

## **SB814 – Favorable – Ken Kimmell of Avangrid**

**Ken Kimmell**, Chief Development Officer, Avangrid, 125 High Street, Boston, MA 02110

### **I am testifying in favor of SB814:**

Avangrid is one of the largest renewable energy companies in the country, and is proud to be building the nation's first utility-scale offshore wind farm, Vineyard Wind 1 (800 MW of clean energy).

We applaud Maryland's vision and ambition and would like to help the state meet its 8.5 GW goal. Avangrid is looking carefully at the upcoming Central Atlantic lease auction.

We also have a highly productive lease area off the Virginia/North Carolina coast, known as Kitty Hawk Wind, with high wind speeds and relatively shallow water depth. We purchased this lease area in 2017 for **\$9 million** and it has the potential to generate 2.5 to 3.5 GW of clean energy.

We would welcome selling some of Kitty Hawk Wind's capacity to Maryland, but we cannot install a cable from the lease area to Maryland or the Delmarva Peninsula due to Department of Defense restrictions.

Under current law, we are not allowed to land in Virginia and sell power to Maryland.

If the law were amended, we could land in Virginia and bid to sell power to Maryland. We have similar arrangements in New England, and they work.

**This amendment would give Maryland more choices, more paths forward to meet its goals, and, because our lease was so inexpensive, lower prices for ratepayers.**

While we would land in Virginia, significant economic and supply chain development could happen in Maryland.

## Accelerating the clean energy transition



Avangrid is a leading sustainable energy company with 8 regulated electric and natural gas utilities, renewable generation assets in 24 states, and is a member of the Iberdrola Group.

### A Member of the Iberdrola Group

Avangrid is a proud member of the Iberdrola Group, granting it access to a global network of development and construction expertise and supply chain leadership.

Iberdrola is a global leader in renewable energy development, with 42 GW in operation and a target of achieving 52 GW by 2025. The company is also a world leader in offshore wind development, with more than 1200 MW in operation and a global pipeline of 30 GW.

### Avangrid is an Offshore Industry Leader in the U.S.

Avangrid is a national leader in offshore wind development, currently constructing Vineyard Wind 1 – the nation’s first large-scale offshore wind project.

Avangrid’s Vineyard Wind 1 is providing power to the New England grid, creating well-paying union jobs, and leading to an economic revitalization of cities like New Bedford, Massachusetts.

Once completed, it will provide 806 MW, enough power for 400,000 homes and businesses.

### Financial and Operational Data

**8.7 GW**

Emissions-free installed capacity

**91%**

Emissions-free capacity

**3rd**

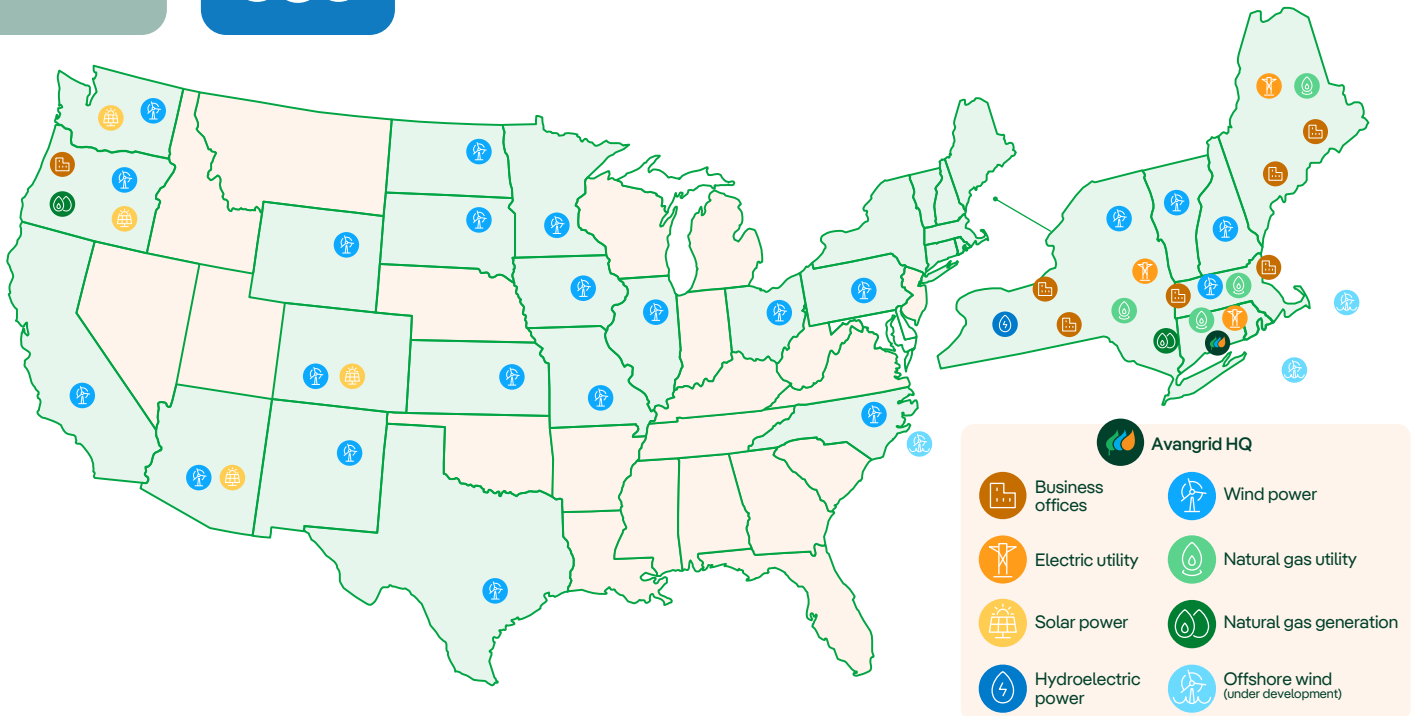
Largest onshore renewables generator in the U.S.

**\$41 B**

in assets with a presence in 24 states

**26 GW**

Renewables pipeline





**The Kitty Hawk Wind project has the potential to deliver up to 3.5 GW of clean energy, enough to power 1 million homes.**

### **Avangrid's Kitty Hawk Wind Project Is Uniquely Positioned to Support Maryland's Goals**

Avangrid is developing the Kitty Hawk Wind project in federal waters off the coast of Virginia, with the potential to deliver up to 3.5 GW of clean energy, enough to power 1 million homes.

Kitty Hawk Wind offers significant advantages for Maryland.

- Avangrid secured its lease in 2017 for just \$9 million, or \$14 per acre. For comparison, the minimum bids for the Central Atlantic lease areas will be \$100 per acre, and recent auctions have resulted in an average price of \$5,200 per acre. The upcoming Central Atlantic auction will be exceptionally competitive and expensive.
- The Kitty Hawk Wind lease area is the most highly deconflicted area in BOEM's leasing history. Over 24 miles from shore, the project well beyond the distance that would make views of the project a source of controversy.
- The project is mature, with federal permitting underway. Kitty Hawk North is expected to receive approval of its Construction and Operations Plan next year.

Kitty Hawk Wind will make landfall in Virginia Beach, interconnecting into the PJM system. If provided an opportunity to bid, Avangrid could negotiate Power Purchase Agreements with Maryland utilities, ensuring that the power would serve the needs of homes and businesses across the state.



### **Maryland Economic Opportunities**

Avangrid has already performed due diligence to identify several highly feasible opportunities to deliver this magnitude of economic benefit to the State. These opportunities include, but are not limited to, the use of Baltimore Ports, use of U.S. Steel manufacturing facilities and other local manufacturing, and development of project labor agreements with labor organizations.

**Kitty Hawk Wind can bring transformative economic development opportunities to Maryland, generating thousands of jobs and hundreds of millions in local investment.**