

SB781 Support.pdf

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Position: FAV

INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS - LOCAL UNION No. 24

AFFILIATED WITH:

Baltimore-D.C. Metro Building Trades Council — AFL-CIO
Baltimore Port Council
Baltimore Metro Council — AFL-CIO
Central MD Labor Council — AFL-CIO
Del-Mar-Va Labor Council — AFL-CIO
Maryland State - D.C. — AFL-CIO
National Safety Council



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Written Testimony of

Rico Albacarys, Assistant Business Agent, IBEW LOCAL 24

**Before the Education, Energy, and Environment Committee On
SB 781 Offshore Wind Energy – State Goals and Procurement**

Support

March 6, 2023

Chairman Feldman and Committee Members,

I am writing to express my **support** for **SB 781**. As you are aware, the ongoing climate crisis requires urgent action to transition to clean energy sources. Raising Maryland's offshore wind goals is a critical step in reducing our reliance on fossil fuels and mitigating the impacts of climate change. Moreover, this transition to clean energy will create a significant number of jobs and boost the local economy.

It is important to note the use of Community Benefit Agreements for offshore wind procurement. These agreements ensure that skilled apprentices, particularly those from underrepresented communities, are provided with career training opportunities and fair wages. As a result, community benefits agreements contribute to a more equitable and just transition to clean energy.

Stabilizing the cost of offshore wind energy to ratepayers is essential to ensure that this transition is not burdensome on Maryland residents. By making clean energy affordable, we can encourage its use, reducing our carbon footprint and contributing to a healthier planet.

I ask you to vote **favorably** on **SB 781**, moving Maryland towards an equitable and clean energy future.

Sincerely,

Rico Albacarys

Assistant Business Agent IBEW Local 24

SB 781 Offshore Wind Energy – State Goals and Proc

Uploaded by: Cait Kerr

Position: FAV

Tuesday, March 7, 2023

TO: Brian Feldman, Chair of the Senate Education, Energy, and the Environment Committee; and Committee Members

FROM: Michelle Dietz, The Nature Conservancy, Director of Government Relations; and Cait Kerr, The Nature Conservancy, Conservation & Climate Policy Analyst

POSITION: Support SB 781 - Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)

The Nature Conservancy (TNC) supports SB 781 offered by Senator Hester. In Maryland, TNC's work focuses on delivering science-based, on-the-ground solutions that secure clean water and healthy living environments for our communities, reducing greenhouse gas emissions, and increasing resilience in the face of a changing climate. TNC has an institutional goal to support reducing global emissions by avoiding or sequestering 3 billion metric tons of carbon dioxide per year by 2030. We are dedicated to creating a future where people and nature thrive together.

TNC views offshore wind as an essential part of reaching state, national, and global low-carbon energy goals and combatting the negative health and climate impacts of fossil fuels. TNC has launched an offshore wind program to help steer this rapidly growing energy sector toward improving siting and advancing marine conservation as multiple large-scale wind projects are proposed up and down the East Coast.

SB 781 sets Maryland's offshore wind production target to 8.5 GW, and requires the Public Service Commission to issue an RFP to identify a plan for transmitting energy from these projects to the onshore grid. The bill also sets a state energy procurement model to protect against ratepayer impact.

According to a recent report by Gabel and Associates, over the life of the project the potential avoided emissions from wind generation includes 361,445,105 tons of carbon dioxide, 120,508 tons of sulfur dioxide, and 128,931 tons of nitrogen oxide. Beyond the health benefits generated by replacing fossil fuels with renewable energy and being more intentional about transmission infrastructure, this bill will create more family-sustaining jobs through new offshore wind projects and transmission investments. This will enable communities that have been historically excluded from job, housing, and wealth opportunities to build generational wealth.

The Climate Solutions Now Act of 2022 sets state goals to reduce emissions by 60% by 2031 and reach net-zero by 2045. Governor Moore has set an even more ambitious goal for 100% renewable energy by 2035. These goals are achievable, but only through bold and aggressive action starting today. Renewable energy sources and a clean energy economy are essential parts of reaching state, national, and global low-carbon energy goals and combatting the negative health and environmental impacts caused by fossil fuels.

TNC commends Senator Hester for continuing to raise the bar for Maryland's climate mitigation commitments and advancing climate solutions that will expand our green energy economy.

Therefore, we urge a favorable report on SB 781.

SB0781 Offshore Wind Energy Resources Act FAV.pdf

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0781

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

Bill Sponsor: Senator Hester

Committee: Education, Energy, and the Environment

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

I am submitting this testimony in favor of SB0781 on behalf of the Maryland Legislative Coalition. The Maryland Legislative Coalition is an association of individuals and grassroots groups with members in every district in the state. We have over 30,000 members across the state.

Question: What is clean, renewable energy really? Answer: Energy that does not harm the environment and can be regenerated daily, otherwise known as solar and wind power. These are two types of renewable, clean energy that we need to really build up in Maryland.

Building more offshore wind in Maryland will bring family sustaining careers to Maryland, lower energy costs, improve health outcomes and slash our carbon pollution. The POWER Act sets Maryland up to be a leader in offshore wind by making necessary upgrades to our grid, setting an ambitious goal of 8.5 gigawatts of offshore wind by 2031, strengthening labor standards, and building another gigawatt of offshore wind in existing lease areas.

Right now, offshore wind developers are looking up and down the east coast for where they should invest, and Maryland does not look competitive. While New Jersey has set a goal of 11.5 gigawatts of offshore wind and New York has set a goal of 9 gigawatts, Maryland only currently plans to build 2 gigawatts of offshore wind. Our grid lacks the capability of handling large additions of offshore wind, and we currently have no plan to create that capability. Our state could become a central hub of offshore wind development up and down the east coast, but not without additional action. By passing the POWER Act we can put Maryland back in the running as a location worthy of offshore wind development and investment.

What the POWER Act can do for Maryland:

More Jobs - The POWER Act would bring even more jobs to Maryland by immediately increasing the number of offshore wind turbines being built in the near-term and making the necessary investments to grow this industry in the long term.

More Savings - If Maryland were to build 8.5 gigawatts of offshore wind, it could save Marylanders \$4.7 billion over 30 years in reduced energy costs, and could save Marylanders as much as \$28.5 billion when accounting for environmental and health benefits.

Lower Costs - The POWER Act would also lower energy costs by initiating a planning process for shared offshore wind transmission infrastructure. By initiating a long term, coordinated transmission planning process New Jersey saved its ratepayers \$900 million. That is exactly the kind of cost savings The POWER Act would bring for Maryland ratepayers.

Less Pollution - Building more offshore wind will help Maryland cut air pollutants such as NO₂ and PM 2.5 which have a silent but deadly effect on our state. Air pollution causes and exacerbates asthma. Air pollution is one reason that Maryland has an asthma rate that is 25% higher than the national average, and Baltimore City has an asthma rate nearly three times the national average.

The POWER Act is good policy that will create union jobs, lower energy costs, improve health outcomes, and help Maryland meet our climate targets. It will help attract new investments from developers who are looking to see which states will be leaders in offshore wind energy. It is supported by unions, developers, climate advocates, justice groups, and consumer protection groups. It is one of the most important pieces of legislation this year.

The Maryland Legislative Coalition supports this bill and we recommend a **FAVORABLE** report in Committee.

SB0781 Offshore Wind Energy Resources Act_FAV_Clim

Uploaded by: Cecilia Plante

Position: FAV



TESTIMONY FOR SB0781
Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)

Bill Sponsor: Senator Hester

Committee: Education, Energy, and the Environment

Organization Submitting: Maryland Legislative Coalition

Person Submitting: Cecilia Plante, co-chair

Position: FAVORABLE

The undersigned organizations express their strong support for **SB0781 Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)** and thank the sponsor, Senator Hester, for introducing such an important piece of legislation.

Maryland is lagging behind in seizing a prime position as a powerhouse in offshore wind. Right now, offshore wind developers are looking up and down the east coast for where they should invest, and Maryland does not look competitive. While New Jersey has set a goal of 11.5 gigawatts of offshore wind and New York has set a goal of 9 gigawatts, Maryland only currently plans to build 2 gigawatts of offshore wind. Our grid lacks the capability of handling large additions of offshore wind, and we currently have no plan to create that capability. Our state could become a central hub of offshore wind development up and down the east coast, but not without additional action. By passing the POWER Act we can put Maryland back in the running as a location worthy of offshore wind development and investment.

Building more offshore wind in Maryland will bring family sustaining careers to Maryland, lower energy costs, improve health outcomes and slash our carbon pollution. The POWER Act sets Maryland up to be a leader in offshore wind by making necessary upgrades to our grid, setting an ambitious goal of 8.5 gigawatts of offshore wind by 2031, strengthening labor standards, and building another gigawatt of offshore wind in existing lease areas.

The POWER Act will build more offshore wind power and bring its many benefits to Maryland by doing four things:

1. Setting an ambitious goal of 8.5 gigawatts of offshore wind

By this time next year, the Federal Bureau of Ocean Energy Management (BOEM) will finalize the maps for where additional offshore wind turbines can be built. Issuing these maps is a lengthy process that incorporates feedback from a wide variety of ocean users and happens very rarely. The next round of maps could define the parameters for Maryland's offshore wind generation for decades to come. By stating in law that Maryland intends to build 8.5 gigawatts of offshore wind, the state can help ensure BOEM designates lease areas large enough for Maryland to meet that goal. Delaying setting this goal for just one year could permanently hamper Maryland's offshore wind development.

2. Beginning a process to prepare Maryland's grid for more offshore wind energy
Without substantial upgrades to the grid on Maryland's Eastern Shore, our state will be limited in how much offshore wind we will be able to build. The POWER Act directs the Public Service Commission (PSC) to issue a request for proposals to build a shared transmission infrastructure that all future offshore wind projects could plug into. The PSC will then work with the party awarded the contract to get the necessary approvals to begin building. Crucially, the PSC is authorized to not select any winner from the RFP, and will only declare a winner if they find the bid to be in Maryland's interest.

3. Strengthening labor standards
We want offshore wind to be built with good union jobs. The Clean Energy Jobs Act established some labor standards for the construction of offshore wind turbines, and the POWER Act builds on that policy by extending labor standards further upstream in the manufacturing supply chain, establishing labor standards for maintenance of the turbines, and setting buy American requirements for turbines.

4. Further building out existing lease areas
Through the Clean Energy Jobs Act of 2019 and the Offshore Wind Energy Act of 2013, Maryland is currently building 2 gigawatts of offshore wind energy which should be running by 2026. The projects are being developed by Orsted and US Wind in lease areas they have already purchased from BOEM. Those lease areas have room in them for about another gigawatt of offshore wind. The POWER Act says that the Department of General Services (DGS) may enter into Power Purchase Agreements to procure an additional gigawatt of power in those lease areas. If DGS chooses to buy the additional wind energy, they would then sell the electricity back to the PJM at market rate. So long as the cost of offshore wind energy is less than the cost of standard offer service, which modeling reference above says is likely to be the case, then Maryland will make money in this process. In either case, ratepayers would be entirely protected. This approach ensures utility energy rates will not be increased because of the additional offshore wind procurement.

The POWER Act is thoughtful, effective policy that will create union jobs, lower energy costs, improve health outcomes, and help Maryland meet our climate targets. It will help attract new investments from developers who are looking to see which states will be leaders in offshore wind energy. It is supported by unions, developers, climate advocates, justice groups, and consumer protection groups. It is one of the most important pieces of legislation this year. Climate Partners strongly supports this bill and we recommend a **FAVORABLE** report in Committee.

Endorsing Organizations

| | | |
|--------------------------------|---------------------------------|--------------------------|
| 350 Baltimore | HoCo Climate Action | Potomac Conservancy |
| 350 Montgomery County | Howard County Indivisible | Sustainability Advisory |
| Adat Shalom Climate Action | Howard County Sierra Club | Committee |
| Assateague Coastal Trust | Interfaith Power and Light, DC, | Sierra Club, Maryland |
| Audubon Naturalist Society | MD, NoVa | Chapter |
| Casa de Maryland | Labor Network for | Strong Future Maryland |
| Cedar Lane Unitarian | Sustainability | Sunrise Baltimore |
| Universalist Church | Laurel Resist | Takoma Park Mobilization |
| CHEER | Maryland Environmental | Environment Committee |
| Chesapeake Bay Foundation | Health Network | Talbot Rising |
| Chesapeake Climate | Maryland League of | The Climate Mobilization |
| Action Network Action Fund | Conservation Voters | Montgomery County |
| Chesapeake Physicians for | Maryland Legislative | The Nature Conservancy |
| Social Responsibility | Coalition | Unitarian Universalist |
| Chispa MD | Maryland NAACP | Legislative Ministry |
| Clean Air Prince Georges | State Conference, | Wicomico NAACP |
| Clean Air Prince Georges | Environmental Justice | WISE |
| Clean Water Action | Committee | |
| Climate Law & Policy Project | Maryland Poor People's | |
| Climate Parents of Prince | Campaign | |
| Georges | MCPS Clean Energy | |
| Climate Reality Montgomery | Campaign | |
| County | MD Campaign for | |
| Climate Solutions | Environmental Human | |
| Climate Stewards of | Rights | |
| Greater Annapolis | Mid-Atlantic | |
| Climate XChange - Maryland | Ministry of Maryland | |
| Coalition For Smarter Growth | MoCo DCC | |
| Columbia Association Climate | Montgomery Countryside | |
| Change | Alliance | |
| Concerned Citizens Against | Montgomery County Faith | |
| Industrial CAFOs | Alliance | |
| Do The Most Good | Mountain Maryland | |
| Montgomery County | Movement | |
| Echotopia | National Parks Conservation | |
| Elders Climate Action | Association | |
| Environmental Justice Ministry | Nuclear Information & | |
| Frack Free Frostburg | Resource Service | |
| Glen Echo Heights Mobilization | | |
| Greenbelt Climate | | |
| Action Network | | |

SB 781 - SUPPORT - BNOW.pdf

Uploaded by: Chuck Cook

Position: FAV



**SB 781 – Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)
Senate Education, Energy, and the Environment Committee
March 7, 2023**

SUPPORT

**Liz Burdock
President and CEO
Business Network for Offshore Wind**

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of SB 781 – Offshore Wind Energy – State Goals and Procurement, the POWER Act.

The Business Network for Offshore Wind is a national non-profit educational organization – with nearly 600 member groups and businesses – whose mission is to develop the offshore wind renewable energy industry and its supply chain. The Network partners with industry and government to build an innovative supply chain that will create and sustain jobs, benefiting local economies and ensuring a cost-effective clean energy portfolio. We advance this through collaboration, education, and innovation, bringing together global developers, policymakers, academia, suppliers, and leading experts to grow this new and vital offshore wind industry that provides a practical solution to climate change and creates well-paying jobs.

In 2013, the Maryland General Assembly passed the Maryland Offshore Wind Energy Act (MOWEA) that started us on our path to clean and renewable offshore wind (OSW) energy. With the passage of that law, Maryland was an early adopter of this technology, setting ambitious goals and attracting developers, contractors, and secondary and tertiary businesses. To date, four OSW projects are underway, which has spurred investments in the redevelopment of Tradeport Atlantic in Baltimore County, in the major expansion of Crystal Steel in Federalsburg, and in Arcon Training Center in Salisbury, among other Maryland businesses, to service them. During its offshore wind procurement process, Maryland secured commitments for three major component facilities, producing the cables, towers, and foundations of a wind farm - a major accomplishment when you consider only 13 of these facilities have been sited on U.S. shores. Project developers committed to created 12,000 direct full time equivalent Maryland jobs over several years to build and maintain these projects, and hundreds more will be employed annually in new steel and cable fabrication facilities that will supply the entire U.S. market with cables, towers, and foundations.

Maryland, however, is fighting from behind and unless the state takes a significant step forward, as is done in this legislation, the state will jeopardize the progress we have made. Maryland’s OSW goal of roughly 2,000 MW is the third lowest among the East Coast states from North Carolina to Massachusetts. Only Connecticut and Rhode Island have lower state goals, at 2,000 MW and 1,030 MW, respectively. New Jersey just raised its goal from 7,500 MW to 11,000 MW. New York has made clear its 9,000 MW is a minimum amount, and Virginia’s goal to our south is more than double ours at 5,200 MW. These states are not being complacent, either. New York and Massachusetts are expected to significantly increase their goals in the near future.



Our relegation to the bottom of states with OSW goals comes at an economic cost to our Maryland, our businesses, and our workers. Developers, manufacturers, and OSW based businesses make decisions where to locate and operate based on state goals and the friendliness of state governments to the industry. Port redevelopment, steel manufacturing and fabrication facilities, nacelle and blade manufacturers, cabling companies, and everyone within the domestic supply chain needs to know that there is certainty and predictability in their investments. To illustrate the race for these investments, among the three Western blade manufacturers, Siemens Gamesa has announced a facility in Virginia, GE announced plans to build their facility in Albany, NY (contingent on OSW contracts); only one blade manufacturer remains to be fought over by states. With our current goal of 2,022 MW, Maryland becomes far less attractive as an investment opportunity for Vestas, compared to surrounding states who have signaled a greater commitment to building our clean energy future. SB 781 sets a new goal of 8,500 MW which is the minimum we need to ensure the state stays competitive with our neighbors to the north and south, sending manufacturers and investors a strong message that Maryland welcomes offshore wind investment and the positive economic impact and good jobs that come with it.

There is no better time to act. We are at an inflection point in our industry where the combined state demand for offshore wind power, the positive actions taken by the Biden-Harris Administration in support of development, and the new federal incentives in the Inflation Reduction Act make the entire U.S. attractive to new industry investment. Just in the past year, the Network has tracked \$9.7 billion in new investments in the U.S. market – a threefold increase over last year. Maximizing the IRA (Inflation Reduction Act) means that investors are going to be making decisions sooner than later. Maryland needs to send a powerful signal to the market today.

However, increased goals, alone, will not get this power to our homes and businesses. Without an efficient and effective OSW grid, our goals will be much more costly and difficult to achieve. SB 781 lays out the path for Maryland to study the challenges of transmission and request proposals from investors and developers for transmission projects that would allow for greater connectivity, potential existing grid upgrades, and a planned and measured approach to future projects. It is imperative that we get the transmission piece right, and with a full analysis from the PSC (Public Service Commission), MEA (Maryland Energy Administration), and the PJM, Maryland will have the necessary information to plan accordingly. Moreover, SB 781 stipulates that future proposals that are submitted cannot affect existing projects, unless those developers choose to participate, and the State is not bound to select any proposal, at all, if they deem none to be viable or in the best interests of Maryland taxpayers and ratepayers.

The most interesting portion of SB 781 - and a proposal that on the federal level the Network has suggested - could help drive domestic supply chain advancement ¹, is the use of a direct power purchase agreements by the State's general services. The bill allows the Department of General Services to directly purchase wind energy – between 1,000,000 and 8,000,000 megawatt-hours annually – to meet the State's energy needs. Any excess power would then be sold back to the wholesale power market through either bilateral sales to creditworthy counterparties or into renewal energy credit markets. This procurement allows for the State to meet its clean energy goals at a much faster rate, while providing stability and certainty to the market for investors and developers.

An offshore wind goal of at least 8,500 MW, combined with a transmission analysis and RFP process, and an initial power purchase agreement, will put Maryland in a competitive position for future OSW investment, business re-

¹ https://www.offshorewindus.org/wp-content/uploads/2022/06/Business-Network_Web_Advancing-Policy-Measures-to-Drive-Development-of-the-Domestic-Offshore-Wind-Supply-Chain.pdf



location to our state, and the creation of family-sustaining careers. Offshore Wind is driving the clean energy future of America, and Maryland should remain at the forefront of this industry. It is for these reasons that I ask you to move favorably on SB 781.

Thank you,

A handwritten signature in blue ink that reads "Liz Burdock". The signature is written in a cursive, flowing style.

Liz Burdock

President and CEO

Business Network for Offshore Wind

Maryland POWER Act Senate Testimony.pdf

Uploaded by: Dan Taylor

Position: FAV



CREATING GOOD JOBS, A CLEAN ENVIRONMENT, AND A FAIR AND THRIVING ECONOMY

March 6, 2023

Maryland General Assembly
Education, Energy, and the Environment Committee
Miller Senate Office Building
Annapolis, Maryland 21401

RE: Testimony in Support of the Promoting Offshore Wind Energy Resources Act

Dear Chair Feldman, Vice Chair Kagan, and Honorable Members of the Education, Energy, and the Environment Committee:

The BlueGreen Alliance unites labor unions and environmental organizations to solve today's environmental challenges in ways that create and maintain quality jobs and build a clean, thriving, and equitable economy.

In the United States, we face the dual crises of climate change and increasing economic inequality, and for far too long, we've allowed the forces driving both crises to create a wedge between the need for economic security and a livable environment. We know that this is a false choice—we can and we must address both crises simultaneously, and offshore wind energy presents an unequivocal opportunity to do so.

That is why the Biden administration has committed to deploying 30 gigawatts of offshore wind by 2030 and unlocking a pathway to 110 gigawatts by 2050 in a way that advances equity, maximizes the creation of family-sustaining union jobs, strengthens domestic supply chains, and protects natural resources.

For the BlueGreen Alliance, responsible development means that projects are developed in an equitable and environmentally responsible manner, with high-road labor standards and attention to equity and environmental justice. This includes five key criteria:

- First, projects maximize the creation of safe, high-quality, and accessible union jobs over the project's lifetime. This includes commitments to union neutrality for manufacturing, operations, and maintenance jobs and utilizing Project Labor Agreements for construction.
- Second, projects expand domestic manufacturing along robust domestic, regional, and local supply chains, by maximizing the use of U.S.-made content.
- Third, projects deliver community benefits with attention to environmental justice and improving access to disadvantaged communities.

- Fourth, fisheries, wildlife, and marine ecosystems are protected during all stages of project development by utilizing data sharing, the best available science and data, and adaptive management strategies to avoid, minimize, mitigate, and monitor environmental impacts;
- And fifth, projects are guided by robust and inclusive stakeholder engagement. This includes labor organizations, Tribal nations, historically underrepresented or disadvantaged communities, low-wealth communities, communities of color, and impacted ocean users.

The Promoting Offshore Wind Energy Resources (POWER) Act would ensure that Maryland contributes to our national offshore wind goals at the scale necessary to combat the climate crisis while benefiting state residents and ensuring development occurs in an equitable, high-road, and environmentally responsible manner. Key to this is solidifying the use of Project Labor Agreements (PLAs) for the construction of offshore wind projects. PLAs benefit workers by ensuring that wages and benefits are defined and protected at local standards. PLAs also reduce project costs for developers, save public funds in the long run, and increase economic benefits for the local economy.ⁱ Further, PLAs often lead to safer working conditions due to a more skilled workforce. Data suggests that accidents, including death, are more common in states with low-road contractors.ⁱⁱ PLAs can also provide opportunities and benefits for communities by offering hiring opportunities to historically marginalized communities, including racial minorities, women, and veterans.

The POWER Act would also ensure that Maryland achieves the maximum creation of quality jobs by prioritizing in-state manufacturing and ensuring workers' rights to organize and bargain collectively are protected both in the supply chain and operations and maintenance. Offshore wind jobs in manufacturing and operations and maintenance provide high-quality long-term careers for Maryland residents. Manufacturing jobs in particular provide the largest job creation opportunity in the offshore wind sector, with the National Renewable Energy Laboratory estimating that utilizing 100% domestic content to achieve the national goal to deploy 30 GW of offshore wind by 2030 would create an additional 49,000 jobs annually.ⁱⁱⁱ According to Princeton University, even a modest increase in domestic content across renewables produces an additional 36,700 good manufacturing jobs per year and an additional \$5 billion in wages through the 2020s, as the U.S. continues greening its electricity grid. These increased benefits are also not likely to come at additional cost.^{iv}

Furthermore, accessing the cost-saving potential of the 10% domestic content bonus in the Production Tax Credit (PTC) and Investment Tax Credit (ITC) within Inflation Reduction Act (IRA) requires that projects utilize at least 25% by 2026, 45% by 2027,

and 55% by 2028. Setting a domestic content preference for offshore wind projects will help to ensure that projects maximize job creation as well as cost savings of the PTC and ITC. Issuing waivers has been a proven method for ensuring projects aren't slowed down when these requirements cannot be met.^v

Ensuring labor peace for manufacturing, operations, and maintenance jobs helps to ensure that workers can enjoy fair, safe, and equitable benefits by ensuring workers can bargain collectively and exercise their right to organize an union. The Bureau of Labor Statistics reports that non-union workers earn 83% of what unionized workers earn and that when workers have unions, wages rise for union and nonunion workers.^{vi} A White House report, "Working Organizing and Empowerment" states that union approval is at its highest since 1965, with 68% of Americans approving of labor unions. Support rates increase to 74% for workers aged 18 to 24, 75% for Hispanic workers, 80% for Black workers, and 82% for Black women workers.^{vii} Furthermore, these provisions would advance equity, as data shows that decline in U.S. manufacturing has been devastating to the middle-class, especially for Black and Hispanic workers and other workers of color who disproportionately do not hold college degrees and who experience discrimination limiting access to better-paying jobs.^{viii} Manufacturing wages are substantially larger for median-wage, non-college-educated employees, with Black workers in manufacturing earning 17.9% more than in non-manufacturing industries; Hispanic workers earning 17.8% more, Asian American Pacific Islander (AAPI) earning 14.3% more; and white workers earning 29% more.^{ix}

In 2022, Maryland passed the Climate Solutions Now Act, which sets ambitious goals for climate pollution reduction (60% reduction by 2031). Additionally, Maryland has a renewable energy goal of 50% by 2030, including at least 1200 MW of offshore wind, set by the Clean Energy Jobs Act of 2019. In order to meet those goals, we must prioritize the rapid deployment of renewable energy and investments in infrastructure to support that transition and offshore wind energy has a key role to play.

Increasing the state offshore wind goal, initiating a state process to coordinate transmission infrastructure, and investing in the full build-out of existing lease areas, all with strong labor standards, is both crucial for meeting our climate goals and creating good jobs that workers and communities need. The POWER Act is necessary for Maryland to achieve its goals and access the numerous benefits of this promising clean energy resource and we urge you to support its passage.

Signed,

Dan Taylor
Regional Field Organizer
BlueGreen Alliance
dtaylor@bluegreenalliance.org

Endnotes

ⁱ Frank Manzo et al., *Efficiencies of Project Labor Agreements*, 2015. Available online: <https://illinoisepi.org/site/wp-content/themes/hollow/docs/wages-labor-standards/Illinois-PLAs-in-CDB-Projects-FINAL.pdf>

ⁱⁱ Donald Vial et al., *Workforce Issues and Energy Efficiency Programs: A Plan for California's Utilities*, 2014. Available online: <https://laborcenter.berkeley.edu/pdf/2014/WET-Plan-Appendices14.pdf>

ⁱⁱⁱ Shields, Matt et al. 2022. *The Demand for a Domestic Offshore Wind Energy Supply Chain*. Golden, CO: National Renewable Energy Laboratory. Page vii. Available Online: www.nrel.gov/docs/fy22osti/81602.pdf

^{iv} Erin N. Mayfield and Jesse D. Jenkins, Working Paper: *Influence of High Road Labor Policies and Practices on Renewable Energy Costs, Decarbonization Pathways, and Labor Outcomes*, April 13, 2021. Available online: https://netzeroamerica.princeton.edu/img/Working_Paper-High_Road_Labor_and_Renewable_Energy-PUBLIC_RELEASE-4-13-21.pdf

^v For more information on waivers, see "DOT's Identification of Federal Financial Assistance Infrastructure Programs Subject to the Build America, Buy America Provisions of the Infrastructure Investment and Jobs Act," January 2022, Available Online: www.transportation.gov/sites/dot.gov/files/2022-01/DOT%20Report%20on%20Financial%20Assistance%20Infrastructure%20Programs.pdf

^{vi} U.S. Department of Labor, *The Union Advantage*. Available Online: <https://www.dol.gov/general/workcenter/union-advantage>

^{vii} White House Task Force on Worker Organizing and Empowerment, *Report to the President*. Available Online: www.whitehouse.gov/wp-content/uploads/2022/02/White-House-Task-Force-on-Worker-Organizing-and-Empowerment-Report.pdf

^{viii} Robert E. Scott, Valerie Wilson, Jori Kandra, and Daniel Perez: *Botched policy responses to globalization have decimated manufacturing employment with often overlooked costs for Black, Brown, and other workers of color*, at page 2. (January 31, 2022). Available online: <https://files.epi.org/uploads/239189.pdf>

^{ix} *Ibid*, page 3

HB793 SB0781 - Dave Arndt - Favorable .pdf

Uploaded by: Dave Arndt

Position: FAV

**Testimony in Support of the POWER Act
HB 0793
Economic Matters Committee
March 6, 2023**

I am writing on behalf of myself to urge a favorable report on HB0793

Hello, my name is Dave Arndt, a resident of Baltimore MD, an environmental advocate, a chemical engineer and former Director of product and Marketing at BP Solar.

At stake isn't just the electricity mix—it's the future of life as we know it on our planet. We do have time to prevent a climate disaster, however we must act quickly and make sure that every action that people do to support climate change mitigation is valid and not some greenwashing activity. The last time CO2 levels were this high, the sea level was 60 feet higher. It is a good thing that sea level rise lags CO2 levels, otherwise the whole eastern shore of Maryland would be gone. I urge a favorable report on HB0793.

Building more offshore wind in Maryland will bring not only jobs, but careers to Maryland, lower energy costs, improve health outcomes and slash our carbon pollution. That is why HB 0793, The POWER Act sets Maryland up to be a leader in offshore wind by making necessary upgrades to our grid, setting an ambitious goal of 8.5 gigawatts of offshore wind by 2031, strengthening labor standards, and building another gigawatt of offshore wind in existing lease areas.

Right now, offshore wind developers are looking up and down the east coast for where they should invest, and Maryland does not look competitive. While New Jersey has set a goal of 11.5 gigawatts of offshore wind and New York has set a goal of 9 gigawatts, Maryland only currently plans to build 2 gigawatts of offshore wind. Our grid lacks the capability of handling large additions of offshore wind, and we currently have no plan to create that capability. Our state could become a central hub of offshore wind development up and down the east coast, but not without additional action. By passing the POWER Act we can put Maryland back in the running as a location worthy of offshore wind development and investment. Let's Lead MD!

Maryland is currently building 2 gigawatts of offshore wind, and even this relatively small buildout has resulted in commitments to provide \$3.5 billion in economic benefits for the state, 7,000 job years of work¹, and the revival of union steel jobs in Baltimore County. The POWER Act would bring even more jobs to Maryland by immediately increasing the number of offshore wind turbines being built in the near-term and making the necessary investments to grow this industry in the long term.

¹<https://chesapeakeclimate.org/wp-content/uploads/2022/12/MD-Offshore-Wind-Report-Dec-2022-Gabel-Associates.pdf>

The POWER Act would also lower energy costs by initiating a planning process for shared offshore wind transmission infrastructure. A recent Brattle report found that by initiating a long term, coordinated transmission planning process New Jersey saved its ratepayers \$900 million.² That is exactly the kind of cost savings The POWER Act would bring for Maryland ratepayers.

8.5 gigawatts of offshore wind would be enough energy to power every home in Maryland and would not create any air pollution. Building these turbines will improve health outcomes for all Marylanders, but will disproportionately benefit people of color in Maryland.

The POWER Act is thoughtful, effective policy that will create union jobs, lower energy costs, improve health outcomes, and help Maryland meet our climate targets. It will help attract new investments from developers who are looking to see which states will be leaders in offshore wind energy. I urge a favorable report.

Dave Arndt
Baltimore Md.

²<https://www.marylandmatters.org/2023/01/30/offshore-wind-will-need-major-investments-in-transmission-supply-chain-reports-say/>

OPC Testimony SB0781 - Favorable.pdf

Uploaded by: David Lapp

Position: FAV

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BRANDI NIELAND
DIRECTOR, CONSUMER
ASSISTANCE UNIT

BILL NO.: Senate Bill 781
Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)

COMMITTEE: Education, Energy, and the Environment

HEARING DATE: March 7, 2023

SPONSOR: Senators Hester, Feldman, and Brooks

POSITION: Favorable

The Office of People's Counsel strongly supports Senate Bill 781 as an innovative approach to developing offshore wind energy that will help reduce the costs of the clean energy transition for residential utility customers.

The bill establishes a goal of reaching 8,500 megawatts of offshore wind electric generation capacity by 2031 and encourages the upgrade and expansion of the transmission system to accommodate this buildout. To meet this goal, SB 781 requires the Public Service Commission, in consultation with the Maryland Energy Administration and PJM Interconnection, LLC, to conduct and submit to the General Assembly an analysis of transmission system expansion options. On or before December 1, 2024, the Commission is required to issue one or more competitive solicitations for proposals for open access offshore wind transmission facilities and necessary onshore transmission upgrades and expansions. After notice and an evidentiary hearing, the Commission is required to take action on the proposals, on or before July 1, 2026.

SB 781 further requires the Department of General Services to initiate a procurement of offshore wind energy and associated renewable energy credits ("RECs"). Between July 31, 2024, and April 30, 2025, DGS must issue an invitation for bids and is authorized to enter into at least one contract for a power purchase agreement to procure between 1 million and 8 million megawatt-hours annually of offshore wind energy and associated RECs from qualified offshore wind projects. The State is required to issue a

procurement on or before July 31, 2024, and enter into a contract or contracts for the procurement on or before April 30, 2025.

As the State works to achieve the ambitious climate goals established in the Climate Solutions Now Act, offshore wind has the potential to provide clean, renewable energy at a much larger scale than either land-based wind or solar projects. Offshore wind development, however, could be inhibited by high costs for offshore transmission facilities and the onshore transmission upgrades that may occur with piecemeal, project-by-project, development. We expect that the analysis and procurement process required by SB 781 will result in lower costs for these projects by planning for projects at a larger scale and in an integrated, optimized manner for multiple offshore wind projects. That planning should lower costs relative to the separate development of transmission projects for each individual offshore wind project. OPC, therefore, supports SB 781's requirements to begin analyzing and planning now for the upgrades and expansions that will be needed to accommodate future offshore wind energy development.

OPC also strongly supports the provisions of SB 781 that authorize a portion of the costs of procurement for wind energy and associated RECs to be borne by the State as a whole, rather than solely by electric utility customers. The State cannot rely on electric utility customers alone to finance the clean energy transition necessitated by the State's climate goals. Financing clean energy through electric utility rates is regressive relative to financing State policy through the general fund. Because all residential utility customers pay the same rates regardless of income, the costs of financing programs through rates imposes a more significant burden on lower-income households than more affluent households. SB 781's reliance on the State to fund, in part, offshore wind procurement is a welcome and important step towards financing clean energy in a more equitable way.

Recommendation: OPC requests a favorable Committee report on SB 781.

Testimony on SB781 Promoting Offshore Wind Energy

Uploaded by: Debbie Cohn

Position: FAV

Committee: Education, Energy and the Environment
Testimony on: SB781 –Offshore Wind Energy – State Goals and Procurement - Promoting Offshore Wind Energy Resources Act (the POWER Act)
Organization: Individual
Submitting: Deborah Cohn, Bethesda, MD
Position: Favorable
Hearing Date: March 7, 2023

Dear Chair and Committee Members:

Thank you for accepting my testimony today in support of SB781.

The General Assembly, through the Climate Solutions Now Act, has set ambitious decarbonization goals for Maryland and, for this purpose, has passed several bills to reduce greenhouse gas (GHG) emissions from the buildings and transportation sectors.

Studies of the buildings sector show that reductions in GHG emissions from improving building efficiency pale in comparison with reductions from eliminating fossil fuels in generating electricity. With today’s sources of electricity, Montgomery County’s Building Energy Performance Standards could reduce GHG emissions through building efficiency improvements by 19-26%, depending upon whether more efficient fossil fuel equipment was still permitted. Decarbonizing the electricity supply, when combined with improved energy efficiency, however, would increase these reductions to 83-94%.¹

SB781 (the POWER Act) can help make these larger reductions possible. It would:

- *Set an overall offshore wind energy goal* of at least 8.5 gigawatts by 2031. Enunciating this goal would signal both offshore wind energy companies and the Federal Bureau of Ocean Energy Management (BOEM), which is now determining where additional offshore wind turbines can be installed, that Maryland seeks a major increase in its generation of offshore wind power. Delaying setting this goal by even one year could jeopardize Maryland’s burgeoning offshore wind industry, an industry that could strengthen the Maryland economy, particularly in Baltimore County and on the Eastern Shore.
- *Authorize the Department of General Services (DPS) to enter into power purchase agreements* for up to 8 gigawatts by April 2025, to achieve this goal. This authority could include nearly 1 gigawatt of additional power from lease areas already being developed under existing legislation.
- *Direct the Public Service Commission to call for competitive bids for the development of open-access offshore wind transmission facilities* to serve as a grid interconnection point for wind generated from new lease areas off Maryland’s shore, *i.e.*, a significant portion of the 8.5 gigawatt goal, and potentially for additional offshore wind power generated by

¹ Building Energy Performance Standards Development – Technical Report Executive Summary prepared by Steven Winter Associates for Montgomery County, MD (February 2022) at pp5-6 (Greenhouse Gas Emissions Impacts).

neighboring states. Maryland must develop this infrastructure to be competitive with New Jersey, New York and Massachusetts.

SB781 will contribute materially to reducing Maryland's GHG emissions and, thus, to achieving its decarbonization goals. It will also create good jobs, encourage use of locally and domestically manufactured construction materials and components, and protect consumers against excessive electricity rates.

For these reasons I encourage this Committee to issue a FAVORABLE report on SB781.

SB 781 - Offshore Wind Energy – State Goals and Pr

Uploaded by: Donna Edwards

Position: FAV



MARYLAND STATE & D.C. AFL-CIO

AFFILIATED WITH NATIONAL AFL-CIO

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Balto. (410) 269-1940 • Fax (410) 280-2956

President

Donna S. Edwards

Secretary-Treasurer

Gerald W. Jackson

**SB 781 - Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)
Senate Education, Energy, and the Environment Committee
March 7, 2023**

SUPPORT

Donna S. Edwards

President

Maryland State and DC AFL-CIO

Chairman and members of the Committee, thank you for the opportunity to submit testimony in support of SB 781. My name is Donna S. Edwards, and I am the President of the Maryland State and District of Columbia AFL-CIO. On behalf of Maryland's 300,000 union members, I offer the following comments.

Maryland has the opportunity to make itself a nationwide leader for offshore wind, but it requires a comprehensive approach that fully commits the state to building the infrastructure necessary to support it. By setting a benchmark of 8,500 MegaWatts of offshore wind energy capacity we signal to developers and investors that Maryland is serious about achieving its climate goals.

The Maryland State & DC AFL-CIO has repeatedly testified this legislative session about the need for substantial new renewable energy generation projects that lower energy costs for rate-payers. We achieve the mandates of the Climate Solutions Now Act of 2021 and Clean Energy Jobs Act of 2019 with ambitious bills like this. The U.S. Energy Information Administration reports that Maryland consumes five times more energy than it produces.¹ This approach will continue until we invest enough in new energy projects that can make Maryland a net exporter of renewable energy. We must stay competitive with other Atlantic states. Many have already set ambitious offshore wind energy goals, including: California of 25,000 MW, New Jersey of 11,000 MW, New York of 9,000 MW by 2035, North Carolina of 8,000 MW by 2040, Virginia of 5,200 MW, and Massachusetts of 5,600 MW.² Maryland's current plans only call for 2,000 MW.³

Through community benefit agreements for applicants Maryland can gain the full advantages of these projects, with jobs going to local residents, apprenticeship training opportunities, and timely

¹ U.S. EIA, State Energy Data System, Table P3, Total Primary Energy Production and Consumption Estimates in Trillion Btu, 2020.

² Teresa Christopher, Miriam Goldstein, and Mike Williams, "The Road to 30 Gigawatts: Key Actions To Scale an Offshore Wind Industry in the United States." Center for American Progress. March 14, 2022.

³ Targets set by Maryland Offshore Wind Energy Act of 2019 and Clean Energy Jobs Act of 2019.

completion of projects. Skipjack 2 and Momentum Wind projects are estimated to have created over 10,000 job-years and contribute over \$1 billion to Maryland's economy according to the Public Service Commission report.⁴ New projects to meet the POWER Act's goals would create magnitudes more good paying, high quality climate jobs. Through the bill's emphasis on transmission improvements and manufacturing Maryland's ratepayers will be investing in Maryland's economy.

We urge the committee to issue a favorable report.

⁴ Skipjack Offshore Energy, LLC and US Wind, Inc.'s Offshore Wind Applications under the Clean Energy Jobs Act of 2019. Order No. 90011 in Case No. 9666. Maryland Public Service Commission. December 17, 2021.

SB781_EEE_JCRC_Singer_FAV.pdf

Uploaded by: Elizabeth Singer

Position: FAV



Hearing Date: March 7, 2023

Betsy Singer, Laura Salganik, Co-Chairs

TESTIMONY ON SB781 – POSITION: FAVORABLE
Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)

To: Chair Feldman and Members, Education, Energy, and the Environment Committee

From: The Jewish Community Relations Council, Howard County, MD (JCRC)

Betsy Singer, Laura Salganik, Co-chairs

The JCRC of Howard County is submitting this testimony in support of SB781, Promoting Offshore Wind Energy Resources Act.

The JCRC represents the approximately 25,000 Jews throughout Howard County. The Torah tells us in Deuteronomy 20:19 that we shall not destroy Earth's resources that benefit humans, even in times of war. We are compelled to act to prevent massive changes to the Earth's climate as we face rising temperatures due to excessive carbon, methane and other greenhouse gases trapped in Earth's atmosphere. Promoting the development of clean energy, such as wind power, is essential in the world-wide effort to fight the climate crisis.

SB781 is critical to accomplishing the goals of the Climate Solutions Act of 2022 in Maryland. This bill sets Maryland up to be a leader in the clean energy future of offshore wind by authorizing a strategy for necessary upgrades to our electricity grid, building more offshore wind turbines and accomplishing an ambitious goal of 8.5 gigawatts of offshore wind by 2031.

This commitment will solidify Maryland as a growth center in the U.S. offshore wind industry. Passage of SB781 would ensure that the Public Service Commission would issue an RFP to enhance the shared transmission infrastructure that all future offshore wind projects could plug into. Offshore wind development for Maryland would become a source of strong labor standards for the well-paying jobs required for the construction of offshore wind turbines and lead to lower energy costs if guided by the Department of General Services Power Purchase Agreements.

Currently, offshore wind developers are investigating additional east coast sites for the long-term offshore wind industry. SB781 is timely and essential to Maryland's future competitiveness. The people of Maryland deserve the opportunity to engage in this industry for the future of good jobs, clean energy, and the future of our planet.

SB781_POWER ACT_PIRG_EnvMD_FAV.pdf

Uploaded by: Emily Scarr

Position: FAV



Maryland PIRG

**SB781: POWER Act
Education, Energy, and the Environment
March 7, 2023
FAVORABLE**

Maryland PIRG is a state based, small donor funded public interest advocacy organization with grassroots members across the state. We work to find common ground around common sense solutions that will help ensure a healthier, safer, more secure future

Environment Maryland is a citizen-based environmental advocacy organization. We work to protect clean air, clean water, and open space.

Maryland PIRG and Environment Maryland are pleased to support SB781.

Wind technology is advanced, affordable and proven. Wind power prices are steadily dropping. America produced enough wind energy in 2021 to power 35 million homes, and we're just getting started.

Maryland has ample potential to harness offshore wind's power. According to Environment Maryland Research and Policy Centers' 2021 report [Offshore Wind for America](#), Maryland has the technical potential to generate 96.3 Terawatt hours (Twh) from offshore wind power, which would generate 159% of the 2019 electric sales in the state.

The POWER Act sets Maryland up to be a leader in offshore wind by making necessary upgrades to our grid, setting an ambitious goal of 8.5 gigawatts of offshore wind by 2031, strengthening labor standards, and building another gigawatt of offshore wind in existing lease areas.

Offshore wind generation is critical to reach our goals of transitioning to 100% clean, renewable energy for the state to help lower utility bills, protect our families from harmful air pollution, and reduce climate emissions.

We respectfully request a favorable report.

SB781_MARECAction_SUPPORT030623.pdf

Uploaded by: Evan Vaughan

Position: FAV



March 7, 2023

MAREC Action comments on SB781/ HB793- SUPPORT

Chair Feldman, Vice-Chair Kagan, Members of the Senate Education, Energy, and the Environment Committee,

MAREC Action (informally, “Mid-Atlantic Renewable Energy Coalition”) **strongly supports SB781/HB793 (“POWER ACT”) and encourages its passage.** MAREC Action is a coalition of over 40 utility-scale solar, wind, and energy storage developers and manufacturers dedicated to the growth and development of renewable energy in Maryland and across the PJM grid region. We represent offshore wind developers actively considering expanding investments in Maryland.

Our industry appreciates your serious consideration of the POWER Act. We believe, if passed, this legislation will establish the foundations for a sustained and nation-leading offshore wind energy sector in Maryland. **The POWER Act provides a critical signal to the businesses in our membership that Maryland wants to lead on clean energy development, and we welcome the opportunities created by this legislation to invest in Maryland, its workforce, and its communities.**

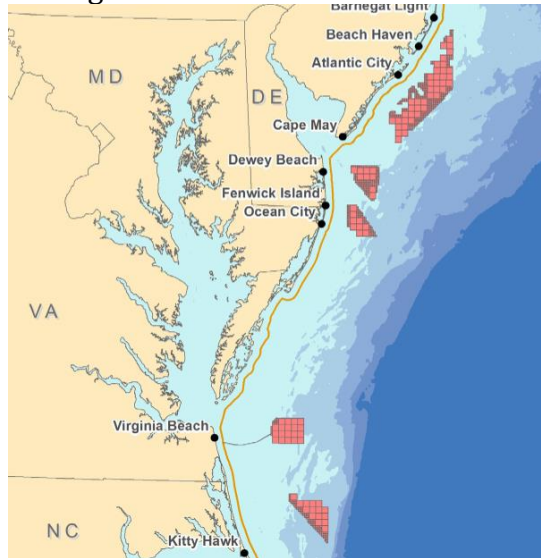
The POWER Act accomplishes three interrelated objectives that are each critical to the future of Maryland’s decarbonization and economic development goals. The bill:

1. Sets a high-level offshore wind procurement target of 8,500 megawatts (MW), in line with what Maryland needs to decarbonize the economy and what neighboring states have established.
2. Prudently and proactively starts evaluating transmission grid upgrade and expansion options necessary for a clean energy future. New transmission lines can take 10 years to plan and prepare, there’s no time to waste, and an uncoordinated approach will cost consumers.
3. Invests in and maximizes energy production from existing offshore wind lease areas off the coast of Maryland, sustaining and growing Maryland offshore wind jobs without impacting ratepayers.

Maryland’s future ability to decarbonize the economy could hinge on the General Assembly’s passage of the POWER Act. The Bureau of Ocean Energy Management (BOEM), which is a subdivision of the U.S. Department of the Interior,

manages offshore wind leasing in federal waters of the United States. To date, BOEM has designated two areas closest to Maryland that are sufficient to sustain approximately 3,500 MW of offshore wind. These are the leases held by US Wind and Orsted, seen in Figure 1 below, in which approximately 2,000 MW of capacity are already underway through OREC agreements with the state of Maryland. This leaves opportunity for approximately 1,500 MW of future development in these areas, which would be procured directly by Department of General Services through a long-term contract under the POWER Act.

FIGURE 1: Existing offshore wind lease areas in the Mid-Atlantic



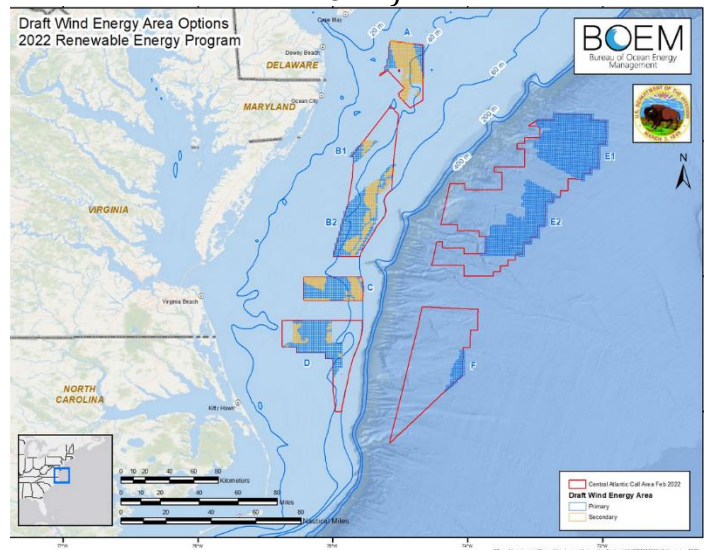
Maryland will need substantially more than 3,500 MW of offshore wind generation to decarbonize, given that fossil fuels represented 67.9 percent of the total installed capacity in Maryland in 2021 (12,416 MW) and much of the state’s electricity is currently imported from out of state.¹ **The 8,500 MW of offshore wind capacity targeted by the POWER Act would produce enough clean electricity each year to supply roughly 2 million homes (close to all the homes in Maryland).** These figures do not factor in year-over-year demand growth and widespread building/transportation electrification, so Maryland will need to continue expanding many forms of carbon-free resources.

In 2022, BOEM announced plans to lease additional offshore wind areas in the Central Atlantic, including additional areas that can help Maryland achieve its decarbonization goals. Initial draft areas are available in Figure 2, though these are

¹ Page 8, <https://www.pjm.com/-/media/library/reports-notice/state-specific-reports/2021/2021-maryland-dc-state-infrastructure-report.ashx>

under revision. BOEM is required to hold a robust stakeholder process, including feedback from federal agencies, state officials, industry, ocean users, environmental organizations, and more. BOEM responds to feedback and excludes areas for offshore wind development with substantial use conflicts—however, their assessment of lease areas factors in relative need and BOEM will want to ensure demand exists to build offshore wind.

FIGURE 2: Draft lease areas in the Central Atlantic (subject to future revision by BOEM).²



The result of BOEM’s stakeholder process will be final lease area designations and an auction in coming months that defines the scope of potential offshore wind development in our region.

Maryland needs to make its voice heard through the POWER Act, and BOEM’s leadership has explicitly requested input from the states. There is a real risk that BOEM fails to lease adequate acreage for Maryland and its neighbors to reach their goals.

To give you a sense of scale, ALL of the blue and gold areas in Figure 2 would be necessary to accommodate regional offshore wind goals (including expanded goals under the POWER Act). Table 1 below illustrates Maryland’s relatively small existing goal for offshore wind in comparison to neighboring New Jersey and Virginia. The POWER Act would establish a target of 8,500 MW of offshore wind, competitively positioned ahead of Virginia and behind New Jersey. BOEM would assess Maryland’s new goal alongside its neighbors and competing ocean uses to assign adequate

² https://www.boem.gov/sites/default/files/images/draft_wea_primary_secondary3.jpg



acreage for offshore wind development. It is unlikely that the federal government will pursue future leasing in our region beyond their current initiative.

Table 1: Brattle Group³
TABLE 1: OFFSHORE WIND TARGETS AND LONG-TERM NEEDS

| State | Already Procured (GW) | Current Goals | | Projected 2050 Needs (GW) |
|---------------|-----------------------|---------------|------|---------------------------|
| | | (GW) | Year | |
| ISO-NE | 5 | 8 | | 42-44 |
| Massachusetts | 3.2 | 5.6 | 2027 | 23 |
| Connecticut | 1.2 | 2 | 2030 | 9-11 |
| Rhode Island | 0.4 | 1-1.4 | 2035 | 5 |
| Maine | 0.01 | | | 5 |
| NYISO | 4.4 | 9 | | 14-25 |
| New York | 4.4 | 9 | 2035 | 14-25 |
| PJM | 8.4 | 18.2 | | 33-58 |
| New Jersey | 3.8 | 11 | 2040 | 11-26 |
| Maryland | 2 | 2 | 2030 | 2 |
| Virginia | 2.7 | 5.2 | 2034 | 20-30 |

In addition to offshore wind goal setting, Maryland needs to ensure it is planning today for the transmission grid of the future. **The transmission infrastructure in Maryland and the PJM region are not prepared for large-scale deployment of renewable energy, including offshore wind.** Existing offshore wind projects are already running into challenges finding cable landings and points of interconnection with the broader grid. Adding even more offshore wind will be physically impossible without proactive transmission planning to prepare Maryland for the needs of a decarbonized economy.

The POWER Act is an infrastructure bill first and foremost, representing a prudent investment in Maryland’s economic security as we face a future of climate uncertainty. Specifically, the bill orders the Maryland PSC to work with PJM and MEA to evaluate upgrades to existing transmission infrastructure and potential expansion of the grid (both onshore and offshore). After an analysis period, the PSC would be required to ask PJM to open a competitive solicitation for transmission proposals that maximize value for Maryland ratepayers and enable the buildout of 8,500 MW of offshore wind. The overall 8,500 MW target is important to give PJM something to aim for in their analysis.

³ https://www.brattle.com/wp-content/uploads/2023/01/Brattle-OSW-Transmission-Report_Jan-24-2023.pdf



After gathering proposals, the PSC will evaluate if one or more proposals make sense for Maryland to authorize. The PSC can also opt not to authorize a proposal, if circumstances change, as long as they provide a clear rationale and alternatives to meet Maryland’s goals. **The authorization of a transmission procurement is essential, both to ensure PJM factors Maryland’s policy goals into broader transmission planning AND to demonstrate to the offshore wind industry that Maryland is serious about accomplishing its offshore wind goal. Given the very real transmission bottlenecks that exist, an expanded offshore wind target without a transmission procurement would be unrealistic.**

The business-as-usual transmission planning processes at PJM primarily weighs immediate reliability needs based on the legacy power generation technologies. FERC Order 1000, issued in 2010, established that grid operators like PJM must include public policy considerations in their transmission planning process.

“Local and regional transmission planning processes must consider transmission needs driven by public policy requirements established by state or federal laws or regulations. Each public utility transmission provider must establish procedures to identify transmission needs driven by public policy requirements and evaluate proposed solutions to those transmission needs.” – Federal Energy Regulatory Commission⁴

Order 1000 authority is only exercised if states indicate their public policy requirements to the grid operator—PJM in Maryland’s case. While Maryland has established a zero emissions target for the 2040s through the Climate Solutions Now Act, the state must provide more specificity concerning future clean energy goals for PJM to take action through their transmission planning process. Therefore, the explicit offshore wind and transmission goals of the POWER Act are necessary. Suzanne Glatz, Director for Strategic Initiatives & Interregional Planning at PJM Interconnection, said as much during a recent webinar release of an offshore wind transmission planning report, “While PJM does not prioritize among resources, states and local authorities do have that role, and so to the extent that states do want to do [plan transmission for specific resources], PJM does stand ready to work with one state or multiple states.”⁵

⁴ <https://www.ferc.gov/electric-transmission/order-no-1000-transmission-planning-and-cost-allocation>

⁵ Timestamp 46:50, <https://vimeo.com/792350606/5ddc30dabd>



This brand-new report by Brattle Group, a respected global expert in electric system analysis, highlighted the need for proactive transmission planning.⁶ Key findings include:

- “Proactive and holistic planning for long-term transmission needs offers significant benefits, but unless these planning efforts are started now, more attractive near-term transmission solutions will not be identified and the most effective long-term grid development pathways may be foreclosed.”
- “While the most ambitious state and federal clean energy goals will not have to be attained until 2040 or 2050, we project that starting proactive planning for these long-term offshore wind generation needs now likely will save U.S. consumers at least \$20 billion and reduce environmental and community impacts by 50%.”
- “New Jersey’s recently concluded proactive planning effort with PJM for interconnecting an incremental 6,400 MW of OSW generation resulted in cost savings of over \$900 million (a 13% reduction of total OSW transmission-related costs) by reducing the cost of upgrades to the existing onshore grid by approximately two thirds.”
- “A preliminary study by PJM evaluating the grid upgrades necessary to interconnect 15,000 MW of OSW generation along with 60,000 MW of land-based renewable resources also shows the benefits of this type of proactive planning when applied to address the entire region’s clean-energy and reliability needs: it would reduce the cost of necessary upgrades to the existing grid by over 80% compared to PJM’s existing generation interconnection process.”

If Maryland is going to meet 2031 and 2045 decarbonization goals, it needs to start planning today. **New transmission facilities take at least a decade to plan, permit, and construct**—offshore wind projects will require some additional time on top of that. As the Brattle report illustrates, **there are substantial benefits to a proactive transmission planning approach, including cost savings for consumers, and minimized environmental impacts due to fewer cable landings.**

Finally, the POWER Act proposes a new procurement mechanism that would avoid ratepayer impacts by incentivizing offshore wind from Maryland’s General Fund. The legislation would empower the Maryland Department of General Services to procure up to 8 million megawatt hours (MWh) of offshore wind energy and

⁶ https://www.brattle.com/wp-content/uploads/2023/01/Brattle-OSW-Transmission-Report_Jan-24-2023.pdf



Renewable Energy Credits (RECs) each year through a competitively bid long-term contract with one or more offshore wind projects.

A procurement of this size would more than satisfy Maryland's own government non-renewable energy usage (approximately 1.2 million MWh)⁷ and would ensure that the existing offshore wind lease areas off the coast of Maryland are maximized. We estimate that somewhere between 1,000 and 1,500 MW of offshore wind capacity could be built in the remaining lease areas off the coast of Maryland. To provide a sense of scale to this procurement, we estimate that 1,500 MW of offshore wind would supply about 5,256,000 MWh each year at 40 percent capacity factor. This is a conservative estimate on the low-end of offshore wind capacity factors, which can exceed 50 percent.

Any energy and RECs procured by DGS above the state government's electricity consumption would be offered for sale on the wholesale market. The benefits of this provision are significant: 1. The Maryland government would secure long-term stable pricing for clean energy, 2. The State General Fund would either accrue a savings or pay the difference between offshore wind and wholesale electricity rates, depending on what happens to electricity prices over the term of the contract. Either way, it would ensure more offshore wind is built. 3. The contract between the offshore wind project and DGS would facilitate financing for additional offshore wind capacity near Maryland, spurring new job creation and helping to sustain demand for manufacturing—including Sparrow's Point Steel—that are being developed to support Maryland's existing offshore wind projects.

The DGS procurement of offshore wind is a critical bridge between Maryland's existing 2,000 MW OREC procurements for offshore wind, and the long-term goal of 8,500 MW. This innovative mechanism will ensure that Maryland's offshore wind supply chain keeps growing while federal permits and transmission planning proceed. While this concept may be new to the state, long-term bilateral contracts for clean energy are common among Fortune 500 businesses.

As a Maryland resident, I am proud to advocate for this bill, and greatly appreciate the thoughtful approach of its sponsors. Maryland will never again have such a profound opportunity to set the stage for a robust offshore wind industry to deliver family-sustaining careers in clean energy and billions of dollars in private investment. MAREC Action respectfully urges you to support the POWER Act at this critical time.

⁷ <https://dgs.maryland.gov/Pages/Energy/Purchasing.aspx>



Best regards,

Evan Vaughan
Deputy Director
MAREC Action
evaughan at marec.us

SB 781 - MoCo_Fitzgerald_FAV (GA 23).pdf

Uploaded by: Garrett Fitzgerald

Position: FAV



Montgomery County

Office of Intergovernmental Relations

ROCKVILLE: 240-777-6550

ANNAPOLIS: 240-777-8270

SB 781

DATE: March 7, 2023

SPONSOR: Senator Hester, et al.

ASSIGNED TO: Education, Energy, and the Environment Committee

CONTACT PERSON: Garrett Fitzgerald (garrett.fitzgerald@montgomerycountymd.gov)

POSITION: Support

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

Wind power is a clean, renewable, domestic resource poised to play a critical role in powering our economy, creating jobs in Maryland, improving public health, and achieving our climate goals.

Offshore wind offers a major opportunity to bring more renewable energy onto the grid, while minimizing conflicts with forest and agricultural land uses. Wind lease areas have been identified, and four offshore wind projects are currently under development off the coast of Maryland in the Atlantic Ocean.

This bill will lay critical groundwork for major additional offshore wind development to help meet Maryland's renewable energy needs. It will reduce barriers to accelerate the development of new offshore wind projects. It will require the Public Service Commission to explore options and seek proposals for the development of transmission system upgrades to enable new offshore wind projects to transmit power into the region's electric grid. The bill will also require the State's Department of General Services to purchase power resulting from offshore wind projects, and will require new offshore wind project proposals to include community benefits agreements emphasizing the use of domestic materials and skilled local labor.

Montgomery County respectfully requests that the Education, Energy, and the Environment Committee issue a favorable report on Senate Bill 781.

Senate Coalition Support for POWER Act (1).pdf

Uploaded by: Jamie DeMarco

Position: FAV



NAACP
Maryland
STATE CONFERENCE



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Maryland PIRG



CHESAPEAKE BAY
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CHESAPEAKE

Testimony in Support of the POWER Act
SB 0781
Senate Education, Energy, and the Environment Committee
March 7, 2023

Mr. Chair, Madam Vice-Chair, and members of the committee

On behalf of the organizations listed above, we urge a favorable report on SB 0781.

Building more offshore wind in Maryland will bring family sustaining careers to Maryland, lower energy costs, improve health outcomes and slash our carbon pollution. That is why SB 0781, The POWER Act, is supported by labor unions, developers, climate advocates, justice groups, and consumer protection advocates. The POWER Act sets Maryland up to be a leader in offshore wind by making necessary upgrades to our grid, setting an ambitious goal of 8.5 gigawatts of offshore wind by 2031, strengthening labor standards, and building another gigawatt of offshore wind in existing lease areas.

Right now offshore wind developers are looking up and down the east coast for where they should invest, and Maryland does not look competitive. While New Jersey has set a goal of 11.5 gigawatts of offshore wind and New York has set a goal of 9 gigawatts, Maryland only currently plans to build 2 gigawatts of offshore wind. Our grid lacks the capability of handling large additions of offshore wind, and we currently have no plan to create that capability. Our state could become a central hub of offshore wind development up and down the east coast, but not without additional action. By passing the POWER Act we can put Maryland back in the running as a location worthy of offshore wind development and investment.

Maryland is currently building 2 gigawatts of offshore wind, and even this relatively small buildout has resulted in commitments to provide \$3.5 billion in economic benefits for the state, 7,000 job years of work¹, and the revival of union steel jobs in Baltimore County. The POWER Act would bring even more jobs to Maryland by immediately increasing the number of offshore wind turbines being built in the near-term and making the necessary investments to grow this industry in the long term.

The cost of offshore wind had plummeted more than 50% since 2008,² and a 2022 US Department of Energy report found that the cost of offshore wind plummeted another 13% in just the past year.³ On top of those steep declines, the Inflation Reduction Act set up a decade of the

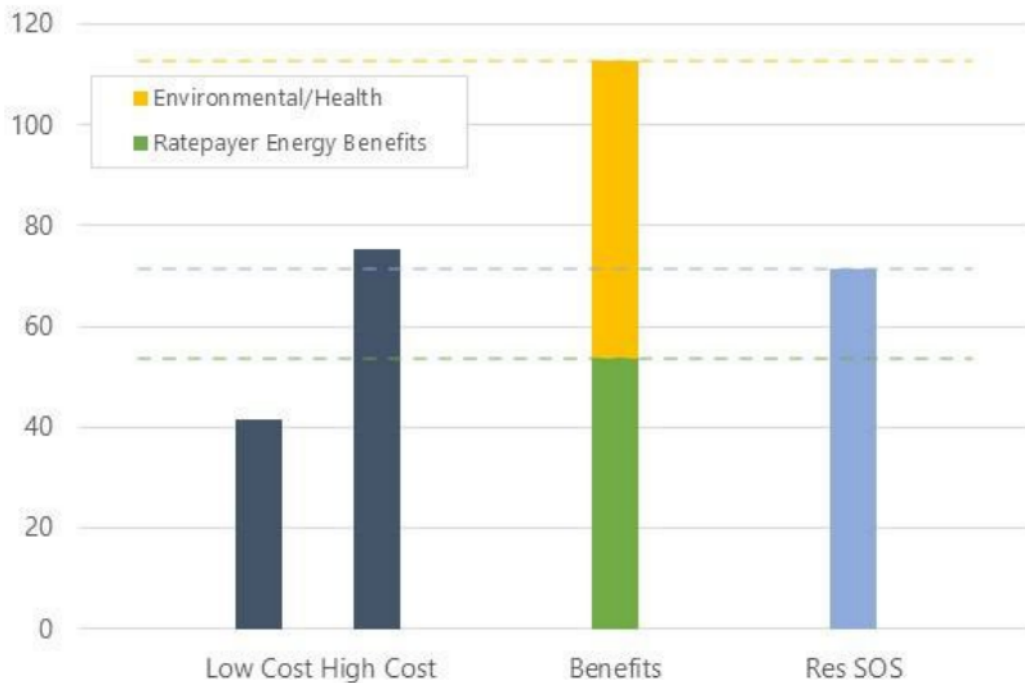
¹<https://chesapeakeclimate.org/wp-content/uploads/2022/12/MD-Offshore-Wind-Report-Dec-2022-Gabel-Associates.pdf>

²<https://www.energy.gov/articles/doe-releases-new-reports-highlighting-record-growth-declining-costs-win-d-power>

³<https://www.energy.gov/eere/wind/articles/offshore-wind-market-report-2022-edition#:~:text=The%20estimated%20levelized%20cost%20of.%2FMWh%20to%20%24116%2FMWh>

strongest offshore wind subsidies in our nation’s history. As a result of these compounding cost declines, a 2022 Gabel report found that if Maryland were to build 8.5 gigawatts of offshore wind, it could save Marylanders \$4.7 billion over 30 years in reduced energy costs, and could save Marylanders as much as \$28.5 billion when accounting for environmental and health benefits.⁴

Figure 16. Levelized Offshore Wind Cost and Benefit Comparison w/SOS (2021\$/MWh)



The above chart from the Gabel report shows the low end and high end cost estimates for offshore wind energy. As the chart makes clear, in almost all scenarios, the cost of new offshore wind energy is cheaper than the cost of Standard Offer Service electricity on the PJM Grid.

The POWER Act would also lower energy costs by initiating a planning process for shared offshore wind transmission infrastructure. A recent Brattle report found that by initiating a long term, coordinated transmission planning process New Jersey saved its ratepayers \$900 million.⁵ That is exactly the kind of cost savings The POWER Act would bring for Maryland ratepayers.

Building more offshore wind will help Maryland cut air pollutants such as NO2 and PM 2.5 which have a silent but deadly effect on our state. Air pollution causes and exacerbates asthma.⁶ Air

⁴<https://chesapeakeclimate.org/wp-content/uploads/2022/12/MD-Offshore-Wind-Report-Dec-2022-Gabel-Associates.pdf>

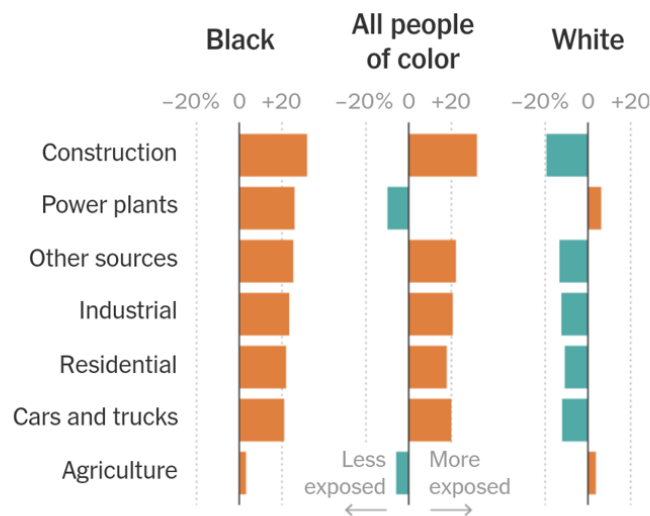
⁵<https://www.marylandmatters.org/2023/01/30/offshore-wind-will-need-major-investments-in-transmission-supply-chain-reports-say/>

⁶<https://www.epa.gov/sciencematters/links-between-air-pollution-and-childhood-asthma>

pollution is one reason that Maryland has an asthma rate that is 25% higher than the national average, and Baltimore City has an asthma rate nearly three times the national average.⁷ The same air pollutants that cause asthma also claim the lives of 60,000 Americans every year.⁸ These harmful effects are not born equally. People of color in America, and especially Black Americans, breathe dirtier air than white Americans on average.⁹

Biggest Pollution Disparities

Nationwide, Black people are exposed to greater-than-average concentrations of a dangerous form of pollution known as PM 2.5. People of color face more exposure from almost every type of source, while white people are less exposed.



8.5 gigawatts of offshore wind would be enough energy to power every home in Maryland and would not create any air pollution. Building these turbines will improve health outcomes for all Marylanders, but will disproportionately benefit people of color in Maryland.

The POWER Act will build more offshore wind power and bring its many benefits to Maryland by doing four things:

1) Setting an ambitious goal of 8.5 gigawatts of offshore wind

By this time next year the Federal Bureau of Ocean Energy Management (BOEM) will finalize the maps for where additional offshore wind turbines can be built. Issuing these maps is a lengthy process that incorporates feedback from a wide variety of ocean users and happens

⁷<https://www.environmentalintegrity.org/wp-content/uploads/2017/12/Baltimore-Asthma.pdf>

⁸<https://www.statista.com/statistics/1137375/air-pollution-deaths-united-states/#:~:text=Deaths%20attributable%20to%20air%20pollution%20in%20the%20United%20States%201990%2D2019&text=The%20number%20of%20deaths%20attributable,figure%20had%20fallen%20to%2060%2C200.>

⁹<https://www.nytimes.com/2021/04/28/climate/air-pollution-minorities.html>

very rarely. The next round of maps could define the parameters for Maryland's offshore wind generation for decades to come. By stating in law that Maryland intends to build 8.5 gigawatts of offshore wind, the state can help ensure BOEM designates lease areas large enough for Maryland to meet that goal. Delaying setting this goal for just one year could permanently hamper Maryland's offshore wind development.

2) Beginning a process to prepare Maryland's grid for more offshore wind energy

Without substantial upgrades to the grid on Maryland's Eastern Shore, our state will be limited in how much offshore wind we will be able to build. The POWER Act directs the Public Service Commission (PSC) to issue a request for proposals to build a shared transmission infrastructure that all future offshore wind projects could plug into. The PSC will then work with the party awarded the contract to get the necessary approvals to begin building. Crucially, the PSC is authorized to not select any winner from the RFP, and will only declare a winner if they find the bid to be in Maryland's interest.

3) Strengthening labor standards

We want offshore wind to be built with good union jobs. The Clean Energy Jobs Act established some labor standards for the construction of offshore wind turbines, and the POWER Act builds on that policy by extending labor standards further upstream in the manufacturing supply chain, establishing labor standards for maintenance of the turbines, and setting buy American requirements for turbines.

4) Further building out existing lease areas

Through the Clean Energy Jobs Act of 2019 and the Offshore Wind Energy Act of 2013, Maryland is currently building 2 gigawatts of offshore wind energy which should be running by 2026. The projects are being developed by Orsted and US Wind in lease areas they have already purchased from BOEM. Those lease areas have room in them for about another gigawatt of offshore wind. The POWER Act says that the Department of General Services (DGS) may enter into Power Purchase Agreements to procure an additional gigawatt of power in those lease areas. If DGS chooses to buy the additional wind energy, they would then sell the electricity back to the PJM at market rate. So long as the cost of offshore wind energy is less than the cost of standard offer service, which modeling reference above says is likely to be the case, then Maryland will make money in this process. In either case, ratepayers would be entirely protected. This approach ensures utility energy rates will not be increased because of the additional offshore wind procurement.

The POWER Act is a thoughtful, effective policy that will create union jobs, lower energy costs, improve health outcomes, and help Maryland meet our climate targets. It will help attract new investments from developers who are looking to see which states will be leaders in offshore wind energy. It is supported by unions, developers, climate advocates, justice groups, and consumer protection groups. It is important that the legislation this year, and we urge a favorable report.

BDCBT SB 0781 Offshore Wind Energy - State Goals a

Uploaded by: Jeffry Guido

Position: FAV



Maryland Senate – Education Energy and the Environment Committee

Chair: Brian J. Feldman

Vice Chair: Cheryl C. Kagan

House Bill 0781– Offshore Wind Energy - State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)

Position: Support

The Baltimore DC Metro Building Trades Council supports HB 0781. The use of Community Benefit Agreements, Community Workforce Agreements and Project Labor Agreements allow State and local agencies to utilize a market-based, project efficiency tool like PLAs to ensure “on time, on budget” results for their construction projects; as well as to ensure that LOCAL workers are getting the jobs created by local tax investments. Any qualified contractor can bid to work under a PLA on a public project. These project agreements contribute to a more sound local tax base with more income put into circulation to the benefit of local small businesses. Furthermore, the PLA model promotes career training opportunities for local residents – particularly women, minorities and veterans. PLAs continue to be utilized by the profit-oriented and cost-conscious private sector for example. Successful PLA's in Maryland. MGM National Harbor is the highest at \$900M grossing casino outside of Las Vegas, NV. CPV St. Charles Energy Center. Cove Point LNG Export facility. North Keys Energy Center and Conowingo Dam Hydro electric facility the largest non-federal hydro electric dam in the U.S and the largest hydro dam in MD. It is imperative that moving forward the renewable energy industry be built with the use of project labor agreements. We know how to build them and we know how to build them right.

We urge the committee for a favorable report.

Thank you,

Sincerely,

Jeffrey Guido

(E) consultingbyjlg@gmail.com (C) 240-687-5195

- Electrical Workers
- Insulators
- Boilermakers
- United Association
- Roofers
- Cement Masons
- Teamsters
- Laborers
- Bricklayers
- Ironworkers
- Sheet Metal Workers
- Elevator Constructors
- Painters
- Operating Engineers
- Carpenters

Value on Display... Everyday.



United POWER Act Testimony- Senate.pdf

Uploaded by: Jen Brock

Position: FAV



March 7, 2023

SB 781: Promoting Offshore Wind Energy Resources Act

Education, Energy & Environment Committee

Position: Favorable

Dear Chair Feldman and Education, Energy, and the Environment Committee,

On behalf of Advanced Energy United, we respectfully urge a favorable vote on SB 781 Promoting Offshore Wind Energy Resources Act, especially because of the bill's provisions related to strengthening and expanding transmission infrastructure. We thank Senator Hester for her leadership on this bill.

Advanced Energy United is a national industry association that represents the full range of advanced energy technologies and services, ranging from solar companies and electric vehicle manufacturers, to energy efficiency companies, transmission developers and more. We advocate for policies that allow our member companies to compete to repower our economy with 100% clean energy. We work with decision makers at every level of government as well as regulators of energy markets to achieve this goal. The businesses we represent are lowering consumer costs, creating millions of new jobs, and providing the full range of clean, efficient, and reliable energy and transportation solutions.

Currently, Maryland is not on track to meet its clean energy goals in the Renewable Portfolio Standard (RPS). We need to prioritize the deployment of renewable energy, such as offshore wind, as well as the strengthening and buildout of transmission infrastructure. This infrastructure is vital as we work to ensure a reliable and interconnected clean energy grid. Both rapid deployment of clean energy and transmission investment are crucial as Maryland works to get back on the path to meeting its clean energy goals.

Investing in our offshore and onshore transmission infrastructure in Maryland and across the Eastern US will ensure that power produced by wind and solar farms can reach our homes and businesses where it's needed. But investing in transmission infrastructure will also create jobs, improve the resiliency and reliability of our electric grid, and deliver enormous savings for consumers. In fact, Americans for a Clean Energy Grid estimates that in the Eastern US alone, expanding and modernizing the transmission grid would unleash up to \$7.8 trillion in investment and generate more than 6 million net new jobs, primarily in rural areas.

The Promoting Offshore Wind Energy Resources Act is crucial to developing a more competitive renewable energy structure in Maryland that delivers reduced energy costs, new job opportunities, and a resilient energy infrastructure for years to come. We ask for your support of SB 781 and look forward to working together to help Maryland achieve its clean energy goals.

Nathan Willcox
Advanced Energy United
nwillcox@advancedenergyunited.org
202-380-1950 ext 3007



SB781AudubonMidAtlantic_PowerAct.pdf

Uploaded by: Jim Brown

Position: FAV



Maryland Office
Patterson Park Audubon Ctr
2901 E. Baltimore St
Baltimore, MD 21214

March 7, 2023

To: Maryland Senate Education, Energy, and the Environment Committee

From: Jim Brown, Policy Director, Audubon Mid-Atlantic

Subject: Favorable Testimony for **Maryland SB781 Offshore Wind Energy -State Goals and Procurement**

Good afternoon. My name is Jim Brown. I am the policy director for Audubon Mid-Atlantic, here in Maryland. Audubon Mid-Atlantic is the regional office of National Audubon Society, representing over 35,000 Marylanders who advocate for the protection of birds, bird habitat, and policies aiming to protect both birds and human communities in the face of increasing environmental challenges, habitat loss, pollution, and climate change.

Audubon Mid-Atlantic supports the SB781. Adopting renewable energy is critical to reducing pollution, lowering temperatures, and preserving the places that birds need to survive. Audubon supports renewable energy—including offshore wind—that is properly sited in ways that avoid, minimize, and mitigate negative impacts on birds and other wildlife. This bill is a necessary part of the toolkit to protect birds from the impacts of climate change.

Science tells us birds are in decline due to habitat loss and climate change. 1/3 of eastern forest and grassland bird species experienced significant population declines in the past 50 years. Iconic birds such as the Wood Thrush, American Kestrel, Brown Thrasher, Prairie Warbler, Eastern Meadowlark and Baltimore Oriole are in decline across Maryland. On the Eastern Shore the endangered salt marsh sparrow is losing critical habitat each year due to climate related sea-level rise. SB781 will slow and reverse this trend by encouraging a transition to non-greenhouse gas energy production in Maryland.

Audubon Mid-Atlantic appreciates that this bill acknowledges the need to work with the Federal Bureau of Ocean Energy Management (BOEM). BOEM provides wildlife specific research with relevant agencies and considers comments from wildlife and community partners to minimize risk to birds. The bill also addresses need to upgrade Maryland's utility grid capacity to accommodate offshore wind. Audubon Mid-Atlantic sees this as an opportunity to be proactive and thoughtful in planning for a grid that minimizes impacts to bird habitat.

The Science tells us:

- Greenhouse gas induced climate change is the most significant threat to birds and people in Maryland

- Transitioning to renewable energy sources such as wind will mitigate and slow the impacts of climate change on our vulnerable human and bird communities.
- When proper siting considerations are followed, offshore wind turbines minimize threats to birds and other wildlife

With proper siting considerations SB781 will protect birds by creating a more resilient environment. It will also hold Maryland up as a leader in climate action, helping the state reach the ambitions goals established in Climate Solutions Now Act of 2022.

Audubon Mid-Atlantic respectfully urges a favorable review of this legislation.

Thank You,

Jim Brown

Policy Director
Audubon Mid-Atlantic
410-207-2445
Jim.brown@audubon.org

23 03 02 USW Letter Supporting MD HB 793 (1).pdf

Uploaded by: Jim Strong

Position: FAV



District 8

Larry R. Ray
District Director
Brian P. Wedge
Assistant to the Director

March 2, 2023

HB 793-POWER Act
House Economic Matters
Support Testimony

To the Honorable Chairman C.T. Wilson and distinguished members of the committee,

I am offering written testimony in support of **HB 793 POWER Act** as presented to the committee, on behalf of the United Steelworkers District 8. The United Steelworkers is the largest manufacturing union in North America representing over 850,000 workers. My name is Larry Ray, Director of USW District 8 covering Maryland, Virginia, West Virginia, and Kentucky.

Maryland has the opportunity to become the hub for Off Shore Wind Production for the East Coast. We currently have two OSW developers, Orsted and US Wind that have leased property at Trade Point Atlantic for their projects. On August 2nd, 2021, at TPA, US Wind made a major announcement of their plans to build a monopiles manufacturing facility called Sparrows Point Steel, and their partnership with the United Steelworkers on a Labor Peace Agreement. At full capacity it is expected that the site will employ over 500 steelworkers.

This location of this facility is strategic and offers many strengths. There is room for additional supply chain manufacturers to locate at TPA. Easy access to the Interstate. On site rail transportation. We also have deep-water port. Even though we have these strengths, if we want to be the hub for OSW development creating a strong economy, with high paying jobs, we must pass HB-793.

The *POWER Act* sets Maryland up to be a leader in offshore wind by making necessary upgrades to our grid, setting an ambitious goal of 8.5 gigawatts of offshore wind by 2031, strengthening labor standards, and building another gigawatt of offshore wind in existing lease areas.

Right now, offshore wind developers are looking up and down the east coast for where they should invest, and Maryland does not look competitive. While New Jersey has set a goal of 11.5 gigawatts of offshore wind and New York has set a goal of 9 gigawatts, Maryland only currently

United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union

85 C. Michael Davenport Blvd., Suite B, Frankfort, KY 40601 502-875-3332 • 502-875-5465 • www.usw.org

USW DISTRICT 8
3657

plans to build 2 gigawatts of offshore wind. Our grid lacks the capability of handling large additions of offshore wind, and we currently have plans to create that capability. Maryland could become a central hub of offshore wind development up and down the east coast, but not without additional action. By passing the *POWER Act* we can put Maryland back in the running as a location for offshore wind development and investment.

Without substantial upgrades to the grid on Maryland's Eastern Shore, our state will be limited in how much offshore wind we will be able to build. The *POWER Act* directs the Public Service Commission to issue a request for a proposal to build a shared transmission infrastructure that all future offshore wind projects could plug into. The PSC will then work with the party awarded the contract to get the necessary approvals to begin building. Crucially, the PSC is authorized to not select any winner from the RFP, and will only declare a winner if they find the bid to be in Maryland interest.

We want offshore wind to be built with good union jobs. The Clean Energy Jobs Act established some labor standards, the *Power Act* builds on that policy by extending labor standards further upstream in the manufacturing supply chain, establishing labor standards for maintenance of the turbines and setting domestic content preferences for offshore wind projects.

For the reasons outlined in this testimony, I respectfully request that this committee give **HB-793 a favorable report.**

Sincerely,

A handwritten signature in blue ink, appearing to read "Larry R. Ray". The signature is fluid and cursive, with a large initial "L" and "R".

Larry R. Ray
Director,
USW, District 8

SB781 CASA Written Testimony.pdf

Uploaded by: Jose Coronado Flores

Position: FAV



Testimony in SUPPORT of SB781
Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)
Senate - Education, Energy, and Environment Committee
Jose Coronado-Flores , On Behalf of CASA

March 7th, 2023

Dear Honorable Chair Feldman and Members of the Committee,

CASA is pleased to offer **favorable testimony in support of SB781 - Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)**. CASA is the largest immigrant services and advocacy organization in Maryland, and in the Mid-Atlantic region, with a membership of over 120,000 Black and Latino immigrants and working families.

SB781 is important legislation that will address the need for large-scale clean and renewable energy in Maryland. In particular, CASA is invested in seeing this bill pass because of the positive impact an offshore wind project will have on mitigating climate change globally and the immense amount of electricity that will be fed into the electrical grid.

Many of our members immigrate from countries near or along the equator in Latin America and Africa. This particular region is and will continue receiving the worst of climate change. In the Central American Dry Corridor, crops and agriculture are failing due to rising temperatures, changing weather patterns, and severe weather. In order to limit even greater climate catastrophe, the world needs to depart from burning fuels for energy. This bill directly promotes sustainable and clean energy in Maryland and reduces Maryland's impact on the changing climate.

Secondly, our members populate some of the polluted areas in Maryland, and the pollution to which they are exposed, in some cases, is a result of either waste-to-energy production or fossil fuel infrastructure in their own dwellings. At the county level, CASA is fighting for the electrification of new construction and widespread electric retrofitting in multifamily residential buildings. A common rebuttal to electrification legislation is whether or not the grid can handle increased electricity demand. This bill will make sure that the state's grid will be able to handle these emission reducing campaigns. Lastly, as long as Maryland does not have abundant large-scale renewable energy projects, then energy sources like trash incineration will continue to thrive. Both of these points pivot on the idea that our members' communities need reductions in exposure to fossil fuel pollution.

In conclusion, SB781 will contribute to Maryland's commitment to mitigate climate change, fortify and grow our current electrical grid's power, reduce local pollution, and provide the necessary infrastructure for an all electric state. CASA urges a favorable report.

Jose Coronado-Flores

Research and Policy Analyst, jcoronado@wearecasa.org, 240-393-7840

SB 781 FAV Offshore Wind - Adams (citizen).pdf

Uploaded by: Joseph Adams, MD

Position: FAV

TESTIMONY FROM JOSEPH A. ADAMS, MD, TOWSON, MD

SB 781

Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)
Senate Education, Energy, and the Environment Committee. March 6, 2023

FAVORABLE

I am writing as a citizen to share two items of background information.

(1)

According to a very recent New York Times article of Feb 23, 2023, 'The U.S. Has Billions for Wind and Solar Projects. Good Luck Plugging Them In'

(<https://www.nytimes.com/2023/02/23/climate/renewable-energy-us-electrical-grid.html>),

The need to expand the electricity grid is urgent; it is a bottleneck already creating a backlog of interconnection requests and holding back renewable critically needed energy projects.

This bill is urgently needed to address this problem, and to allow Maryland to meet its energy targets.

(2)

FYI, there is a coordinated effort in Maryland by anti-wind groups to drum up opposition to wind and related renewable energy projects, which is funded fossil-fuel interests and their allies. These activities operate under-the-radar and have not yet been covered in local media, but some reputable journalists have covered the story (below):

In the fall of 2019, residents on the coast of New Jersey, Delaware and Maryland started to receive letters about a new offshore wind project from what appeared to be a neighborhood group, Save Our Beach View ...

article: <https://www.distilled.earth/p/the-man-trying-to-kill-americas-offshore>

'The Man Trying to Kill America's Offshore Wind Industry

"He's fighting every offshore wind project in the country and recruiting hundreds to join him. Here's how."

By Michael Thomas, Jan 5, 2023

IN NOVEMBER 2019, local property owners in Delaware and Maryland were sent a letter from "Save Our Beach View" asking neighbors to lobby local politicians against the Skipjack wind farm...

article: <https://theintercept.com/2021/12/08/oil-industry-wind-farm-prevent/>

"Oil-backed Group opposes offshore wind — for environmental reasons.

"Local think tanks that previously supported offshore drilling have engaged in a wide-ranging campaign to stop the expansion of offshore wind farms."

by Lee Fang, December 8, 2021

<https://www.volts.wtf/p/the-right-wing-groups-behind-renewable#details>

Podcast interview with journalist Michael Thomas, December 13, 2022

Summary / Excerpt:

"There are coordinated, well-funded anti-wind groups, active in dozens of states, working to generate opposition to wind energy and other renewable projects. These groups operate below the radar; their activities are not covered by local media." They often use misinformation and outright lies.

Thank you very much,

Joseph A. Adams, MD joeadamsmd@gmail.com Towson, MD (Leg District 11B)

BaltimoreCounty_FAV_SB0781.pdf

Uploaded by: Joshua Greenberg

Position: FAV



JOHN A. OLSZEWSKI, JR.
County Executive

JENNIFER AIOSA
Director of Government Affairs

AMANDA KONTZ CARR
Legislative Officer

JOSHUA M. GREENBERG
Associate Director of Government Affairs

BILL NO.: **SB 781**

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

SPONSOR: Senator Hester

COMMITTEE: Education, Energy, and the Environment

POSITION: **SUPPORT**

DATE: March 6, 2023

Baltimore County **SUPPORTS** SB 781 - Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act). This legislation would aid the expansion of offshore wind energy capacity in Maryland, benefitting both our environment and the State’s economy.

The emerging offshore wind industry has projected as many as 1,000 jobs in Baltimore County over the projected lifespans of currently authorized projects. Both companies with authorized capacity are investing in Eastern Baltimore County to create critical components for offshore wind that will serve much of the East Coast, providing significant opportunities for local businesses in the Baltimore Region. Since the announcement of these projects, Baltimore County has worked tirelessly to partner with career development resources to develop a skilled local workforce.

Wind energy will be a critical component of meeting Maryland’s Renewal Portfolio Standard (RPS) and statewide commitments to reducing greenhouse gas emissions. House Bill 793 supports the expansion of offshore wind development projects in Maryland, up to 8,500 megawatts of capacity. The bill provides for workforce development, training, and the right of workers in the growing State industry to organize, while also establishing preferences for local workers and domestic materials. Furthermore, the bill would require the Public Service Commission, in consultation with the Maryland Energy Administration and PJM Interconnection, to conduct an analysis of transmission system expansion options that will better support expanding offshore wind development.

Baltimore County believes that offshore wind represents a real opportunity for meeting the energy demands of the State and Region, in a way that benefits the environmental and our economy. In addition to new investments from the state and federal governments supporting offshore wind development,

Baltimore County supports SB 781's additional efforts to ensure this industry creates well-paying, skilled jobs, and supports communities.

Accordingly, Baltimore County requests a **FAVORABLE** report on SB 781. For more information, please contact Jenn Aiosa, Director of Government Affairs at jaiosa@baltimorecountymd.gov.

SB781 Hester Testimony.docx.pdf

Uploaded by: Katie Fry Hester

Position: FAV

KATIE FRY HESTER
Legislative District 9
Howard and Montgomery Counties

Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
and Biotechnology



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KatieFry.Hester@senate.state.md.us

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

**Testimony in Support of SB781 - Offshore Wind Energy - State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)**

March 7th, 2023

Chairman Feldman, Vice-Chair Kagan, and members of the Education, Energy, and the Environment Committee, thank you for your consideration of Senate Bill 781: The Promoting Offshore Wind Energy Resources (POWER) Act.

As the Committee is aware, Maryland has set ambitious climate goals through the passage of the Climate Solutions Now Act in 2022 and the Clean Energy Jobs Act in 2019. Specifically, these bills set a renewable energy goal of 50% by 2030. Now, in order to implement these acts, we must prioritize the rapid deployment of generation and transmission technologies. This bill sets a goal of 8.5 Gigawatts of offshore wind because it is necessary to meet our renewable energy goal.

Investing in the state's offshore wind industry carries many benefits for the state. There are several reasons why this bill is necessary now.

- 1) The Federal Bureau of Ocean Energy Management is opening up areas for leases up and down the coast. Maryland actually has very little control over who leases these lands, however, by signaling that we will buy the energy generated- this bill will enable Maryland to determine how they are developed, including where cables land.
- 2) Several studies have shown substantial cost saving by planning the necessary transmission and distribution lines in advance. Think about the comparison of a long extension cord - going out to a power strip - which multiple generators can plug into. This is so much better than having 8 parallel extension cords. It saves money and saves the need of installing multiple lines.
- 3) It will create highly-skilled, highly-paid jobs for onsite workers.¹ 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

¹ <https://www.energy.gov/eere/wind/articles/offshore-wind-market-report-2022-edition>

million for steel fabrication, \$150 million for monopile foundation manufacturing, \$140 million for subsea cable manufacturing, and over \$100 million for turbine tower manufacturing.²

With that sense of urgency, let's turn to what SB781, as amended, actually does to build more offshore wind power in our state:

- 1) **Sets a goal of 8.5 gigawatts of offshore wind.** Many neighboring states - including Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Virginia, and North Carolina - have established offshore wind development goals.³ Federally, the Biden administration has set a goal of 30 additional GW of domestic offshore wind by 2030.⁴ These goals help signal to the market and regulators that our state is eager to develop this industry.
- 2) **Initiates a state process to coordinate transmission infrastructure.** Although Maryland is transitioning toward clean energy, our offshore wind projects face a significant barrier in connecting to our grid. Until now, transmission has been handled on a project-by-project basis. This increases cost and decreases efficiency. SB781 directs the PSC to manage a competitive transmission procurement process that establishes a coordinated network, therefore resolving the issue of interconnection and building resilience and reliability.
- 3) **Invests in the full build-out of existing lease areas.** Maryland's existing wind lease areas have space for roughly 700-800 additional megawatts each. Current policy does not allow for additional development without impacting 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.

In closing, the POWER Act sets Maryland up to be a competitive leader in offshore wind, creates good union jobs, lowers energy costs, and helps Maryland meet our climate targets. For these reasons, I respectfully request a favorable report on SB781.

Sincerely,



Senator Katie Fry Hester
Howard & Montgomery Counties

²<https://energy.maryland.gov/SiteAssets/Pages/Info/renewable/offshorewind/Offshore%20Wind%20in%20Maryland%20Final%20Draft.pdf>

³<https://www.americanprogress.org/article/the-road-to-30-gigawatts-key-actions-to-scale-an-offshore-wind-industry-in-the-united-states/>

⁴<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/>

US Wind written testimony_SB781.pdf

Uploaded by: Kim Mayhew

Position: FAV



SENATE BILL 781

Promoting Offshore Wind Energy Resources (POWER) Act

DATE: March 7, 2023

POSITION: SUPPORT

US Wind, Inc. (US Wind) submits this letter of support for SB 781, *Promoting Offshore Wind Energy Resources (POWER) Act*, and encourages its passage.

US Wind is an American offshore wind developer headquartered in Baltimore, Maryland. In 2014, US Wind acquired an 80,000-acre federal Lease area off the coast of Maryland, which is large enough to yield about 1,800 megawatts (MW) of offshore wind energy and power 650,000 homes. In 2017, the state's Public Service Commission (PSC) awarded US Wind offshore renewable energy credits (ORECs) for the MarWin project, an offshore wind facility that will have approximately 300 MW of capacity when constructed. In 2021, the PSC awarded US Wind ORECs for the Momentum Wind project, which will yield more than 800 MW of offshore wind energy when placed in operation. As a result, US Wind has partnered with the State of Maryland for more than 1,100 MW of offshore wind energy. In addition, US Wind's offshore lease area contains approximately 700 MW of additional capacity.

US Wind is also committed to ensuring that Maryland secures a major role in the rapidly growing U.S. offshore wind industry by establishing the state's first permanent offshore wind component factory – Sparrows Point Steel – to serve the entire U.S. market, from the former Bethlehem Shipyard, now part of the Tradepoint Atlantic development. US Wind has already made substantial commitments to organized labor organizations to ensure that the skilled labor needed to build both a major energy infrastructure project and a new steel fabrication business is available from the Maryland community. US Wind has entered into an agreement with the United Steelworkers to support the operations of Sparrows Point Steel and has executed agreements with the Baltimore-D.C. Building Trades and the International Brotherhood of Electrical Workers (IBEW) for the construction of our offshore wind projects.

US Wind further understands that successful offshore wind projects must not only result in the development of a new renewable energy source for the region but must also provide the basis for meaningful expansion of economic activity in Maryland, especially in underserved communities. As such, we are committed to achieving substantial involvement of Maryland-based minority, women, service-disabled, and veteran-owned businesses (MBEs) in all phases of our projects.

Since the Maryland General Assembly passed the *Maryland Offshore Wind Energy Act* in 2013, and then again with the passage of the *Clean Energy Jobs Act of 2019*, this body has continued to reaffirm its

commitment to offshore wind development and procuring this clean energy resource for the benefit of all Marylanders. The POWER Act is another positive step in that direction.

The POWER Act consists of three policy initiatives that will continue to advance Maryland’s offshore wind program. Importantly, the bill: (1) establishes a statewide goal of procuring 8,500 MW of offshore wind energy, inclusive of existing state contracts; (2) recognizes the need for the state to upgrade its transmission system in order to meet its renewable energy goals and transition to a clean energy future, and; (3) provides a pathway for the state to procure the offshore wind energy that remains in existing leases off the Delmarva peninsula, like the remaining 700 MW of offshore wind capacity that remains in US Wind’s Lease area.

Eight East Coast states have set offshore wind targets totaling 37,000 MW, which have helped dictate the timing and ability for the industry to grow by providing market predictability.

| State | Renewable Energy Goals | Offshore Wind Goals |
|----------------|---------------------------------|--|
| Massachusetts | 35% by 2030 | 5,600 MW |
| Rhode Island | 100% by 2030 | 1,400 MW |
| Connecticut | 44% by 2030 | 2,000 MW |
| New York | 70% by 2030 | 9,000 MW by 2035 |
| New Jersey | 50% by 2030 | 11,000 MW by 2035 |
| Maryland | 50% by 2030 | 2,000 MW |
| Virginia | 30% by 2030 / 100% by 2050 | 5,200 MW |
| North Carolina | 70% reduction of GHG by 2030 | 2,800 MW by 2030 / 8,000 MW by 2040 |

As this graphic shows, Maryland, once a leader in offshore wind procurement goals, has now fallen below several states’ procurement targets. Goals matter. When states go big on offshore wind, big economic benefits follow. States with the largest offshore wind targets have announced supply chain commitments that will result in significant job creation and other notable economic benefits to that state. The POWER Act acknowledges this reality and rightly seeks to catapult Maryland to a leadership position once again.

It is also important to recognize that the 8,500 MW goal provided in the POWER Act is inclusive of existing offshore wind contracts, so in reality, the goal is for the state to procure an *additional* 6,000 MW of offshore wind energy. To achieve this new goal, the POWER Act smartly provides for the near-term procurement of remaining capacity in existing lease areas to make a strong step forward in

achieving this goal. With additional capacity remaining in existing lease areas, and new lease areas set to be auctioned in the Central Atlantic early next year, Maryland needs to send a powerful signal to the industry that it is open for additional offshore wind energy procurements and the economic development that will follow.

Finally, the POWER Act astutely recognizes that if Maryland truly wants to be a leader in clean energy development and procurement, it needs to ensure it is planning for the transmission grid of the future. The transmission infrastructure in Maryland is not prepared for large-scale deployment of renewable energy, including offshore wind. Existing offshore wind companies, like US Wind, are already looking to neighboring states for points of interconnection because Maryland's coastal power grid is too weak. Proactive transmission planning can prepare Maryland for the needs of a clean energy future.

We applaud the sponsor's and cosponsors' prescience and commitment to advancing Maryland's offshore wind program for the benefit of all Marylanders. For these reasons, we support SB 781 and encourage its passage. Thank you for your attention to this matter.

SB0781_Promoting Offshore Wind Energy Resources Ac

Uploaded by: Laurie McGilvray

Position: FAV



Committee: Education, Energy, and the Environment
Testimony on: SB0781 - Offshore Wind Energy – State Goals and Procurement - Promoting Offshore Wind Energy Resources Act
Organization: Climate Justice Wing of the Maryland Legislative Coalition
Submitting: Laurie McGilvray, Co-Chair
Position: Favorable
Hearing Date: March 7, 2023

Dear Chair and Committee Members:

Thank you for allowing our testimony today in support of SB781. The Maryland Legislative Coalition Climate Justice Wing, a statewide coalition of over 50 grassroots and professional organizations, urges you to vote favorably on SB781.

SB781, the Promoting Offshore Wind Energy Resources Act (POWER Act), will foster energy generation from offshore wind by setting an ambitious goal of 8.5 gigawatts by 2031, building an additional gigawatt of offshore wind in existing lease areas, strengthening labor standards, and making necessary upgrades to the electric grid.

Maryland needs to increase and accelerate projects for clean, renewable energy generation to address the climate crisis and ensure a just energy transition. Currently, Maryland is building 2 gigawatts of offshore wind generation, and the POWER Act sets a goal of 8.5 gigawatts, which would add a significant amount of renewable energy to the grid by 2031. This is an ambitious yet reasonable goal. New Jersey has a goal of 11.5 gigawatts and New York has a goal of 9 gigawatts of offshore wind. Setting a goal will send a signal that Maryland is a worthwhile place for offshore wind fabrication, development, and investment.

Offshore wind will bring family-sustaining jobs and economic benefits to Maryland. The current offshore wind project has resulted in commitments to provide \$3.5 billion in economic benefits for the state, 7,000 job years of work, and the revival of union steel jobs in Baltimore County. The POWER Act will bring more jobs to Maryland by increasing the number of wind turbines being built in the near-term and making investments to grow the wind industry in the long-term.

Offshore wind is good for Maryland electric ratepayers. The cost of offshore wind energy has plummeted more than 50% since 2008 and the cost continues to decline. In addition, the Inflation Reduction Act includes substantial subsidies for offshore wind development. A 2022 Gabel report found that Maryland ratepayers could save up to \$4.7 billion over 30 years in reduced

energy costs if 8.5 gigawatts of wind energy were built.¹ These savings will make the greatest difference to low-income households who have the highest energy burden.

Offshore wind is good for the health of Marylanders. Electricity from offshore wind is clean, unlike fossil-fuel powered electricity plants. It will help Maryland cut air pollutants such as particulates (PM 2.5) and nitrogen dioxide (NO₂) which can cause and exacerbate asthma. Air pollution is one reason that Maryland has an asthma rate that is 25% higher than the national average, and Baltimore City has an asthma rate nearly three times the national average. The 8.5 gigawatts of offshore wind energy would be enough to power every home in Maryland and would not create air pollution.

Finally, the POWER Act will help prepare Maryland's electric grid for the development of more offshore wind projects. Without substantial upgrades to the grid on the Eastern Shore, Maryland will be limited in how much offshore wind can be built. The POWER Act directs the Public Service Commission (PSC) to issue a request for proposals to build a shared transmission infrastructure that all future offshore wind projects could connect to. The PSC may select a particular contractor only if they find the bid to be in Maryland's interest. If such a contractor is selected, then the PSC would work with the contractor to get the necessary approvals to begin building the shared transmission infrastructure.

For all these reasons, we support SB781 and urge a **FAVORABLE** report.

¹ <https://chesapeakeclimate.org/wp-content/uploads/2022/12/MD-Offshore-Wind-Report-Dec-2022-Gabel-Associates.pdf>

sb781- offshore wind- EEE 3-7-'23.pdf

Uploaded by: Lee Hudson

Position: FAV



Delaware-Maryland Synod
Evangelical Lutheran Church in America
God's work. Our hands.

Testimony Prepared for the
Education, Energy, and the Environment Committee
on
Senate Bill 781
March 7, 2023
Position: **Favorable**

Mr. Chairman and members of the Committee, thank you for this opportunity to bear witness to goodness in the natural world. I am Lee Hudson, assistant to the bishop for public policy in the Delaware-Maryland Synod, Evangelical Lutheran Church in America. We are a faith community scattered across the landscape of our State.

Our faith community adopted a teaching document in 1993 about caring for the created world ("Caring for Creation," ELCA). It advocates an ethos of stewardship of natural gifts on behalf of sustainable and equitable blessings from creation. In it, greenhouse gases are identified as an environmental threat to created goodness because of their deleterious effect on climate. We have supported reducing greenhouse gas emissions and accelerating renewable energy sources in the Maryland energy portfolio before the General Assembly for several decades. We supported development of offshore wind farming for energy production since the prospect emerged during the O'Malley administration. Last June we wrote to BOEM in support of offshore wind in Maryland.

Early concerns about environment, wildlife, and siting disposition appear to have concluded, and our understanding is that public comment indicated benefits exceed harms.

Our position is that greenhouse gas reduction is urgent because the opportunity to prevent the worst climate crises is rapidly disappearing. The costs of doing nothing exceed the costs of carbon-neutral energy.

Senate Bill 781 defines energy production values before issuance of State certification for any facility to be constructed in the State. It also addresses the need to find a transmission system to get the power onto the grid.

Inasmuch as we have a commitment to renewable energy in the Maryland portfolio, we support **Senate Bill 781** and ask your favorable report.

Lee Hudson

Offshore Wind Energy - State Goals and Procurement

Uploaded by: Maddy Voytek

Position: FAV

Senate Education, Energy, and the Environment Committee
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

SB 781 – Offshore Wind Energy - State Goals and Procurement - Support

Chair Feldman, Vice-Chair Kagan & members of the Senate Education, Energy and the Environment Committee,,

The Ørsted vision is a world that runs entirely on green energy. Ørsted develops, constructs, and operates offshore and onshore wind farms, solar farms, energy storage facilities, renewable hydrogen and green fuels facilities, and bioenergy plants. Ørsted is recognised on the CDP Climate Change A List as a global leader on climate action and was the first energy company in the world to have its science-based net-zero emissions target validated by the Science Based Targets initiative (SBTi).

If passed, this legislation will establish the foundations for a leading offshore wind energy sector in Maryland. At Orsted, we are committed to creating accessible, well-paying jobs, growing the domestic supply chain, and investing in our communities. The provisions outlined in the POWER Act further these goals and create a healthier environment that benefits every resident of the State.

We thank you for your consideration and support of the Power Act. Together we can create a cleaner, green Maryland.

Yours sincerely,

Madeline “Maddy” Voytek
Deputy Head of Government Affairs & Market Strategy--Maryland

SB781_MDSierraClub_fav 7March2023.pdf

Uploaded by: Mark Posner

Position: FAV



P.O. Box 278
Riverdale, MD 20738

Committee: Education, Energy, and the Environment
Testimony on: SB781 “Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)”
Position: Support
Hearing Date: March 7, 2023

The Maryland Chapter of the Sierra Club urges a favorable report on SB781.

This bill will implement a series of measures to substantially increase Maryland’s electricity generation from offshore wind (OSW). The bill will establish an OSW target of 8.5 gigawatts (GW) by 2031, establish a process to create the electricity transmission capacity needed to bring this electricity to users across the State, and allow the State to enter into long-term power purchase agreements to annually procure between 1 GW and 8 GW of electricity from Maryland OSW projects. The bill further specifies that new OSW generation and transmission projects will be subject to community benefit agreements.

A Substantial OSW Expansion

Currently, Maryland is committed to developing over 2 GW of OSW, including a first round of 368 megawatts and a second round of 1,654.5 megawatts.¹ These projects will create new jobs and new industries, and will help with revitalization of the Baltimore port and surrounding neighborhoods. Other Atlantic Coast states, however, are making large commitments to OSW development, including Massachusetts, New Jersey, New York, and Connecticut, which may impact the extent to which Maryland will economically benefit from the projects that are currently underway or planned, particularly if Maryland lags in moving forward and industrial capacity is established elsewhere.

Creating a new overall OSW goal of 8.5 GW by 2031 will provide important support for achieving the State’s targets of reducing greenhouse gas (GHG) emissions by 60% (compared to the 2006 level) by 2031 and achieving net-zero emissions by 2045. Generating clean electricity (electricity free of GHG emissions) from offshore wind, solar energy, and other sources is essential since the combustion-based electricity sector, the combustion-based transportation sector, and combustion in buildings (from gas furnaces and appliances) are major sources of GHG emissions in Maryland. Climate change mitigation requires clean electricity, and electrifying the transportation and building sectors using that clean electricity.

Generating a substantially larger amount of OSW electricity also will have beneficial health effects. For example, Maryland’s asthma rate is 25% higher than the national average, and Baltimore City’s rate is three times the national average. Air pollution from cars and trucks is a substantial cause.

The OSW expansion, together with the transmission projects discussed below, will have beneficial economic effects as well. These include additional good-paying jobs in industries and businesses that

¹ Maryland Energy Administration, “Maryland Offshore Wind Overview” (June 2022), https://www.boem.gov/sites/default/files/documents/renewable-energy/state-activities/Maryland%20Offshore%20Wind%20Overview_MEA%20Presentation.pdf.

build and service OSW turbines, revitalization of union jobs in the steel industry and other construction and service domains, and potentially billions of dollars of reduced energy costs for Marylanders.

In this regard, the bill seeks to ensure that the economic benefits are undergirded by principles of equity, justice, and inclusion, principles that should be at the center of environmental initiatives. Specifically, the new OSW generation and transmission projects will include community benefit agreements, just as existing OSW generating projects (those that will develop over 2 GW of electricity) are subject to these agreements. The bill retains existing statutory provisions that, among other things, provide that community benefit agreements support local and small businesses, and businesses owned by minorities, women, and veterans; and require that skilled craft workers be paid the prevailing wage rate (or higher). The bill adds that community benefit agreements further must “proactively seek[] to ensure that workers can freely choose to both organize and collectively bargain”; and should prioritize use of “domestic iron, steel, and manufactured goods.”

The federal Bureau of Ocean Energy Management (BOEM) currently is developing maps for where additional wind energy turbines may be built off the Maryland shores, which may set the parameters for Maryland’s offshore wind initiatives for many years. By specifying that Maryland is committed to building 8.5 GW of wind energy, this bill will support efforts to convince BOEM to designate large lease areas for Maryland OSW development.

Creating an OSW Transmission System

Key to enlarging Maryland’s OSW capacity is constructing the transmission system needed to bring this electricity onshore and feed it into the existing electricity grid. The bill will establish a step-by-step, well organized, and well thought-out process for accomplishing this.

The process will begin with the Public Service Commission (PSC) conducting an options analysis, with a report to the General Assembly on or by July 1 of next year. The PSC then will issue a request for one or more competitive solicitations for offshore transmission facilities, and onshore upgrades and expansions, and, by July 1, 2026, will select qualified proposal(s). The bill specifies a variety of selection criteria to be used by the PSC to maximize the capabilities and efficiencies of the new transmission systems, and limit costs. These include (among others): consideration of the results of the PSC’s options analysis; integrating multiple OSW projects; allowing future transmission lines to connect in a meshed manner and to share landing points; cooperation with and cost-sharing with other states; and potential federal funding.

Conclusion

Maryland’s existing OSW projects have begun the essential effort to tap Maryland’s substantial OSW energy resources. SB781 will take important next steps in this effort, and we therefore urge a favorable report on this bill.

Jacky Grindrod
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Mark Posner
Clean Energy Team Lead
MPosner5719@gmail.com

American Clean Power FAV Offshore Wind.pdf

Uploaded by: Moira Cyphers

Position: FAV

March 2, 2023



HB 793 – P.O.W.E.R. Act – Support

Chair Wilson, Vice Chair Crosby, and members of the House Economic Matters Committee:

The American Clean Power Association (ACP) is uniting the power of wind, solar, transmission and storage companies and their allied industries, to champion policies that enable the growth of renewable energy in the United States.

Offshore wind is America's next major energy source, representing a generational opportunity to create jobs and bolster the economy. It is an abundant clean energy solution for large population centers looking to source more of their power from clean sources, and falling costs make it increasingly economical.

In the last decade, Maryland has enacted laws to become a leader in our fight for a clean energy future. From the Maryland Offshore Wind Energy Act of 2013, the Clean Energy Jobs Act of 2019, and the Climate Solutions Now Act of 2022, Maryland worked to encourage offshore wind energy generation to meet greenhouse gas (GHG) emissions reduction targets. In fact, Maryland has some of the most aggressive GHG emission reduction targets in the nation, which would reduce emissions by 60% (over 2006 level) by 2031 and reach net-zero emissions by 2045. The state has been able to set ambitious goals, and we must deliver on these promises. The expansion of offshore wind is critically important to meeting the state's policy goals.

The U.S. Offshore Wind Power Economic Impact Assessment report shows how the industry's \$57 billion investment in the U.S. economy will deliver up to \$25 billion per year in new economic activity and support up to 83,000 well-paying U.S. jobs by 2030.

In Maryland, the offshore wind industry has already made significant economic investments to create the strong supply chains and trained workforces necessary to generate new clean power in the state. Maryland offshore wind developers, US Wind and Ørsted, have committed a combined \$340 million toward new manufacturing facilities to support their projects off the coast of Maryland.

These projects will power over 640,000 Maryland homes, expand STEM education programs, develop a zero-emission offshore wind operations and maintenance port facility, and create a minimum of 10,000 jobs during the development, construction, and operating phases of the projects.

The state has garnered national support for its growing offshore wind industry, and last August, the Maryland Department of Labor, in partnership with the developers and several labor unions, received over \$22 million from the Department of Commerce to implement an apprenticeship program and address exploding demand in the sector. By partnering with leading employers and seven local unions to build a training model that meets the needs of employers and local communities we will create an apprenticeship pipeline with a focus on formerly incarcerated individuals, veterans, disconnected youth, and other underserved populations. The Maryland



Works for Wind project will train at minimum 10,000 workers to enter good-paying jobs in the industry.

Offshore wind is a massive opportunity for economic growth. For Maryland to meet our policy commitments and secure its place as a supply chain hub on the east coast, we'll need a strong development pipeline in place for manufacturing, operations and maintenance, and construction. The development of this pipeline is dependent on the opportunities to build and the proximity to projects in the Central Atlantic. Maryland's energy, economic, and environmental priorities are directly supported by new and existing offshore wind lease areas in the Central Atlantic. Increasing our offshore wind target to 8.5 gigawatts (GW) will catalyze future industry investment.

Building the U.S. offshore wind project pipeline will also revitalize port communities and enhance critical port infrastructure. The offshore wind industry is investing billions of dollars in a domestic supply chain, including investments in fabrication facilities, port upgrades, vessels, and workforce training.

The U.S. has world-class offshore wind resources, capable of supplying large amounts of affordable, reliable power. Roughly 80% of Americans live within 200 miles of the coast. Offshore wind can generate significant amounts of electricity close to consumers. These coastal load centers, like Maryland, have the highest energy demand and the highest wholesale electricity prices due to this demand. America's shores possess a power potential of more than 2,000 gigawatts (GW), nearly double the nation's current electricity use.

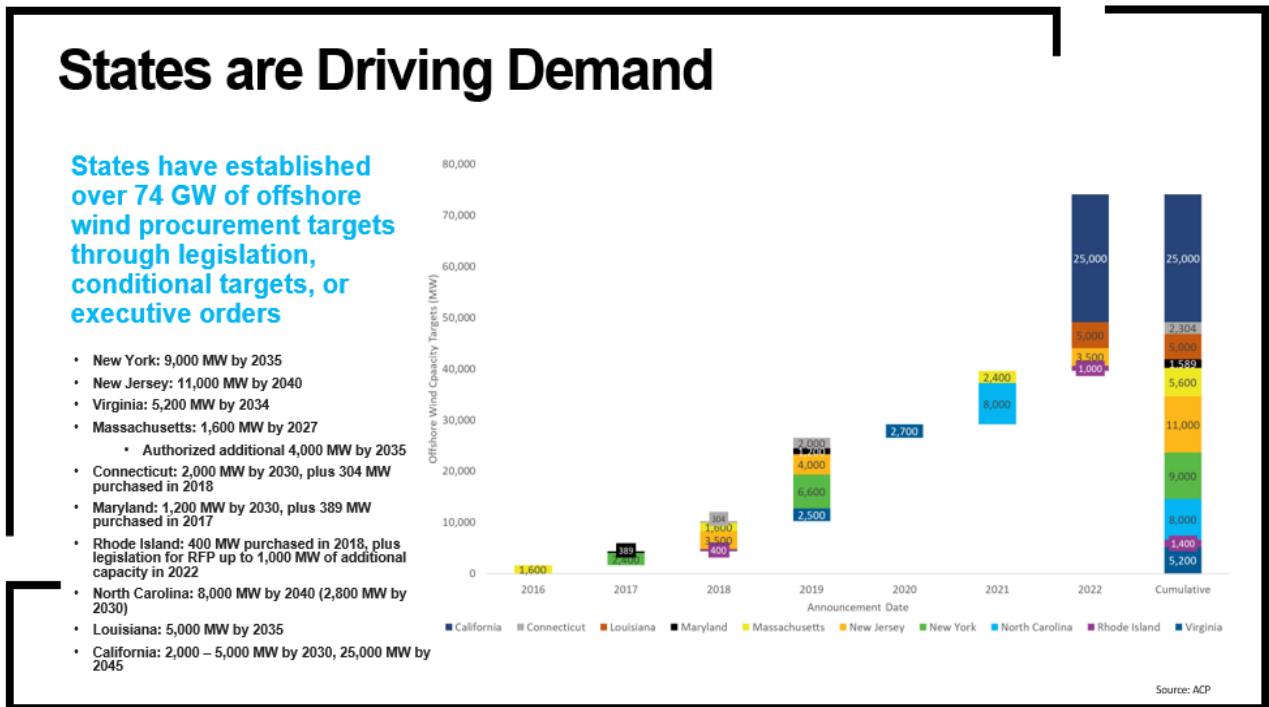
Recently passed legislation at the federal level – the Inflation Reduction Act (IRA) – has put America on a path to reducing economy-wide emissions 40 percent below 2005 levels by 2030 while creating 550,000 new clean energy jobs. The IRA is a critical part of creating America's clean energy future and keeps the U.S. within reach of President Biden's climate goals.

The once-in-a-generation opportunity to build out America's clean energy resources enabled by the IRA is also an investment in US workers. To access incentives like tax credits, project developers are required to pay prevailing wage, utilize apprenticeship programs, and more.

Reports show that the clean power industry will support a direct workforce of nearly 1 million Americans by 2030. These jobs will provide nearly \$300 billion in wages and benefits to hard-working Americans. In addition, once complete, these projects will support 125,000 permanent jobs in the operations and maintenance phase, providing nearly \$9 billion in wages and benefits each year.



These careers are some of the fastest growing occupations in the country – wind technicians are the country’s #1 fastest growing role, and solar installers are #3. Clean energy workers make 30% more than the national median wage, ensuring that they have access to good paying jobs that support them and their families. The clean energy workforce is already highly unionized, with union coverage rates just above 10% compared to the average national private-sector union coverage rate of 7.2%. America’s clean energy companies are proud of the good-paying, fast growing, and pro-labor careers that our sector has already built, and we are proud to support policies like HB 793 that will broaden these careers to many more workers.¹



The American Clean Power Association requests a favorable report on the P.O.W.E.R. Act.

Moira Cyphers
 Director, Eastern Region State Affairs
 American Clean Power Association
 (301) 318-4220
MCyphers@cleanpower.org

¹ The jobs numbers in this testimony are from a [report](#) prepared by BW Research using the NREL JEDI models for offshore and onshore wind, and an IMPLAN-by-parts analysis mapped against NREL research papers for solar and energy storage. The study also incorporated data from the 2020 U.S. Energy and Employment Report.

SB 781 - POWER Act_ MDLCV Support.pdf

Uploaded by: Rebecca Rehr

Position: FAV



March 7, 2023

Kim Coble
Executive Director

2023 Board of
Directors

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The Hon. Nancy Kopp,
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Thomas

**SUPPORT: SB 781 - Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)**

Chairman Feldman and Members of the Committee:

Maryland LCV supports SB 781, which sets a state goal of 8.5 gigawatts (GW) of offshore wind by 2031, addresses transmission and grid capacity, strengthens labor standards, and builds out the existing wind lease areas in a way that pays for clean energy infrastructure without falling on the backs of ratepayers. This is a comprehensive package to support not just the development of offshore wind, but support for every step of the process to power Marylanders' homes with renewable energy in a cost effective and equitable way.

Setting an ambitious goal of 8.5 gigawatts of offshore wind

It is expected that within a year, the Federal Bureau of Ocean Energy Management (BOEM) will finalize the maps to specify where additional offshore wind turbines can be built. Issuing these maps is a lengthy process that incorporates feedback from a wide variety of stakeholders, and does not happen often. By stating in law that Maryland intends to build 8.5 GW of offshore wind, the state can help ensure BOEM designates lease areas large enough for Maryland to meet that goal. Delaying setting this goal for just one year could permanently hamper Maryland's offshore wind development.

Beginning a process to prepare Maryland's grid for more offshore wind energy

Without substantial upgrades to the grid, our state will be limited in how much offshore wind we will be able to build. The POWER Act directs the Public Service Commission (PSC) to first conduct a study on transmission solutions, and then issue a request for proposals to build a shared transmission infrastructure that all future offshore wind projects could plug into. Should it decide to award a contract, the PSC will then work with the party awarded the contract to get the necessary approvals to begin building. Crucially, the PSC is authorized to not select any winner from the RFP, and will only declare a winner if they find the bid to be in Maryland's interest.

Strengthening labor standards

The POWER Act builds on existing policy by extending labor standards further upstream in the manufacturing supply chain, establishing labor standards for maintenance of the turbines, setting Buy American requirements for turbines, and including robust community benefit agreement provisions.

Further building out existing lease areas

Through the Clean Energy Jobs Act of 2019 and the Offshore Wind Energy Act of 2013, Maryland is currently building ~ 2 GW of offshore wind energy which should be running by 2026. The projects are being developed by Ørsted and US Wind in lease areas they have already purchased from BOEM. Those lease areas have room in them for about another gigawatt of offshore wind. The POWER Act says that the Department of General Services (DGS) may enter into Power Purchase Agreements to procure an additional gigawatt of power in those lease areas. If DGS chooses to buy the additional wind energy, they would then sell the electricity back to the PJM at market rate. So long as the cost of offshore wind energy is less than the cost of standard offer service, which modeling reference above says is likely to be the case, then Maryland will make money in this process. In either case, ratepayers would be entirely protected. This approach ensures utility energy rates will not be increased because of the additional offshore wind procurement.

In the [September 2022 Greenhouse Gas Reduction Act Progress Report](#), the Maryland Department of the Environment identified the need to deploy more renewable energy and identified offshore wind as one of the most reliable clean energy resources available to the state. The POWER Act's support for offshore wind provides a key way to implement the landmark Climate Solutions Now Act, which puts us on a path to reduce our greenhouse gas (GHG) emissions 60% by 2031, and is also how we will achieve 100% clean energy goals.

And it's not just about environmental benefits. [A recent report from Gabel Associates](#) found that if Maryland builds 8.5 GW of offshore wind, it could save Marylanders \$4.7 billion over 30 years in reduced energy costs, and could save Marylanders as much as \$28.5 billion when accounting for environmental and health benefits. That's more than \$20 billion in potential cost savings from environmental and health benefits of reduced air pollution, including lost workdays, hospital visits, asthma, and respiratory disease.

The POWER Act takes a comprehensive look at offshore wind, and recognizes it's not just about the quantity of wind we need to be producing, but also the quality of life for Marylanders engaging in every step of the process. This bill is a priority for Maryland LCV, and we strongly urge a favorable report.

SB781_IndivisibleHoCoMD_FAV_RichardDeutschmann.pdf

Uploaded by: Richard Deutschmann

Position: FAV



SB781 – Offshore Wind Energy - State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)

Testimony before

Senate Education, Energy and the Environment Committee

March 7, 2023

Position: Favorable

Mr. Chair, Mdm. Vice Chair and members of the committee, my name is Richard Deutschmann, and I represent the 750+ members of Indivisible Howard County. We are providing written testimony today in support of SB781, which would lay the foundations for a robust offshore wind industry in Maryland. Indivisible Howard County is an active member of the Maryland Legislative Coalition (with 30,000+ members). We appreciate the leadership of Sen. Hester and Del. Charkoudian for sponsoring this important legislation.

Offshore wind is one of the fastest growing sources of new power generation across the globe. In the U.S., state targets have risen nearly 80% in 2022 alone, and investments have tripled to nearly \$10 billion. Department of Interior offshore leases rose steeply in 2022, with new activity in the Mid-Atlantic and Northeast, the Gulf of Mexico and Pacific regions. Floating wind turbines open up opportunity for vast additional areas outside of the shallow water zones. And with the passage of the landmark Inflation Reduction Act, the industry is poised to accelerate further, with \$billions in new tax credits and other financial incentives for states to act boldly.

Locally, the offshore wind industry is moving forward rapidly, with new wind plants planned in Maine, Massachusetts, Rhode Island, New York, New Jersey, Virginia and North Carolina. Global energy giants such as Orsted, GE, and Vestas are making decisions in real time, regarding location of new manufacturing plants, logistics and operations centers and supply chain facilities. The states that act boldly will likely get the bulk of the 10's of thousands of new, high paying jobs in the industry, along with the huge economic investment that these plants entail. For instance, Siemens Gamesa just announced a new, \$500 million manufacturing plant along the Hudson River south of Albany, NY, to build the nacelles for wind turbines. They have also made extensive commitments to local suppliers to build steel components, bearings and composites, and other supply chains required for these complex machines. Maryland, with its modest, current 2GW commitment to offshore wind, has already seen new facilities take root at the former Bethlehem Steel site in Baltimore and several facilities on the Eastern Shore. Passage of the POWER Act would position the Port of Baltimore as a highly attractive new location for these new facilities.

Finally, Maryland has passed the Climate Solutions Act in 2022. The POWER Act is a key component for our state to fulfil the promises of this critical legislation, to reduce Maryland's net greenhouse gas emissions to zero by 2045. It is a major win for economy, as well as for the planet and our beautiful Chesapeake Bay.

We respectfully urge a favorable report on SB781.

Thank you for your consideration of this important legislation.

Richard Deutschmann
Columbia, MD 21045

SB 781_Maryland Catholics for Our Common Home_FAV.

Uploaded by: Robert Simon

Position: FAV



Hearing before the Senate Education, Energy, and the Environment Committee
Maryland General Assembly
March 7, 2023

**Statement of Support (FAVORABLE)
of Maryland Catholics for Our Common Home on
SB 781 – Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)**

Maryland Catholics for Our Common Home (MCCH) is a lay-led organization of Catholics from parishes in the three Catholic dioceses in Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington. It engages in education about, and advocacy based on, the teachings of the Catholic Church relating to care for creation. MCCH is a voice for the understanding of Catholic social teaching held by a wide array of Maryland Catholics—over 350 Maryland Catholics have already signed our statement of support for key environmental bills in this session of the General Assembly—but should be distinguished from the Maryland Catholic Conference, which represents the public policy interests of the bishops who lead these three dioceses.

MCCH would like to express its strong support for passage of Senate Bill 781, Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act). As Catholics and environmentalists, we are guided by the messages of Pope Francis’ 2015 encyclical, entitled *Laudato Si’: On Care for Our Common Home*. There, Pope Francis cites the dangers of a throwaway culture and cites as an example our current industrial system:

But our industrial system, at the end of its cycle of production and consumption, has not developed the capacity to absorb and reuse waste and by-products. We have not yet managed to adopt a circular model of production capable of preserving resources for present and future generations, while limiting as much as possible the use of non-renewable resources, moderating their consumption, maximizing their efficient use, reusing and recycling them. A serious consideration of this issue would be one way of counteracting the throwaway culture which affects the entire planet, but it must be said that only limited progress has been made in this regard.¹

Further, Pope Francis stresses that:

There is an urgent need to develop policies so that, in the next few years, the emission of carbon dioxide and other highly polluting gases can be drastically reduced, for example substituting for fossil fuels and developing sources of renewable energy. Worldwide there is minimal access to clean and renewable energy.²

Wind energy provided slightly more than one-tenth of Maryland’s renewable electricity generation in 2021.³ There is room to expand. The resources that would be made available under the provisions of Senate Bill 781 heeds the Pope’s message to respond to the result of a throwaway culture as well as create clean energy. The thoroughness of the provisions of Senate Bill 781 is notable, as it will create (among other objectives) a comprehensive evaluation of future permits to meet the State’s net-zero greenhouse gas emissions targets, which will include community engagement and access to small, minority, women-owned, and veteran-owned businesses, all with the aim to create a clean energy industry that will benefit all Marylanders.

It is for these reasons that MCCH strongly supports Senate Bill 781. Thank you for your consideration of our views and our respectful request for a **favorable** report on Senate Bill 781.

¹ *Laudato Si’*, no. 22.

² *Laudato Si’*, no. 26.

³ U.S. Energy Information Administration, Electricity Data Browser, Maryland, Net generation for all sectors (thousand megawatt hours), annual, 2001-21.

SB781_Fav_Ironworkers.pdf

Uploaded by: Sebastian Feculak

Position: FAV



Maryland Senate – Education, Energy and Environment Committee
Chair: Senator Brian Feldman
Vice-Chair: Senator Cheryl Kagan

Senate Bill 0781 – Offshore Wind Energy - State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)

Position: **Support – Favorable**

The Ironworkers of the Mid-Atlantic States District Council, representing ironworkers across the state of Maryland, support Senate Bill 0781. Our organization and affiliated apprenticeship program have been at the forefront of developing the workforce for this industry, including creating a Global Wind Organization certified offshore wind training facility in Prince George’s County, the first of its kind in the Mid-Atlantic region, to directly train Maryland residents to construct and erect the future turbines and develop the supply chain.

Maryland stands at the forefront of a rapidly growing industry in Offshore Wind development including tens of billions in supply chain manufacturing, construction, and workforce development. Years in the making and stakeholder participation from federal agencies, state leaders, environmental groups and labor, has brought progress on ensuring that we reach these goals while developing inclusive strategies for all residents of Maryland. We have a strong track record of local hiring and working with school systems and local workforce boards in a few counties. We also have a diverse workforce, with about half our membership being of minority-group representation.

The General Assembly has already set goals for reduction of greenhouse emissions by 2031 by 60% and net-zero goals by 2045 in the last session with bill Senate Bill 0528 – Climate Solutions Now Act. The development of offshore wind is part of this strategy, and we want to make sure every Marylander can benefit directly from these goals.

As other energy systems transition out, while energy demand grows with increased economic activity, we need to make sure we speak for workers and help to support them in this transition to new jobs created in the energy sector. Therefore, the bill includes input from labor and trade organizations with improved language around Community Benefit Agreements, and labor peace agreements.

Additionally, we have developed successful relationships and agreements with existing developer partners, such as US Wind and Ørsted, two of the major global wind developers. Knowing that everyone in the industry has worked so closely together in developing this offshore wind future, we can count on its success to help Maryland reach its climate and carbon emission goals and leave no one behind.

We urge the committee for a favorable report.

Sincerely,

Sebastian Feculak
Political Coordinator – Mid-Atlantic States District Council

SB0781 The POWER Act - Offshore Wind Energy – Stat

Uploaded by: Staci Hartwell

Position: FAV

NAACP

Maryland
STATE CONFERENCE

March 2, 2023

Committee | Education, Energy, and the Environment

Testimony | SB0781 Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Resources Energy Act – The POWER Act)

Position | Favorable

Hearing Date | March 7, 2023

Dear Chairman Feldman and Distinguished Committee Members,

I am Staci Hartwell chair of the Environmental and Climate Justice Committee of the NAACP Maryland State Conference. I am writing on behalf of the Maryland State Conference in support of SB0781, which requires the state to set an 8.5 GW goal for offshore wind, coordinate transmission planning which will support connecting offshore wind to the grid, and fully build out all current offshore wind lease areas.

This legislation is a meaningful step toward addressing one of the most insidious, entrenched, and sinister forms of systemic racism: the use of fossil fuel energy. The climate harms, such as increased flooding and excessive heat, are concentrated in vulnerable communities leaving Black and Brown people to experience these impacts most potently and leaving us with the least ability to adjust to these untenable conditions.

Further, across Maryland, Black and Brown communities disproportionately suffer from the local pollutants and other environmental injustices associated with dirty energy. In Baltimore, a city that is 65% Black, as many as 130 residents per 100,000 die every year from the consequences of air pollution.¹

We, at the NAACP, are firmly in support of this legislation not only because of its momentum towards ridding the state of dirty, fossil fuel energy, but also because of the positive economic impact it will have for our communities. US Wind and Orsted are poised to make historic investments in and around Sparrows Point. Further, the offshore wind industry has the potential to become an economic driver for communities of color. Both current offshore wind developers have committed to small, minority, and women-owned business participation goals of 15% (US Wind) and 29% (Orsted) during project development. US Wind has been honored by

¹<https://grist.org/business-technology/baltimore-youth-of-color-are-still-fighting-plans-for-gigantic-garbage-incinerator/>

the Maryland Minority Contractors Association with a Best Practice Award for its commitment to Minority Business Enterprises.²

Increasing Maryland's share of clean, wind energy will have positive economic and environmental impacts for communities across the state. We must prioritize the swift transition to a clean energy economy and this legislation is a positive step in that direction.

We request a favorable report on SB0781.

Respectfully submitted,



Staci Hartwell, Chair
Environmental and Climate Justice Committee
NAACP Maryland State Conference

8775 Cloudleap Court, Suite 200
Columbia, Maryland 21045
action@naacpmdecj.org
Phone: 410-835-1463

² <https://uswindinc.com/us-wind-honored-by-the-maryland-minority-contractors-association/>

SB 781 Victoria Leonard LiUNA (SUPPORT).pdf

Uploaded by: Victoria Leonard

Position: FAV



March 6, 2023

The Honorable Brian J. Feldman, Chair
The Honorable Cheryl C. Kagan, Vice Chair
Senate Education, Energy and the Environment Committee
Miller Senate Office Building
Annapolis, Maryland 21401

**Written Testimony of Victoria Leonard on
SB 781: Offshore Wind Energy - State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)
Position: Support**

Thank you Chair Feldman and Vice Chair Kagan and members of the committee for the opportunity to submit written testimony in support of SB 781.

My name is Victoria Leonard, Political and Legislative Director for the Baltimore Washington Laborers' District Council (BWLDC), an affiliate of the Laborers' International Union of North America, or LiUNA for short. The BWLDC represents more than 7,500 members across Maryland, Virginia, and the District of Columbia. Our members are proudly employed on many infrastructure construction projects across the region.

LiUNA supports SB 781. We appreciate that the bill incorporates the use of community benefit agreements, community workforce agreements, and project labor agreements. These agreements enable state and local agencies to use market-based, project efficiency tools to ensure their construction projects are on time and on budget, and that local workers are getting the jobs created by local tax investments.

Any qualified contractor can bid to work under a PLA on a public project. These project agreements contribute to a more sound local tax base with more income put into circulation to the benefit of local small businesses. Furthermore, the PLA model promotes career training opportunities for local residents – particularly women, minorities and veterans. For these reasons, it makes sense that moving forward the renewable energy industry should be built with PLAs.

Please issue a favorable report on SB 781.

2023-SB781-FWA-Exelon.pdf

Uploaded by: Anne Klase

Position: FWA



March 7, 2023

Favorable with Amendments - Senate Bill 781- Offshore Wind Energy - State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)

Senate Bill 781 establishes a goal of 8500 MW of offshore wind (OSW) energy by 2031 in order to help Maryland meet its ambitious greenhouse gas reduction goals established by this legislature. In addition, Senate Bill 781 includes additional requirements for offshore wind projects that apply for Maryland's existing OREC program.

Senate Bill 781 also sets forth a detailed approach to procuring transmission to support offshore wind development by requiring the Maryland Public Service Commission (the "Commission"), in consultation with PJM, to conduct an analysis of transmission opportunities to support the development of offshore wind. The Commission may also consult with existing transmission owners, including Exelon. Finally, the Commission is required to issue a solicitation for open access transmission, necessary onshore transmission upgrades and expansion solutions before December 1, 2024, and evaluate those proposals.

Exelon supports the development of offshore wind and understands the challenges that come with siting and developing the transmission, and distribution upgrades necessary to bring the offshore wind power from the turbines on land to interconnect with on-land transmission and distribution infrastructure. Senate Bill 781 separates the procurement of offshore wind generation from the procurement of transmission and directs the State and PJM to propose solutions to interconnect 8,500MW of offshore wind. Exelon also supports utilizing available federal funding to reduce the cost of transmission projects to customers.

The transmission and distribution system for each investor-owned utility in Maryland is different based on how the transmission and distribution systems were developed at the utility's inception and via maintenance and upgrades over the years. Accordingly, it makes good sense to evaluate several options to achieve Maryland's offshore wind goals as one size is unlikely to fit all. Exelon appreciates the opportunity to be involved in the study phase, however, we caution this body about distribution of confidential information relating to the existing transmission and distribution grid and propose amendments to address this concern.

Exelon believes the Commission study should consider a least-regret holistic approach which considers equity and affordability and identifies the most efficient and least cost transmission solutions that can: (1) optimally serve multiple wind farms; (2) reduce construction cycles; (3) reduce environmental and traffic impacts; and (4) lower costs by leveraging existing infrastructure and address other onshore needs such as resiliency and aging infrastructure.

In addition, Exelon believes the transmission study should also prioritize the following in the evaluation process:

- Solutions that identify a potential open-access offshore collector transmission system, which may be coupled with a coordinated expansion of the terrestrial/land grid;
- Solutions that do not create a significant single contingency;
- Solutions that reduce permitting risk, reduce impact to communities, and can lower cost by utilizing existing infrastructure; and
- Solutions that offer multiple benefits and can address other grid issues after addressing offshore wind.

Exelon has engaged with the sponsor of this legislation and requests the opportunity to continue those discussions around amendments to Senate Bill 781. Accordingly, Exelon urges a favorable report with amendments on Senate Bill 781.

SB 781 - National Aquarium - FWA.pdf

Uploaded by: Ryan Fredriksson

Position: FWA



Date: March 7, 2023

Bill: SB 781 – Offshore wind energy – State goals and procurement (Promoting Offshore Wind Energy Resources Act)

Position: Support with sponsor amendments

Dear Chair Feldman and Members of the Committee:

The National Wildlife Federation and its Maryland affiliate, the National Aquarium, respectfully request a favorable report for **SB 781 – State goals and procurement - Promoting Offshore Wind Energy Resources (POWER) Act** with sponsor amendments.

A clean energy transition is necessary for the health and wellbeing of people and wildlife. Offshore wind is an important part of the overall renewable energy portfolio needed to lower carbon emissions and combat climate change. Climate change poses an existential threat to people, wildlife and habitat, so it is imperative that we prioritize energy solutions that reduce greenhouse gas emissions.

Maryland has an opportunity to become a regional hub for responsible offshore wind development on the Atlantic coast by enacting thoughtful policy to bring onshore the benefits of offshore wind. The POWER Act sets an ambitious goal to procure 8.5 gigawatts of offshore wind by 2031 while making necessary upgrades to our energy grid and strengthening labor standards. The bill would also lower energy costs by initiating a planning process for offshore wind transmission infrastructure that is shared between neighboring states. Coordinated transmission would mean fewer miles of cables, landing points, platforms, and onshore energy facilities. Shared infrastructure would result in environmental benefits by avoiding unnecessary environmental disturbance.

While offshore wind power is without a doubt better than fossil fuel energy sources, like any industrial development it is not without potential risks to wildlife, which in Atlantic waters includes the critically endangered North American right whale along with several other protected species. Along with many key considerations, the responsible development of offshore wind energy should avoid, minimize, mitigate, and monitor adverse impacts on marine and coastal habitats and the wildlife that rely on them, and use the best available scientific and technological data to ensure science-based and stakeholder-informed decision making.

The National Aquarium has rescued and rehabilitated endangered and protected marine species since 1991. As the only organization federally permitted to respond to live-stranded marine mammals and sea turtles in Maryland, the Aquarium is acutely aware of the many threats these species face and what we must do to protect them, particularly as we build out our offshore wind capabilities. While there is no evidence to support links between current offshore wind development and recent whale stranding events, we must continue to be diligent and do all we can to mitigate the impacts of offshore wind development and operations on wildlife.

The POWER Act needs to explicitly prioritize wildlife mitigation, research, and monitoring. The National Aquarium and the National Wildlife Federation have suggested an amendment to the bill (see below) that will require the Department of General Services to consider developers' plans for mitigating the impact of offshore wind construction and operation on wildlife. The amendment will also require the Department to factor in developers' investments in wildlife and habitat monitoring and mitigation.

Similar wildlife mitigation, research, and monitoring requirements already exist in nearby states. Connecticut passed legislation in 2019 establishing the Commission on Environmental Standards and requires offshore wind developers to submit wildlife mitigation plans. Massachusetts passed legislation last year that requires wildlife mitigation plans and scores developers' bids based on financial and technical commitments to research and monitoring. Likewise, both New York and New Jersey require offshore wind developers to invest \$10,000 per megawatt in wildlife research and monitoring. If Maryland wants to be a leader in offshore wind energy, we must codify similar wildlife protection measures in our offshore wind procurement system.

We appreciate the sponsor's willingness to incorporate these wildlife amendments, and with them urge a favorable report on SB 781.

Contact:

Ryan Fredriksson
Vice President, Government Affairs
National Aquarium
410-385-8276
rfredriksson@aquarium.org

Amber Hewett
Program Director, Offshore Wind Energy
National Wildlife Federation
978-518-6888
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(continued on next page)

National Aquarium & National Wildlife Federation
Proposed Amendment: SB 781

Quoted text: p. 17 lines 4 through 25

(B) (1) BETWEEN JULY 31, 2024, AND APRIL 30, 2025, THE DEPARTMENT OF GENERAL SERVICES SHALL ISSUE AN INVITATION FOR BIDS AND MAY ENTER INTO AT LEAST ONE CONTRACT FOR A POWER PURCHASE AGREEMENT TO PROCURE BETWEEN 1,000,000 AND 8,000,000 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;

(II) THE EXTENT TO WHICH AN APPLICANT'S PLAN PROVIDES FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT WILDLIFE AND HABITAT MONITORING AND MITIGATION.

(5) EACH AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE A COMMUNITY BENEFIT AGREEMENT AND DOMESTIC CONTENT PREFERENCES.

(6) EACH AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL INCLUDE A DESCRIPTION OF:

(I) INITIAL ENVIRONMENTAL AND FISHERIES MITIGATION PLANS FOR THE CONSTRUCTION AND OPERATION OF THE PROPOSED OFFSHORE WIND PROJECT; AND

(II) THE EXTENT TO WHICH AN APPLICANT WILL PROVIDE FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT WILDLIFE AND HABITAT MONITORING AND MITIGATION.

SB0781(HB0793) - FWA - Offshore Wind Energy – Stat

Uploaded by: Ryan Opsal

Position: FWA



TO: Members, House Environment & Transportation Committee
FROM: Paul Pinsky - Director, MEA
SUBJECT: SB 0781 - Offshore Wind Energy – State Goals and Procurement (Promoting Offshore Wind Energy Resources Act)
DATE: March 7, 2023

MEA Position: FAVORABLE WITH AMENDMENTS

The Maryland Energy Administration (MEA) actively supports the development of offshore wind (OSW) generation for the State. MEA gives direct support to assist development of a clean-energy workforce, and also promotes development of the OSW supply chain. Accordingly, MEA supports with amendments the “Promoting Offshore Wind Energy Resources Act.” We are of the understanding that **others, including the sponsor, may be presenting amendments on the bill, and we are excited to work with all stakeholders in making changes that reflect the best interests of Marylanders.**

OSW energy has the potential to supply a significant portion of Maryland’s electricity, including the ability to displace (in part) baseload generation that is often sourced from fossil-fueled power plants. However, MEA does retain several concerns regarding the legislation, and offers the following amendments.

A New Statewide Goal

It is imperative that Maryland send a message to the appropriate federal entities that our state is taking an aggressive posture for increasing our OSW generation capacity, and that our intention is to be intimately involved in any future process regarding the establishment and assignment of OSW leasing areas.

MEA has determined the likely amount of lease area that will be made available during the U.S. Bureau of Ocean Energy Management (BOEM) leasing process will provide enough square miles of space to eventually support a total of ~7.5 GW of OSW generation capacity.

While the attainment of 7.5 GW may be feasible on a square mile basis with the new lease areas, the timeline presented is likely less feasible, and we recommend extending the timeline from 2031 to no later than 2035. *Amendment No. 1* attached below reflects these two changes.

Transmission Planning and Procurement

MEA strongly supports the need for forward-thinking approaches to the development of transmission projects that will be needed to support new OSW projects. **The siting and development of new transmission projects represents one of the greatest hurdles to increased adoption of renewable energy.**

The transmission procurement section of the bill attempts to replicate a similar approach in New Jersey, which was recently utilized to study necessary transmission expansions with the intent to procure additional transmission. These procurements would be outside standard transmission expansion cost allocation methods.

There are questions surrounding the procurement process and how this could be legally or appropriately applied in Maryland. The Public Service Commission is not an appropriate transmission procurement entity for the State; this process more appropriately falls under PJM directly. **MEA believes the concept needs further development and vetting.** There are structural differences between the New Jersey and Maryland public service regulatory agencies that will need to be addressed through this exploratory process¹. Discussions with the sponsor have been fruitful and the agency looks forward to continuing to work through these concerns. Amendment No. 2 alters this section to retain the evaluation and analysis portion of the transmission section, which will need to be conducted first no matter what path is taken. Additional changes to the language to account for the legal and regulatory environment in Maryland have also been included.

Preservation of the Established O-REC Process

The procurement section would fundamentally alter the existing procurement process for offshore wind in Maryland. This potential shift in the procurement processes would be enacted just prior to the time when OSW developers will be bidding on the new mid-Atlantic/Maryland OSW lease areas. The novel, untested procurement process which this bill proposes may create business uncertainty for developers, which may adversely impact the bidding process. There may, however, be some flexibility provided by shifting project funding from the rate base to the tax base, which could potentially be accomplished without abandoning the established OREC process

Maryland currently utilizes offshore wind renewable energy credits, or “O-RECs”, which is a well-established, open and public procurement process that has been successfully utilized in several states, including Maryland, for past OSW procurements. **It is MEA’s belief that the O-REC process should continue to be utilized for OSW procurement in Maryland.** Amendment No. 3 on the following page strikes the language creating a new procurement method for Maryland OSW.

Conclusion

The agency wishes to emphasize MEA’s willingness to work with the sponsor, Committee, and General Assembly on these and other potential amendments to the bill. The staff at MEA are excited to assist in any way that will refine the legislation, and promote the further development of OSW and Maryland’s clean-energy economy.

For the foregoing reasons, MEA urges the committee to adopt its proposed amendments on the following page, and issue a **FAVORABLE REPORT AS AMENDED**.

¹ There may be organizational impediments in having the Maryland PSC conduct these procurements.

AMENDMENT NO. 1

On page 2 in line 24, and on page 12 in line 7, in each instance, strike “**8,500**” and substitute “**7,500**”; and on page 2 in line 25, and on page 12 in line 9, in each instance, strike “**2031**” and substitute “**2035**”.

AMENDMENT NO. 2

On page 1, in line 2 strike “**Procurement**” and substitute “**Analysis**”; strike beginning with “requiring” in line 8 down through the semicolon in line 14; on page 12, in line 19, strike “**(i)**”; strike beginning with the semicolon in line 19 down through “**PROJECTS**” in line 21; after line 24 insert:

“(c)”;

on pages 12 through 18, strike in their entirety the lines beginning with line 25 on page 12 through line 20 on page 16, inclusive; and on page 16, in line 21, strike “**(o)**”.

AMENDMENT NO. 3

On page 1, strike beginning with “requiring” in line 14 down through the semicolon in line 21; on page 2, in line 3, after the first comma insert “and”; in the same line strike “, and 7-704.4”; and on pages 16 through 18, strike in their entirety the lines beginning with line 27 on page 16 through line 17 on page 18, inclusive.

Testimony for SB0781_FAV_Strum Contracting Company

Uploaded by: Teaera Strum

Position: FWA



March 7, 2023

Senator Brian J. Feldman
Education, Energy and the Environment Committee
2 West, Miller Senate Office Building
Annapolis, Maryland 21201

Senate Bill 781- Offshore Wind Energy-State Goals and Procurement (Promoting Offshore Wind Energy Resources Act).

Good afternoon,

My name is Teara Strum, Chief Executive Officer of Strum Contracting Company, a small minority owned, full-service welding and fabrication firm that has been operating in the state since 1987.

I want to thank Senators Feldman, Hester, Brooks and fellow members of the Maryland Senate, Education, Energy and the Environment Committee for the opportunity to speak with you today about Senate Bill 781.

I am here today to express Strum Contracting Company's strong support for SB 781, Offshore Wind Energy-State Goals and Procurement (Promoting Offshore Wind Energy Resources Act) to increase the state's renewable energy portfolio from 2.5 megawatts to 8.5 megawatts of offshore wind power by 2031. To facilitate the construction of a shared transmission infrastructure and to strengthen labor standards for manufacturing, construction, installation and maintenance for all future offshore wind projects.

The American offshore wind industry is growing rapidly, other states across the eastern seaboard; more specifically states that are included in the SMART-POWER Agreement such as Virginia (2.6 GW) and North Carolina (5.5 MW); are further ahead of Maryland with their development. If we want to stay competitive as a state and as a local economy, we need to increase our goal. SB 781 does just that. While taking into consideration and finding solutions for our current state transmission facilities, incorporating labor standards and ensuring these projects are equitable and attainable opportunities for Small, Minority and Women owned businesses throughout the state of Maryland, our goal will be attained.

As a state-certified MBE with a 30+ year history of providing steel fabricating and welding services in the heavy civil industry, SCC has been able to transition fluidly into the offshore wind industry while creating JOBS and partnerships with local non-profits. In 2018, we entered a professional services contract with US Wind as owner's representatives for the fabrication of the



Meteorological Mass Tower (MMT) in Houma, LA while ensuring “Maryland content” from the beginning of its contracted commitments under the OREC. While this engagement worked to create a new silo of performance for our small company, our larger opportunity followed by our selection as a subcontractor to Tradepoint Atlantic Marine Development Corporation (TPMD).

In May 2019 TPMD contracted SCC to be its provider (supplier) and welding of 2,010 H-Pile steel beams, measuring 14x117x80’. These beams were a critical component for the reconstruction of inner berths and piers sufficient to support the weight of the wind turbine components to be manufactured at TPA, and subsequently barged down to Ocean City for installation.

Strum Contracting, has already experienced business growth as one of the first MBE in the country to be awarded a construction service-related contract specific to OSW, by when we were able to create full time equivalent jobs for this project. Moreover, Strum Contracting partners with Jane Addams Resource Corporation (JARC Baltimore) to fill positions with graduates from this workforce development non-profit. All hires were residents of Baltimore City and or Baltimore County and they were able to earn a livable hourly wage on average of \$28.18 base and \$15.50 fringe that covered healthcare plan. Contribute to a qualified retirement fund, paid time off and receive on the job training and other benefits, while creating a career ladder with upward mobility to gain additional industry credentials.

However, long term job creation and the sustainability of good wage jobs will not be possible if we do not take a step back and focus on one of the biggest challenges currently facing the American offshore wind industry. In order to remain competitive with states such as New York and New Jersey whose offshore wind power is 9 MW & 7.5 MW respectively, we must take the first step. Currently, Maryland does not have the capacity to house 8.5 MW of offshore wind power. SB 781 addresses this issue by first step in addressing one of the biggest challenges of getting offshore power on to its shores, by legislating the public service commission to conduct an analysis of Maryland’s current transmission system expansion options. This is a major first step in solidifying the expansion of this emerging industry. By addressing the transmission system, we will be able to successfully expand the states capacity by building out our current lease areas and protecting the states opportunities for clean energy jobs locally and regionally.

Thank you,

Teaera Strum

Teaera R. Strum,
Chief Executive Officer

Opposition_SB781-HB793.v1.pdf

Uploaded by: Alex Pavlak

Position: UNF

Reckless

HB793/SB781 proposes power purchase agreement (PPA) of up to \$190/MWh (2012\$, \$242/MWh 2022\$) for up to 8 million MWh/yr of OSW. This is a big proposal, energy equivalent to about 60% the size of Calvert Cliffs. The PPA discounts to a present value of \$35 billion. There are several problem areas:

- The proposed PPA price cap is 24.2 cts/kWh (2022\$) is 2x the retail price, 3x the blended OSW-2 OREC price that MPSC awarded in December 2021, 5x the PJM market clearing price several years ago.
- Stop spinning social cost of carbon, ignoring transmission costs.
- OSW remains an unproven technology at scale. [Zero Carbon PJM](#) system modeling shows that OSW is the highest cost option and unlikely to be a minor player on a zero-carbon PJM system.
- There is no risk assessment or ratepayer impact. Data is necessary to evaluate risks like that of [OSW harming whales](#). This issue should be resolved before committing \$35 billion.

Recommendations:

1. **Unfavorable SB781/HB793** until evidence emerges that OSW is affordable, reliable and low risk.
2. **Build OSW-1** for the purpose of acquiring risk mitigation data: a test platform to support research on the impact of OSW on whales and marine life; local resistance to transmission; maintenance costs in a North Atlantic (NA) marine environment; capacity factors; production profiles; structural requirements for Northeasters and hurricanes.
3. **Independent audit the OSW-2 award.**,- Did MPSC exceed the ratepayer statutory cap by a factor of 4 as suggested by OpEds is [Maryland Matters](#) and the [Washington Post](#)?
4. **Upgrade Maryland's goal** to be zero carbon electric power (not net-zero or 100% renewables). Net-zero & 100% Renewables are political goals; that can be satisfied by exporting over-generation and importing 40% from West Virginia coal keep the lights on.
5. **Retask the Power Plant Research 100% Study to be zero carbon PJM (not 100% RPS)** – The rational sequence is to first figure out what works best for PJM, then figure out how Maryland best fits within that structure. A preliminary [Zero Carbon PJM Options](#) indicates that while a PV + OSW + storage only system is theoretically feasible, it would have a ratepayer impact exceeding \$300/month.
6. **Maryland's role should be full-scale demonstrations. Demonstrate any technology (renewables & new nuclear) that can be a major component of a zero carbon PJM.**
 - a. Qualification is by an approved zero carbon PJM dispatch model like the Zero Carbon PJM model.
 - b. Awards for 2 million MWh/yr for 20 years.
 - c. While ppa price is a primary criteria, competitive evaluations should ratepayer impact, in-State jobs impact, risk assessment (whales, public opposition to transmission, NRC approvals ...)
 - d. Develop the ability to objectively calculate ratepayer impact from system models that include transmission and intermittent backup costs..
 - e. Ask PJM asked to score impact on firm capacity and system reliability.

Dr. Alex Pavlak is a Professional Engineer who has led the successful development of major new military systems. In a former life he was the President of a solar collector development company. Today he is the Chairman of the [Future of Energy Initiative](#). His advocacy is to engineer effective zero carbon systems.



sb781test - Promoting Offshore Wind Energy Act(mj)

Uploaded by: Marcus Jackson

Position: UNF



**Maryland Joint
Legislative Committee**

The Voice of Merit Construction

Mike Henderson

*President
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*President & CEO
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March 7, 2023

TO: EDUCATION, ENERGY, AND THE ENVIRONMENT COMMITTEE
FROM: ASSOCIATED BUILDERS AND CONTRACTORS
RE: S.B. 781– PROMOTING OFFSHORE WIND ENERGY RESOURCE ACT
POSITION: OPPOSE

Associated Builders and Contractors (ABC) opposes S.B. 781 which is before you today for consideration. The bill requires 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.

ABC has consistently and vigorously opposed government-mandated labor agreements on state and local government infrastructure projects. S.B. 781 as written proposes to do the following:

- **PROACTIVELY SEEKS TO ENSURE THAT WORKERS CAN FREELY CHOOSE TO BOTH ORGANIZE AND COLLECTIVELY BARGAIN**
 - Any individual can join a construction labor union in the State of Maryland by signing up at the local union hiring hall. Despite the ease with which one can join a construction labor union, only 12% of Maryland construction workers have chosen to do so. Under the National Labor Relations Act, an individual can both organize and collective bargain with their employer.

Before delving further into S.B. 781, we would like to put a few points on the record:

- Labor agreements (i.e. PLAs) generally increase the cost of construction projects 10-20%
- The increase in project costs also makes it difficult for W/MBE owned firms to compete as a general contractor, relegating those companies to sub-contractor status.
- PLAs severely hinder the ability for MBE firms, who are 98% non-union in Maryland, to submit a bid in the so-called competitive procurement process because they must forgo their trained workforce and hire union workers from a union hall. Taking on liability for workers they do not know and have not trained is an absurd proposition for those who have developed their own workforce.

- **Black and Brown contractors often work and hire in communities with the highest unemployment rate – while majority-owned, unionized firms do not operate or hire in these communities. They instead rely on the union hall to supply workers based on seniority, requiring no Maryland residency requirements.**
- **PLAs require non-union companies to agree to union dictated terms and pay into pension and healthcare plans that do not benefit our workforce.**

The proposed Community Benefit Agreement will needlessly increase costs, chill competition, and steer hundreds of millions of dollars' worth of construction projects funded by taxpayers to well-connected special interests, i.e., construction unions and contractor's signatory to specific construction unions party to a PLA.

On behalf of the over 1,500 ABC members in Maryland, we respectfully request an unfavorable report on S.B. 781.

**Marcus Jackson, Director
Government Affairs**

SB781 - Offshore Wind Energy – State Goals and Pro

Uploaded by: Richard Meehan

Position: UNF



TOWN OF OCEAN CITY

The White Marlin Capital of the World

March 6, 2023

Education, Energy, and the Environment Committee
The Honorable Senator Brian J. Feldman
2 West
Miller Senate Office Building
Annapolis, Maryland 21401

**Re: SB781 - Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)**

Dear Chairman Feldman and Members of the Education, Energy, and the Environment Committee,

On behalf of the Ocean City Mayor and City Council, I am respectfully requesting that the Committee return an unfavorable report on SB781. One of the primary goals of this bill is the use of Maryland Ratepayer funds to expand and extend the electric transmission system to support offshore wind. The bill specifically mentions “Allow future transmission lines to connect in a meshed manner and share landing points” and then goes on to state “extending the existing transmission grid to be closer to offshore wind energy locations”.

While we support clean energy and the jobs this industry can bring to Maryland, Ocean City has been on record opposing industrial scale offshore wind development within view of our shoreline since 2017. We have repeatedly warned that these projects will destroy our view shed, negatively impact our property values, and drive tourists and property owners to other destinations such as Virginia Beach and the Outer Banks where offshore wind is developed far enough offshore to not be visible. Unfortunately, our concerns regarding these issues continue to be ignored, even as the size of the turbines have grown from 300’ tall to almost 1,000’. Now this bill threatens to potentially add massive high voltage power lines and dangerous cable landfalls in our Town.

Proponents of offshore wind continually reference the Block Island Project as a positive model for this type of development. I would urge the committee to investigate the consequences of the cable landfalls on Block Island. Underground high voltage electric cables were installed so poorly that that in less than a year they were exposed on the beach. This resulted in beach closures, power outages, shutting down production from the offshore wind factory, and cable repairs that took over five years and cost Rhode Island utility customers \$31 million.

MAYOR
RICHARD W. MEEHAN

CITY COUNCIL

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CITY MANAGER
TERENCE J. MCGEAN, PE

CITY CLERK
DIANA L. CHAVIS, CMC

Ocean City has spent millions of dollars over the years to underground utilities to lessen their impact on our view shed and we continue to pursue undergrounding projects to this day. This bill threatens to undue all those efforts by subsidizing and encouraging the construction of electric transmission lines and other industrial gear in Ocean City. Do not turn Maryland's only coastal beach town into a giant power station, please issue an unfavorable report on Senate Bill 781.

Sincerely,

A handwritten signature in cursive script, appearing to read "Richard W. Meehan". The signature is written in dark ink and is positioned above the printed name.

Richard W. Meehan
Mayor

'23 SB 871 DGS LOI EEE 3-7-23.pdf

Uploaded by: Ellen Robertson

Position: INFO



Wes Moore, Governor · Aruna Miller, Lt. Governor · Atif Chaudhry, Secretary

BILL: Senate Bill 871 - Offshore Wind Energy-State Goals and Procurement

COMMITTEE: Senate Education, Energy, and the Environment

DATE: March 7, 2023

POSITION: Letter of Information

Upon review of Senate Bill 871, the Maryland Department of General Services (DGS) provides these comments for your consideration.

This bill requires the State to adopt a goal of reaching 8,500 megawatts of offshore wind (OSW) energy capacity by 2031. To achieve this goal the State will need to issue sufficient wind energy leases in the central Atlantic region. Utilizing OSW will provide the clean energy necessary to fulfill the State's net-zero greenhouse gas emission reduction targets per Chapter 38, Maryland Laws 2022 (Senate Bill 528), effective July 1, 2022.

This bill requires DGS:

- Issue an Invitation for Bids (IFB) beginning August 2024 and ending May 2025. Enter into at least one contract for a Power Purchase Agreement (PPA) to procure between one million and eight million megawatt-hours annually of OSW energy from one or more qualified projects. *The Department of General Services Office of State Procurement has concerns with the procurement timeline required in this bill. According to the bill the IFB must be posted before August 2024, with a bidding process of at least 180 days. The solicitations would be out for six (6) months, and the contract would be entered into by May 2025. The procurement process in a best-case scenario is only three (3) months. Three months would be too short to allow for a full evaluation of bids/proposals and make an award recommendation to the Board of Public Works (BPW). Preparing and submitting an action agenda item for BPW takes minimally one month. BPW may also request additional time to review the award recommendation, further complicating the timeline in this bill. DGS OSP would necessitate additional procurement officers to manage and conduct this complex procurement.*
- Include in the PPA associated renewable energy credits and have a minimum 20-year term. *The purchase of OSW energy has benefits and risks associated with it. From a fiscal perspective it is in the best interest of the State if non-OSW energy prices rise over that 20-year term. If the prices do not rise, the State would pay more for OSW over the*

20 years. A 20-year fixed-rate contract would eliminate any uncertainties in price when budgeting for the State's electricity.

- In the IFB the social cost of greenhouse gas emissions, the State's climate commitments, and the State's OSW goals must be considered. Include the comparison of the social cost of greenhouse gas emissions for OSW in the IFB, with the social cost of greenhouse emissions for nonrenewable energy power purchased. ***The social cost of carbon can be added to the State's current electric rate to create an allowable maximum rate to compare to OSW rates. This may be difficult to incorporate in an IFB, which is meant to obtain a contract with the lowest-priced bidder. Other procurement methods such as a Request for Proposal may be more appropriate to meet this goal. The decisions of which procurement method is most appropriate should be made by the procurement officer.***
- Identify the energy necessary to meet the State's needs through OSW. Meet the State's renewable energy obligations with the OSW energy procured and retire the associated Renewable Energy Credits (RECs). Any excess OSW energy or RECs to be sold on the PJM competitive wholesale power market. ***Purchasing all of the state's electricity through OSW fulfills the Renewable Portfolio Standard and accelerates the State towards net zero. The State already purchases 12% of its electricity through renewable power purchase agreements, the other 88% of the State's electricity could be purchased through OSW. In this case, all of the State's energy purchased would be from renewable sources. If all the State's energy is purchased from renewable sources, is the State relieved of its Solar REC obligations?***

For additional information, contact Ellen Robertson at 410-260-2908.

SB 781_Information_Stanek.pdf

Uploaded by: Jason Stanek

Position: INFO

STATE OF MARYLAND



OFFICE OF THE CHAIRMAN

JASON M. STANEK

PUBLIC SERVICE COMMISSION

March 7, 2023

Chair Brian Feldman
Education, Energy and Environment
2 West, Miller Senate Office Building
Annapolis, Maryland 21401

**RE: SB 781 – INFORMATION – Offshore Wind Energy – State Goals and Procurement
(Promoting Offshore Wind Energy Resources Act)**

Dear Chair Feldman and Committee Members:

It is well recognized that Maryland is a leader, enabler and strong proponent of Offshore Wind as evidenced by the Commission's two rounds of OREC approvals over the past several years. At over 2,000 MW, the Commission has issued orders surpassing legislative targets while remaining under statutory bill impact limits. Offshore wind reduces our reliance on carbon emitting generation and advances the offshore wind manufacturing infrastructure and supply chain within our state. No matter the targets specified in SB 781, OSW remains an important and abundant alternative to carbon emitting generation, and upgrades to the transmission system will be needed to move that power to shore. The Commission is working with the sponsors and looks forward to further conversations. These comments are intended be informative and to facilitate meeting our state energy and climate policies.

Both federal and state efforts are underway in the mid-Atlantic region to help states meet their clean energy goals. The Federal Energy Regulatory Commission (FERC) has issued a series of proposed rulemakings that would require proactive and holistic transmission planning on a region-wide basis and set forth fair cost allocation among the beneficiaries of transmission system upgrades. FERC's efforts will likely result in either higher benefits to all states or similar benefits at lower costs. This concept is also at the heart of studies that PJM, the regional transmission planner, is developing on the behalf of all states in the region.

New Jersey has embarked on a program to fully fund a billion dollars in transmission upgrades needed to deliver up to 7,500 MW of OSW onshore by 2035 from NJ ratepayers.¹ New Jersey's OSW wind turbines will directly serve the electricity users in their state; however, the necessary upgrades to the transmission system will benefit multiple states across the region. Accordingly, other states benefiting from the upgrades will not pay their fair share.

SB 781 mirrors the New Jersey approach in many ways but also adds an additional scope of review. This Bill would require Maryland to examine transmission enhancements in the sole interest of the state, similar to New Jersey, and require the PSC to work with other states on a more regional or cooperative plan. The Bill sets forth a process that invites proposals for transmission system upgrades and expansions that best meet OSW goals. **Though SB 781 requires this of the Commission, the Commission would need to rely on PJM, the FERC-jurisdictional entity responsible for planning the transmission system to carry out this function.** The studies, competitive solicitations, and selection of qualified candidate projects that could be reliably integrated into the bulk power grid are transmission planning functions and would fall within PJM's authority, jurisdiction, and expertise.

It should be noted that the PSC cannot order PJM to comply with the scope or schedules in SB 781 because PJM is a FERC-jurisdictional entity. Yet, the Bill hinges on PJM resource availability and its ability to enter into agreements to conduct planning studies and conduct the solicitation for project proposals that provide deliverability of OSW generation. PJM's involvement in the preliminary analysis, prior to the solicitation process, would be significant. PJM spent a year working with New Jersey on details like those outlined in the Bill leading up to the solicitations and another two years analyzing those solicitations. Furthermore, such agreements with PJM will require FERC approval. **Accordingly, the target dates in the bill should be goals rather than mandates.** In addition, the reporting requirement after the first phase of the analyses should allow for a status report in lieu of a completed analysis if meeting the target date is impracticable. The proposed timelines in the Bill should also be amended to provide sufficient time for PSC review of these analyses. As drafted, the Bill provides no review period between offer submission and project selection.

To support New Jersey's efforts, the Commission-equivalent in New Jersey dedicated three full-time employees and spent over \$3 million over a three-year period for expert engineering and legal consulting services. The scope of review is greater in SB 781, and the Commission estimates it will need four full-time employees, \$500,000 for the initial study, and \$3 million for the long terms analysis. Including such authorizations would make clear to the public, transmission developers, OSW generator developers, and PJM that appropriate resources will be committed to support this effort.

SB 781 requires the PSC to both choose among qualified transmission projects and continue its statutory obligation to review any associated requests for CPCNs (siting). This is an unusual dynamic that did not exist in New Jersey and likely will require a rulemaking. Aside from working with PJM, SB 781 envisions the PSC collaborating with various other entities. For example, the Commission would be expected to consult with Maryland transmission owners in conducting an analysis of transmission expansion options. However, doing so would have the

¹ This does not include the costs of the OSW turbines, infrastructure, or interconnecting the projects to the grid.

prospect of disadvantaging other merchant transmission companies in the competitive project solicitation process outlined in SB 781. Also, consulting with the transmission owners may not conform with the rigorous separation requirement in the Bill.

SB 781 includes a goal of 8,500 MW of OSW by 2031, which is a challenging timeline within which to plan and develop transmission for that amount of output. Staffing the program and contracting with expert consultants takes time. Assuming the planning deadlines can be met, the additional time needed for CPCN reviews, OSW generation development and procurement, and FERC approvals will make meeting this goal challenging. To that point, the timeline could be triggered by the OSW developer submitting a filing showing a sufficiently sized BOEM lease. This filing should also attest to the developer's intent to utilize the area to generate OSW energy by 2031 for the benefit of Maryland ratepayers. This could assure that funds and resources allotted for this effort are prudently expended.

The bill presumes that a project will be built and developed once the PSC selects a project. If the intent is to provide the PSC with the ability to direct PJM to require a developer to actually construct the expansion projects, the Bill should be clear in communicating that the PSC would have authorization and discretion to commit the State to fully fund this transmission through FERC-approved transmission rates. Without this provision, the Bill becomes a long-term and resource-intensive set of studies and may not signal to PJM and prospective transmission developers that the state is contractually committed to the 8,500 MW goal (by 2031) set forth in the Bill.

Aside from the transmission related elements of the Bill, SB 781 would also require the Department of General Services, a state agency, to enter PPAs with OSW developers. As alluded to earlier, the Bill does not specify that these PPAs would deliver power over the transmission system upgrades that would result from the Bill.

Under this bill, the State will become a wholesale energy marketer potentially subject the State to market based rate authority review, approvals by FERC, and FERC's jurisdiction. This would be unprecedented. Unlike prior OSW legislation, SB 781 does not involve ratepayer funding for ORECs. Since this appears to be a state budget issue, the PSC offers no comments regarding this part of the Bill.

As mentioned earlier, SB 781 is aimed at opening the door to OSW wider than today. Yet, as explained, it assumes the agreement of factors beyond state control. I appreciate the opportunity to provide information on SB 781. Please contact Lisa Smith, Director of Legislative Affairs, at (410) 336-6288 if you have any questions.

Sincerely,



Jason M. Stanek
Chairman