



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.
