



House Bill 622

Electricity – Offshore Renewable Energy Credits

DATE: February 24, 2022

POSITION: INFORMATION

As Maryland's leader in offshore wind development, US Wind, Inc. ("US Wind") offers this letter of information on HB 622. US Wind has had a very good and constructive conversation about this bill with the Senate sponsor, Vice-Chair Feldman, and has also spoken with the bill's proponent, Vistra, as well as the Public Service Commission's staff, to gain a better understanding of the bill's intent. US Wind is grateful for all of these conversations.

Since the Maryland General Assembly passed the Maryland Offshore Wind Development Act in 2013, the General Assembly has continued to reaffirm its commitment to offshore wind and the use of the Offshore Renewable Energy Credit (OREC) system. The Clean Energy Jobs Act (CEJA) of 2019 reaffirmed a commitment to that OREC system, and just this past year, the Public Service Commission (PSC) used that system to award 1,600 MWs worth of ORECs to two offshore wind developers, including US Wind. That action, based on your vision and the current OREC system, reasserted the state of Maryland's leadership role once again in the booming American offshore wind industry.

Without commenting on the substance of this bill, US Wind believes it uses the legislature to supersede other stakeholders in the OREC program, as well as the Public Service Commission. Specifically, the Public Service Commission convened a rulemaking on OREC revisions during the fall of 2021, during which all of the stakeholders in the process, including, of course, the offshore wind developers, were invited to submit comments. Many comments were received from all of the stakeholders about different parts of the OREC program, including those that are proposed in HB 622.

In December 2021, the Public Service Commission convened the public on the topic, but rather than have a hearing, the Commission chose to stay the rulemaking until a future date to be determined. Nonetheless, all of the parties were at the table and prepared to engage in a robust discussion with each other and the Public Service Commission about various components of the OREC program that may require tweaking or modification. All of the parties expected to have, and continue to expect to have, that more robust conversation with the Public Service Commission at a future time.

Through this bill, the proponents seek to highlight and elevate their issue among the many other issues from the many other stakeholders in this process. Without this more complete conversation, US Wind is concerned that this particular legislation elevates one stakeholder interest over the other stakeholders and may create a ripple effect in the overall OREC regulations that may not be desirable. Making this

one change without a fuller discussion on how this one change affects all stakeholders seems to circumvent the established process.

For these reasons, we wanted to provide this information for your consideration. Thank you for your attention to this matter.

About US Wind, Inc.

US Wind was founded in 2011 and has established itself as Maryland's leader in offshore wind development. In 2014, US Wind acquired an 80,000-acre federal Lease area off the coast of Maryland. In 2017, Maryland approved the company's 270 MW MarWin project and, in 2021, the state approved the 808 MW Momentum Wind project. US Wind is majority-owned by Renexia SpA, a leader in renewable energy development in Italy and a subsidiary of Toto Holding SpA. Toto Holding SpA has more than 40 years of experience specializing in large construction and infrastructure projects, primarily in the energy, transportation, and aviation sectors. In 2020, Apollo Global Management, an investment firm with \$400 billion in assets under management, made their first global offshore wind investment in US Wind.
