERY OF
2 TRANSMISSION COSTS THROUGH FEDERAL TRANSMISSION RATES, CONSISTENT
3 WITH THE POLICIES AND TARIFFS OF THE FEDERAL ENERGY REGULATORY
4 COMMISSION;

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

7 (IV) ANY OTHER AVAILABLE FUNDING MECHANISMS.

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

11 (I) UNDER THE FEDERAL INFRASTRUCTURE INVESTMENT AND
12 JOBS ACT;

13 (II) UNDER THE FEDERAL INFLATION REDUCTION ACT OF
14 2022;

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

17 (IV) THROUGH ANY LOAN PROGRAMS, OFFICE PROGRAMS, OR
18 RESILIENCY FUNDING.

19 (5) (I) EACH PROPOSAL SHALL INCLUDE A COST-BENEFIT
20 ANALYSIS TO DEMONSTRATE THE OVERALL BENEFITS OF THE PROPOSAL TO THE
21 STATE AND TO RATEPAYERS.

22 (II) THE COST-BENEFIT ANALYSIS REQUIRED UNDER
23 SUBPARAGRAPH (I) OF THIS PARAGRAPH SHALL INCLUDE AN ASSESSMENT OF
24 POTENTIAL COST ALLOCATION BETWEEN STATES.

25 (F) THE SOLICITATION PROCESS SHALL:

26 (1) INCLUDE A PREQUALIFICATION PROCESS TO ENSURE THE
27 FINANCIAL AND TECHNICAL COMPETENCE AND CAPABILITIES OF THE ENTITIES
28 RESPONDING TO THE SOLICITATION FOR PROPOSALS;

29 (2) PROVIDE FOR RIGOROUS SEPARATION BETWEEN INDIVIDUALS OR
30 FIRMS PARTICIPATING IN THE REVIEW, ANALYSIS, AND SELECTION OF THE
31 PROPOSALS BY OR ON BEHALF OF THE COMMISSION AND THOSE PARTICIPATING IN
32 THE DEVELOPMENT OR MANAGEMENT OF PROPOSALS; AND

1 **(3) PROMOTE RIGOROUS COMPETITION AMONG PREQUALIFIED**
2 **ENTITIES IN THE PREPARATION AND SUBMISSION OF THEIR PROPOSALS.**

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

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

10 **(1) MAINTAIN ELECTRIC SYSTEM RELIABILITY;**

11 **(2) ~~AVOID UNNECESSARY UPGRADE COSTS TO THE EXISTING~~**
12 **~~TRANSMISSION GRID;~~**

13 **~~(3)~~ ACHIEVE THE STATE'S OFFSHORE WIND, RENEWABLE ENERGY,**
14 **AND DECARBONIZATION GOALS;**

15 **~~(4)~~ (3) OBTAIN DEMONSTRABLE BENEFITS TO THE CONSUMER AND**
16 **ENVIRONMENT; AND**

17 **~~(5)~~ (4) FOSTER ECONOMIC DEVELOPMENT AND JOB CREATION IN**
18 **THE STATE.**

19 **(I) THE COMMISSION SHALL:**

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

23 **(2) AFTER NOTICE AND AN EVIDENTIARY HEARING, AND SUBJECT TO**
24 **SUBSECTION (J) OF THIS SECTION, ON OR BEFORE ~~JULY~~ DECEMBER 1, 2026 2027,**
25 **SELECT A PROPOSAL OR PROPOSALS FOR DEVELOPMENT USING A FUNDING**
26 **MECHANISM OR COMBINATION OF FUNDING MECHANISMS IDENTIFIED IN**
27 **SUBSECTION (E)(3) OF THIS SECTION.**

28 **(J) IF THE COMMISSION FINDS THAT NONE OF THE PROPOSALS ARE**
29 **BENEFICIALLY COST-EFFECTIVE OR ADEQUATELY SUPPORT THE GOALS**
30 **ESTABLISHED UNDER THIS SECTION, THEN THE COMMISSION MAY END THE**
31 **SOLICITATION PROCESS WITHOUT SELECTING A PROPOSAL.**

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

3 **(I) ADOPT CONDITIONS FOR THE CONSTRUCTION AND**
 4 **OPERATION OF FACILITIES INCLUDED IN THE PROPOSAL; AND**

5 **(II) CONSIDER ANY CONDITIONS PROPOSED BY THE POWER**
 6 **PLANT RESEARCH PROGRAM.**

7 **(2) THE REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC**
 8 **CONVENIENCE AND NECESSITY UNDER § 7-207 OF THIS TITLE DOES NOT APPLY TO**
 9 **A PROPOSAL SELECTED UNDER SUBSECTION (I) OF THIS SECTION.**

10 **(L) EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION, A A**
 11 **PROPOSAL ~~APPROVED~~ SELECTED UNDER THIS SECTION IS SUBJECT TO ALL OTHER**
 12 **RELEVANT REQUIREMENTS FOR THE SITING AND CONSTRUCTION OF TRANSMISSION**
 13 **LINES, ~~INCLUDING ANY REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC~~**
 14 **CONVENIENCE AND NECESSITY.**

15 **~~(L)~~ (M) SELECTION OF COORDINATED TRANSMISSION PROPOSALS MAY**
 16 **NOT IMPACT THE INTERCONNECTION PLANS OF EARLIER OFFSHORE WIND**
 17 **PROJECTS, INCLUDING OCS-A 0490 (US WIND) AND OCS-A 0519 (SKIPJACK),**
 18 **UNLESS THE LEASEHOLDERS FOR THESE PROJECTS OPT TO PARTICIPATE IN THE**
 19 **PROPOSAL BY NOTIFYING THE COMMISSION BY MAIL OR E-MAIL BEFORE THE**
 20 **COMPLETION OF THE ANALYSIS OF TRANSMISSION SYSTEM EXPANSION OPTIONS**
 21 **UNDER SUBSECTION (B) OF THIS SECTION.**

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

26 **(1) PROVIDES A COMPREHENSIVE EXPLANATION OF THE**
 27 **COMMISSION'S ~~DECISION~~ DETERMINATION; AND**

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

30 **~~(N)~~ (O) AFTER THE COMMISSION SELECTS A PROPOSAL OR PROPOSALS,**
 31 **THE COMMISSION SHALL WORK WITH THE MARYLAND ENERGY ADMINISTRATION,**
 32 **TRANSMISSION DEVELOPER OR DEVELOPERS, TRANSMISSION FACILITY OWNERS,**
 33 **PJM INTERCONNECTION, THE FEDERAL ENERGY REGULATORY COMMISSION, AND**
 34 **ANY OTHER STATES THAT VOLUNTARILY PARTICIPATE, TO FACILITATE THE**

1 DEVELOPMENT OF THE PROPOSAL OR PROPOSALS AND THE CONSTRUCTION OF THE
2 PROPOSED OFFSHORE WIND PROJECT OR PROJECTS.

3 ~~(e)~~ (p) THE COMMISSION:

4 (1) SHALL CARRY OUT THE PROVISIONS OF THIS SECTION BY
5 OBTAINING INFORMATION THROUGH REQUEST, COOPERATION, SUBPOENA, OR ANY
6 OTHER LEGAL METHOD FROM TRANSMISSION OWNERS, PJM INTERCONNECTION,
7 OR ANY OTHER ENTITY; AND

8 (2) MAY RETAIN CONSULTANTS.

9 7-704.4.

10 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
11 INDICATED.

12 (2) "COMMUNITY BENEFIT AGREEMENT" HAS THE MEANING STATED
13 IN § 7-704.1(E) OF THIS SUBTITLE.

14 (3) "SOCIAL COST OF GREENHOUSE GASES" MEANS THE MOST
15 RECENT SOCIAL COST OF GREENHOUSE GASES ADOPTED BY THE U.S.
16 ENVIRONMENTAL PROTECTION AGENCY.

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

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

27 (3) WHEN ISSUING THE INVITATION FOR BIDS UNDER THIS
28 SUBSECTION, THE DEPARTMENT SHALL TAKE INTO CONSIDERATION:

29 (I) THE SOCIAL COST OF GREENHOUSE GAS EMISSIONS;

30 (II) THE STATE'S CLIMATE COMMITMENTS; AND

1 (III) THE STATE'S COMMITMENTS UNDER § 7-704.1(A) OF THIS
2 SUBTITLE.

3 (4) THE EVALUATION CRITERIA FOR BIDS SHALL INCLUDE:

4 (I) COMPARING THE SOCIAL COST OF GREENHOUSE GAS
5 EMISSIONS FOR OFFSHORE WIND WITH THE SOCIAL COST OF GREENHOUSE GAS
6 EMISSIONS FOR NONRENEWABLE POWER PURCHASED FROM WHOLESALE ELECTRIC
7 MARKETS ADMINISTERED BY PJM INTERCONNECTION; AND

8 (II) THE EXTENT TO WHICH AN APPLICANT'S PROPOSAL
9 PROVIDES FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT MONITORING
10 AND MITIGATION OF WILDLIFE AND HABITAT IMPACTS ASSOCIATED WITH THE
11 PROPOSED OFFSHORE WIND PROJECT.

12 (5) EACH AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF
13 THIS SUBSECTION SHALL INCLUDE:

14 (I) A COMMUNITY BENEFIT AGREEMENT AND DOMESTIC
15 CONTENT PREFERENCES; AND

16 (II) A DESCRIPTION OF:

17 1. INITIAL PLANS FOR MITIGATING THE IMPACTS OF THE
18 CONSTRUCTION AND OPERATION OF THE PROPOSED OFFSHORE WIND PROJECT ON
19 FISHERIES AND THE ENVIRONMENT; AND

20 2. THE EXTENT TO WHICH AN APPLICANT WILL PROVIDE
21 FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT THE MONITORING AND
22 MITIGATION OF WILDLIFE AND HABITAT IMPACTS ASSOCIATED WITH THE PROJECT.

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

25 (2) (I) THE STATE SHALL USE THE ENERGY PROCURED UNDER
26 SUBSECTION (B) OF THIS SECTION TO MEET THE STATE'S ENERGY NEEDS AND
27 RETIRE THE ASSOCIATED RENEWABLE ENERGY CREDITS TO MEET ITS OBLIGATIONS
28 UNDER THE RENEWABLE ENERGY PORTFOLIO STANDARD AND CHAPTER 38 OF THE
29 ACTS OF THE GENERAL ASSEMBLY OF 2022.

30 (II) THE STATE SHALL BE EXEMPTED FROM THE RENEWABLE
31 ENERGY PORTFOLIO STANDARD REQUIREMENTS UNDER § 7-703 OF THIS SUBTITLE
32 IF THE DEPARTMENT OF GENERAL SERVICES PROCURES 100% OF THE STATE'S

1 ENERGY NEEDS FROM THE POWER PURCHASE AGREEMENT REQUIRED UNDER
2 SUBSECTION (B) OF THIS SECTION.

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

9 (D) THE STATE SHALL:

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

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

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

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

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

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

23 (F) (1) WITHIN 90 DAYS AFTER THE OPERATIONAL COMMENCEMENT
24 DATE OF THE POWER PURCHASE AGREEMENT, ANY CONTRACTOR PROVIDING
25 OPERATIONS AND MAINTENANCE SERVICES UNDER AN AGREEMENT WITH THE
26 DEPARTMENT OF GENERAL SERVICES SHALL SUBMIT TO THE DEPARTMENT
27 ATTESTATION THAT THE CONTRACTOR HAS ENTERED INTO A LABOR PEACE
28 AGREEMENT WITH EACH LABOR ORGANIZATION THAT IS ACTIVELY ENGAGED IN
29 REPRESENTING OR ATTEMPTING TO REPRESENT EMPLOYEES PERFORMING
30 OPERATIONS AND MAINTENANCE WORK ON THE PROJECTS THAT:

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

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

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

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

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

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

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

13 (II) MAINTAINED AS AN ONGOING MATERIAL CONDITION OF ANY
14 CONTINUATION OF PAYMENTS UNDER ANY AGREEMENT REQUIRED BY THIS
15 SUBSECTION.

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

19 7-704.5.

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

25 (B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION
26 SHALL INCLUDE:

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

29 (2) INFORMATION ON PARTICIPATING OFFSHORE WIND DEVELOPERS;

30 (3) PARTICIPATION OF SMALL, MINORITY, WOMEN-OWNED, AND
31 VETERAN-OWNED BUSINESSES IN OFFSHORE WIND PROJECTS, INCLUDING:

1 (I) THE NUMBER OF SMALL, MINORITY, WOMEN-OWNED, AND
2 VETERAN-OWNED BUSINESSES THAT RECEIVE CONTRACTS OR SUBCONTRACTS FOR
3 OFFSHORE WIND PROJECTS; AND

4 (II) THE PERCENTAGE OF CONTRACTORS AND
5 SUBCONTRACTORS ON OFFSHORE WIND PROJECTS THAT ARE SMALL, MINORITY,
6 WOMEN-OWNED, OR VETERAN-OWNED BUSINESSES; AND

7 (4) PLANS TO INCREASE FUTURE PARTICIPATION OF SMALL,
8 MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES IN OFFSHORE WIND
9 PROJECTS.

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

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

16 (2) notwithstanding any other provision of law, for fiscal year 2025, the
17 Governor may include in the annual budget bill an appropriation of not less than
18 \$3,500,000 of additional funding to the budget of the Public Service Commission for the
19 studies and analyses required under § 7-704.3 of the Public Utilities Article, as enacted by
20 Section 1 of this Act.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect June
22 1, 2023.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.