



February 21, 2025
Economic Matters Committee
Chair C.T. Wilson
Vice Chair Brian M. Crosby
HB0505 - Empowering New Energy Resources and Green Initiatives Toward a Zero-Emission
(ENERGIZE) Maryland Act

Favorable with amendments

Dear Chair Wilson, Vice Chair Crosby, and esteemed members of the Economic Matters Committee,

Equinor Wind US LLC (Equinor) writes today to encourage the Committee to favorably support with amendments HB0505, *Empowering New Energy Resources and Green Initiatives Toward a Zero-Emission (ENERGIZE) Maryland Act*. Equinor is a broad energy company which has been active in the U.S. for over 36 years, delivering safe and reliable energy solutions to communities across the country. As a global leader in offshore wind development, Equinor leverages decades of offshore expertise to develop projects worldwide. Most recently, Equinor acquired Lease Area OCS-A 0557, located 26 nautical miles from Delaware Bay, with the potential to provide over 2 GW of renewable energy to the Pennsylvania-New Jersey-Maryland (PJM) grid.

We believe that the all-of-the-above energy approach created in HB0505 will be essential to meet rising energy demand and ensure Maryland's grid will maintain its reliability with the interests of Maryland ratepayers at the forefront. We appreciate the bill's acknowledgement that offshore wind will be an important piece of this puzzle. The industry has enormous potential to provide affordable and reliable home-grown energy at a utility scale to the region, while creating domestic jobs, incentivizing local economic development, and supporting manufacturing opportunities.

HB0505's provisions authorizing the Maryland Public Service Commission (PSC) to implement confidential ratepayer impact caps will facilitate solicitations that are competitive and aligned with the changing needs of the Maryland grid over time. Critically, the legislation must also create a viable pathway for future offshore wind procurements by including language that provides the PSC with the explicit ability to solicit offshore wind projects and coordinate with other states to do so. Cementing a procurement process will ensure that Maryland can maximize benefits from the offshore wind industry. Doing so also delivers an important market signal for offshore wind developers and proves that Maryland is committed to the sustainable growth of the industry in the long-term.



Further language can be added to the legislation to strengthen the flexibility of Maryland's offshore wind solicitation program, which minimizes risks to projects and therefore reduces Offshore Wind Renewable Energy Certificates (OREC) prices. These include many of the provisions outlined in the PSC's *Maryland Offshore Wind Roadmap to 8.5 GW*, such as ensuring that the PSC has the ability to index OREC prices based on inflation, interest rates, and engineering, procurement and construction costs. Additionally, Equinor supports language that will create a competitive landscape for all energy resources and protect ratepayer interests. For example, offshore wind projects should have the ability to secure contracts up to 30 years, which will provide greater pricing certainty and has the potential to reduce costs. This would mirror language in the bill allowing 30-year contracts for nuclear projects.

HB0505 also builds upon previous statutes to create a robust offshore wind industry, including efforts to build coordinated transmission infrastructure to support offshore wind and improve grid stability. Ensuring that transmission procurements move forward in Maryland, due to the long lead time on transmission infrastructure planning and construction, is necessary and vital for the industry to prosper long-term. Because Maryland's grid is closely connected with neighboring states through PJM, the legislation should provide the PSC explicit authority to collaborate on transmission solutions with other states in the region, which will allow for mutual benefits and enhance regional cooperation.

Equinor commends the Economic Matters Committee for their important work on these crucial issues and is appreciative of the opportunity to provide feedback. We respectfully request your favorable support with amendments on this bill. We welcome further discussion and encourage Committee members to contact us any time at the email address below.

Sincerely,

A handwritten signature in black ink that reads "Carlie Clarcq".

Carlie Clarcq
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