

BENJAMIN BROOKS
Legislative District 10
Baltimore County

CHIEF DEPUTY MAJORITY WHIP

Economic Matters Committee

Subcommittees

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TESTIMONY IN SUPPORT OF HB622
ELECTRICITY - OFFSHORE WIND RENEWABLE ENERGY CREDITS

Economic Matters Committee

February 24, 2022

Chair Wilson, Vice-Chair Crosby and Members of the Committee,

Thank you for the opportunity to testify before you on HB622, Electricity- Offshore Wind Renewable Energy Credits (OREC). The purpose of this bill is to alter who is responsible for submitting payments for OREC's to the winning projects from electric supplies to electric utilities. The bill does not change how the OREC's work, only who administratively handles the payments. Essentially, under this legislation, the utilities would serve as the payment agent on behalf of competitive suppliers and through a proceeding, the Public Service Commission (PSC) would determine the cost for OREC purchases to be collected and when payments should be collected. The utilities would enter into a joint contract with a single OREC administrator that handles accounting, compliance, invoicing, and other administrative issues related to the OREC obligations or PSC-qualified Offshore Wind facilities.

Recognizing that offshore wind is an important economic driver for jobs and our clean energy future, the General Assembly has worked hard to encourage the development of offshore wind energy. The Maryland Offshore Wind Energy Act of 2013 established the first round of offshore wind procurement for Maryland along with the payment mechanism, offshore wind renewable energy credits (OREC's), for offshore wind projects under the Renewable Portfolio Standard (RPS). The Clean Energy Jobs Act of 2019, among other important policy initiatives, established the second round of offshore wind procurement.

The need for this legislation arose following the delays in offshore wind projects. HB622 intends to streamline the process. This change will provide certainty and a cleaner payment structure for all involved including offshore wind developers, utility companies, suppliers, regulators and, most importantly, the Maryland ratepayers.

For these reasons, I am requesting a favorable report.

With kindest regards,

A handwritten signature in cursive script that reads "Benjamin T. Brooks".

Benjamin Brooks