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Education, Energy, and
Environment Committee

Chair, Joint Committee on
Cybersecurity, Information Technology
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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/>