



THE MARYLAND HOUSE OF DELEGATES
ANNAPOLIS, MARYLAND 21401

HB 793- OFFSHORE WIND ENERGY- STATE GOALS AND PROCUREMENT (PROMOTING
OFFSHORE WIND ENERGY RESOURCES ACT)

TESTIMONY OF DELEGATE LORIG CHARKOUDIAN

MARCH 6, 2023

Chair Wilson, Vice Chair Crosby, and Members of the Economic Matters Committee,

In 2022, the MGA passed the Climate Solutions Now Act. This ambitious legislation set a goal for 60% climate pollution reduction by 2031. Maryland also has a renewable energy goal of 50% by 2030 set by the Clean Energy Jobs Act of 2019.

In order to meet these goals, we must prioritize the rapid deployment of renewable energy and support necessary investments in the vital infrastructure that will support the clean energy transition.

This bill has three elements which, together, set the stage for Maryland to become a leader in the burgeoning wind industry and support our attainment of clean energy goals.

1) Creation of an offshore wind energy goal of 8.5 gigawatts (GW) by 2031

Many states- including Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Virginia, and North Carolina-, have established offshore wind development goals.¹ Federally, the Biden-Harris administration has set a goal of 30 additional GW of domestic offshore wind by 2030.² These goals help signal to the market and regulators that the state is friendly to the industry and positions the state to be an epicenter for additional development.

2) Initiation of a state process to coordinate transmission infrastructure

Although Maryland is transitioning toward clean energy, our offshore wind projects face a significant barrier to connecting to the grid. Up until now, the transmission has been handled on a project-by-project basis. This increases cost and decreases efficiency. This legislation directs the PSC to manage a competitive transmission procurement which will establish a coordinated transmission network resolving the issue of interconnection and building resilience and reliability.

3) Investing in the full build-out of existing lease areas

The current two Maryland wind lease areas have existing space for roughly 700-800 additional megawatts each. Current policy does not allow for additional development without impacting

¹<https://www.americanprogress.org/article/the-road-to-30-gigawatts-key-actions-to-scale-an-offshore-wind-industry-in-the-united-states/>

²<https://www.whitehouse.gov/briefing-room/statements-releases/2022/09/15/fact-sheet-biden-harris-administration-announces-new-actions-to-expand-u-s-offshore-wind-energy/>

ratepayers. This legislation enables direct purchasing contracts by the state which would allow the additional projects to be constructed without cost or risk accruing to rate-payers.

Investing in the state's offshore wind industry carries many benefits for the state. It will create highly-skilled, highly-paid jobs for onsite workers.³ US Wind and Orsted have invested \$115 million in manufacturing facilities and port upgrades in and around Sparrows Point and have committed to at least \$1.5 billion of future in-state expenditures including investments of \$40 million for additional port infrastructure, \$76 million for steel fabrication, \$150 million for monopile foundation manufacturing, \$140 million for subsea cable manufacturing, and over \$100 million for turbine tower manufacturing.⁴

The effects of an unstable climate are being felt around the globe and here, in Maryland. It is urgent and imperative that we work each legislative session toward achieving the goal of a swift clean energy transition.

I respectfully request a favorable report on HB 793.

³ <https://www.energy.gov/eere/wind/articles/offshore-wind-market-report-2022-edition>

⁴ <https://energy.maryland.gov/SiteAssets/Pages/Info/renewable/offshorewind/Offshore%20Wind%20in%20Maryland%20Final%20Draft.pdf>