



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>