



Testimony to the House Economic Matters Committee

HB 793: Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources (POWER Act))

Position: Favorable

March 6, 2023

The Honorable C.T. Wilson, Chair
House Economic Matters Committee
Room 231, House Office Building
Annapolis, MD 21401
Cc: Members, Economic Matters

Honorable Chair Wilson and Members of the Committee:

Economic Action Maryland (formerly the Maryland Consumer Rights Coalition) is a people-centered movement to expand economic rights, housing justice, and community reinvestment for working families, low-income communities, and communities of color. Economic Action Maryland provides direct assistance today while passing legislation and regulations to create systemic change in the future.

We are here in strong support of HB 793.

Our direct service programs assist older adults, low-income households, and tenants by providing financial counseling, support in applying for tax credits and other government financial supports, as well as advice and information about tenants' rights under Maryland law.

Utilities are a basic need for households, however the soaring costs have been calamitous for many families that live paycheck to paycheck. In the past year, electricity costs have increased on average [14.3%](#) according to the Consumer Price Index. The National Energy Assistance Directors' Association expects the costs to heat homes to increase by an average of \$1,359, which is unaffordable for the [22.3%](#) Maryland households living below 200% of the federal poverty line. In 2022, prices for natural gas rose, on average by [24%](#) and prices for heating oil by [41%](#).

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By their nature, energy costs are regressive, taking a bigger share of income from low-income households than from wealthy ones. Low income households spend nearly 23% of their income on utilities compared to the 3% wealthy households spend. In other words, skyrocketing utility costs are an economic rights issue and a cost that may cause a family living paycheck to paycheck to experience increased precarity or fall behind on bills. Other families reduced spending on basic needs. Nationally, [46.9% of families earning between \\$35,000 and \\$50,000 reduced spending on food or medicine at least once in the last year to pay their home energy bills.](#)

Offshore wind provides a sustainable, affordable, and 'green' source of energy for Maryland residents. The cost of offshore wind had plummeted more than [50%](#) since 2008, and [a 2022 US Department of Energy report](#) found that the cost of offshore wind plummeted another 13% in just the past year. HB 793 promotes offshore wind while shielding ratepayers from new costs to expand the purchasing of offshore wind.

HB 793 directs the Department of General Services (DGS) to enter into Power Purchase Agreements with offshore wind companies directly. DGS would then sell the electricity back to the PJM grid to recoup the costs. The genius of this approach is that it builds more clean energy while creating zero risk for ratepayers.

In addition, HB 793 requires a community benefits agreement that among other things expands workforce development opportunities and protects labor rights; promotes local suppliers and creates forward and backward linkages throughout the value chain thereby benefiting Maryland workers and businesses, and integrates the social cost of greenhouse gas emissions into analyses to produce a more accurate accounting of true costs and benefits.

HB 793 benefits low-income households while supporting workers and addressing climate change. For all these reasons, we support HB 793 and urge a favorable report.

Best,

Marceline White
Executive Director

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