

## Chapter 95

## (Senate Bill 781)

AN ACT concerning

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

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

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

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

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

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

(1) is located:

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

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

(2) interconnects to the PJM Interconnection grid:

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

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

7-704.1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) An application shall include:

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

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

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

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

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

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

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

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

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

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

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

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

(6) a commitment to:

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

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

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

(8) a commitment that the applicant will:

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

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

(9) any other information the Commission requires.

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

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

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

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

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

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

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

- (iv) potential reductions in locational marginal pricing;
  - (v) potential long-term changes in capacity prices within the State from the offshore wind project as it compares to conventional energy sources;
  - (vi) the extent to which the cost-benefit analysis submitted under subsection (c)(3) of this section demonstrates positive net economic, environmental, and health benefits to the State;
  - (vii) the extent to which an applicant's plan for engaging small businesses meets the goals specified in Title 14, Subtitle 5 of the State Finance and Procurement Article;
  - (viii) the extent to which an applicant's plan provides for the use of skilled labor, particularly with regard to the construction and manufacturing components of the project, through outreach, hiring, or referral systems that are affiliated with registered apprenticeship programs under Title 11, Subtitle 4 of the Labor and Employment Article;
  - (ix) the extent to which an applicant's plan provides for the use of an agreement designed to ensure the use of skilled labor and to promote the prompt, efficient, and safe completion of the project, particularly with regard to the construction, manufacturing, and maintenance of the project;
  - (x) the extent to which an applicant's plan provides for compensation to its employees and subcontractors consistent with wages outlined under §§ 17-201 through 17-228 of the State Finance and Procurement Article;
  - (xi) siting and project feasibility;
  - (xii) the extent to which the proposed offshore wind project would require transmission or distribution infrastructure improvements in the State;
  - (xiii) estimated ability to assist in meeting the renewable energy portfolio standard under § 7-703 of this subtitle; and
  - (xiv) any other criteria that the Commission determines to be appropriate.
- (2) In evaluating and comparing an applicant's proposed offshore wind project under paragraph (1) of this subsection, the Commission shall contract for the services of independent consultants and experts.
- (3) The Commission shall verify that representatives of the United States Department of Defense and the maritime industry have had the opportunity, through the federal leasing process, to express concerns regarding project siting.

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

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

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

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

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

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

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

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

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

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



industry, ~~INCLUDING THE USE OF A PREFERENCE GIVEN TO BUSINESSES THAT ARE CERTIFIED UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE PROGRAM;~~

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

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

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

I. IS WITH ONE OR MORE LABOR ORGANIZATIONS; AND

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

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

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

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

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

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

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

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

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

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

1. for a Round 1 offshore wind project application:

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

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

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

2. for a Round 2 offshore wind project application:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iv) provide that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(3) THE COMMISSION SHALL:

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

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

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

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

2. WORKFORCE AND SUPPLY CHAIN IMPACTS; AND

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

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

(4) ~~A REQUEST MADE BY THE COMMISSION FOR ADDITIONAL INFORMATION UNDER PARAGRAPH (3)(II) OF THIS SUBSECTION SHALL RESTART A~~

~~NEW 45-DAY PERIOD OF REVIEW~~ IF THE COMMISSION APPROVES A PARTIAL EXEMPTION UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE NONEXEMPT VALUE OF ANY FEDERAL INFLATION REDUCTION ACT OF 2022 GRANTS, REBATES, TAX CREDITS, OR LOAN GUARANTEES RECEIVED BY THE PROJECT SHALL BE PASSED ALONG TO RATEPAYERS.

7-704.3.

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

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

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

(2) THE COMMISSION:

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

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

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

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

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

4. LEVERAGE EXISTING INFRASTRUCTURE;
5. OFFER BENEFITS THAT ADDRESS ADDITIONAL GRID CHALLENGES; AND
6. ADDRESS ANY OTHER ISSUES THAT THE COMMISSION IDENTIFIES; AND

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

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

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

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

~~(3)~~ (4) ON OR BEFORE ~~JULY 1, 2024~~ JULY 1, 2025, THE COMMISSION SHALL SUBMIT ~~ITS COMPLETED~~ A STATUS UPDATE ON THE ANALYSIS REQUESTED UNDER PARAGRAPH (1) OF THIS SUBSECTION TO THE GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**(IV) ANY OTHER AVAILABLE FUNDING MECHANISMS.**

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

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

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

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

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

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

~~(ii) THE COST-BENEFIT ANALYSIS REQUIRED UNDER SUBPARAGRAPH (i) OF THIS PARAGRAPH SHALL INCLUDE AN ASSESSMENT OF POTENTIAL COST ALLOCATION BETWEEN STATES.~~

(F) THE SOLICITATION PROCESS SHALL:

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

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

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

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

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

(1) MAINTAIN ELECTRIC SYSTEM RELIABILITY;

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

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

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

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

(I) THE COMMISSION SHALL:

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

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

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

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

(J) IF THE COMMISSION FINDS THAT NONE OF THE PROPOSALS ~~ARE BENEFICIALLY COST EFFECTIVE OR~~ ADEQUATELY SUPPORT THE GOALS ESTABLISHED UNDER THIS SECTION OR DEMONSTRATE NET BENEFITS TO RATEPAYERS IN THE STATE WHEN COMPARED WITH AN ALTERNATIVE BASELINE SCENARIO UNDER SUBSECTION (E)(1)(V) OF THIS SECTION, THEN THE COMMISSION MAY END THE SOLICITATION PROCESS WITHOUT SELECTING A PROPOSAL.

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

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

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

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

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

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

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

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

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

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

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

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

**(1) SHALL CARRY OUT THE PROVISIONS OF THIS SECTION BY OBTAINING INFORMATION THROUGH REQUEST, COOPERATION, SUBPOENA, OR ANY**

OTHER LEGAL METHOD FROM TRANSMISSION OWNERS, PJM INTERCONNECTION, OR ANY OTHER ENTITY; AND

(2) MAY RETAIN CONSULTANTS.

7-704.4.

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

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

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

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

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

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

(I) THE SOCIAL COST OF GREENHOUSE GAS EMISSIONS;

(II) THE STATE’S CLIMATE COMMITMENTS; AND

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

(4) THE EVALUATION CRITERIA FOR BIDS SHALL INCLUDE:

(I) COMPARING THE SOCIAL COST OF GREENHOUSE GAS EMISSIONS FOR OFFSHORE WIND WITH THE SOCIAL COST OF GREENHOUSE GAS

**EMISSIONS FOR NONRENEWABLE POWER PURCHASED FROM WHOLESALE ELECTRIC MARKETS ADMINISTERED BY PJM INTERCONNECTION; AND**

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

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

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

**(II) A DESCRIPTION OF:**

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

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

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

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

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

**(3) THE STATE SHALL OFFER FOR SALE ANY ENERGY OR RENEWABLE ENERGY CREDITS REMAINING AFTER THE REQUIREMENTS UNDER PARAGRAPH (2) OF THIS SUBSECTION HAVE BEEN MET ON THE COMPETITIVE WHOLESALE POWER MARKET OPERATED BY PJM INTERCONNECTION, THROUGH BILATERAL SALES TO**

CREDIT-WORTHY COUNTERPARTIES, OR INTO RENEWABLE ENERGY CREDIT MARKETS.

**(D) THE STATE SHALL:**

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

7-704.5.

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

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

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

(2) INFORMATION ON PARTICIPATING OFFSHORE WIND DEVELOPERS;

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

(I) THE NUMBER 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; AND**~~

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

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

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

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

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

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

~~**(a) The certification agency designated by the Board of Public Works under § 14-303(b) of the State Finance and Procurement Article and the Governor's Office of Small, Minority, and Women Business Affairs, in consultation with the Public Service Commission, 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 by the Governor, April 21, 2023.**