

Committee: Energy, Education, and the Environment
Testimony: Public Utilities - Definition of Qualified Offshore Wind Project -
Alteration (SB 814)
Position: Favorable
Hearing Date: March 7, 2024

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On behalf of the Chesapeake Climate Action Network Action Fund, we urge a favorable report on Senate Bill 814. This legislation is a crucial step forward in advancing Maryland's offshore wind energy industry and achieving the ambitious targets set forth in the Promoting Offshore Wind Energy Resources (POWER) Act.

The POWER Act established a bold target of 8.5 gigawatts of offshore wind power by 2031, positioning Maryland as a national leader in offshore wind energy development. Senate Bill 814 builds upon this momentum by ensuring that Maryland can strategically position itself to fully unlock the potential of this industry.

Currently, Maryland's offshore wind procurement process is constrained by limitations that restrict eligibility to projects solely making landfall in the Delmarva Peninsula or those utilizing a yet-to-be-developed shared transmission system. This narrow scope stifles the full potential of Maryland's offshore wind industry. Senate Bill 814 takes decisive action to rectify this issue by broadening eligibility criteria to include projects interconnecting within the PJM and permitting developers to negotiate virtual power purchase agreements with Maryland utilities.

By expanding the pool of eligible projects, Senate Bill 814 fosters a more competitive environment, driving down prices and maximizing economic benefits for the state. This increased competition not only enhances the affordability of offshore wind energy but also stimulates innovation and accelerates technological advancements within the industry.

In alignment with the ambitious targets set by the POWER Act, Senate Bill 814 is pivotal in realizing Maryland's offshore wind energy goals. The POWER Act mandates the issuance of a competitive offshore wind solicitation by July 31, 2024, requiring a robust and diverse supply of projects. By allowing more eligible bidders and promoting greater competition, Senate Bill 814 ensures that Maryland selects the most cost-effective and efficient projects to meet its renewable energy targets.



The legislation will not make changes to ratepayer protections and preserve Maryland's current projects, including those awarded in Rounds 1 and 2 of Offshore Renewable Energy Credit (OREC) allocations. If projects participate in Maryland solicitations from alternate points of interconnection within PJM, they will be subject to the same Request for Proposals (RFP) criteria regarding local content and workforce requirements as those connecting to the Delmarva peninsula.

In conclusion, Senate Bill 814 represents a vital opportunity for Maryland to accelerate its transition to clean, renewable offshore wind energy. By expanding eligibility criteria and fostering competition, this legislation will drive down costs, create economic opportunities, and solidify Maryland's position as a leader in offshore wind development. We urge the committee to support this important initiative for the benefit of our state's economy, environment, and future generations.

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