



February 21, 2025

Delegate C.T. Wilson, Chair
Maryland House Economic Matters Committee
230 Taylor House Office Building
Annapolis, Maryland 21401

American Clean Power, MAREC Action & Oceantic Network: SB0434/HB0505, FAVORABLE with amendments

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

American Clean Power, MAREC Action, and the Oceantic Network, organizations representing stakeholders across Maryland's offshore wind industry, take a position of favorable with amendments on the Administration's Empowering New Energy Resources and Green Initiatives Toward a Zero-Emission (ENERGIZE) Maryland Act, SB0434/HB0505.

The **American Clean Power Association (ACP)** is the leading voice of today's multi-tech clean energy industry, representing over 800 energy storage, wind, utility-scale solar, clean hydrogen and transmission companies. ACP is committed to meeting America's national security, economic and climate goals with fast-growing, low-cost, and reliable domestic power.

MAREC Action is a Maryland-based coalition of over 50 utility-scale solar, wind, and battery storage developers, wind turbine and solar panel manufacturers, and public interest organizations dedicated to promoting the growth and development of renewable energy in Maryland and across the PJM grid.

Over 10 years ago, Maryland businesses founded the Business Network for Offshore Wind (our name until we rebranded to Oceantic Network last year) to help companies better understand the opportunities that would come with the development of offshore wind. Now, as the **Oceantic Network**, we envision a thriving ocean renewables industry powering strong economies. Our collaborative global nonprofit network advances ocean renewables markets and builds robust supply chains of local companies, with a focus on minority-, women-, and veteran-owned businesses.

On behalf of our organizations, thank you for the opportunity to provide testimony on the ENERGIZE Act, SB0434/HB0505.

Critically, the Act would codify Governor Wes Moore's campaign pledge to achieve 100% clean electricity in Maryland. The offshore wind industry stands ready to support the Governor's goal as the largest-scale clean energy resource currently planned to serve Maryland consumers.

Beyond establishment of the 100% clean energy mandate, the ENERGIZE Act takes several important actions related to offshore wind. Specifically, we support the following provisions of the ENERGIZE Act:

- Reaffirmed authority for the Public Service Commission (PSC) to issue additional Round 2 Offshore Renewable Energy Certificate (OREC) solicitations.
- Added discretion for the PSC to evaluate ratepayer caps on offshore wind, to better reflect shifting market dynamics, inflation adjustments, and ratepayer cost pressures resulting from inadequate capacity supply.
- Enhanced flexibility for project transmission and interconnection with PJM or through coordinated state transmission plans.

In aggregate, these provisions will modernize Maryland's offshore wind policies and facilitate further investments necessary not only to achieve 100% clean energy, but also to keep the lights on and costs predictable in the face of growing demand. Without these important legislative actions, Maryland's emerging offshore wind supply chain faces greater uncertainty.

ENERGIZE Act ensures offshore wind is available to meet growing demand

Maryland's demand for electricity is rising at a time when capacity market supply is diminishing due to power plant retirements and Reliability-Must-Run arrangements. As a result, PJM has implanted changes to capacity market signals to promote more energy resources with high-capacity ratings. While PJM's rationale and implementation of these changes can be debated, they are already having an impact on Maryland. This will result in sharply rising consumer costs, underscoring the need for capacity market reforms and a greater electricity supply.

Maryland's legislature has long supported offshore wind as a clean replacement for older and inefficient power plants, and now the need for offshore wind is greater than ever. Offshore wind has a capacity factor around 50 percent, comparable to some fossil fuel power plants¹ (note: capacity factor is an average of how much electricity a power plant produces compared to maximum potential output over the course of a year). Offshore wind's high capacity factor reflects strong, steady winds offshore that produce during key reliability periods during the year, including cold winter months and at night. Looking across the range of options to deliver affordable, reliable and clean electrons to Maryland consumers—offshore wind ranks high and has a head start thanks to efforts over the last decade to establish critical supply chain investments. The addition of offshore wind will directly increase supply of capacity and suppress prices that consumers will be exposed to in the years to come.

ENERGIZE Act supports critical supply chain investments

Maryland is emerging as a supply chain leader in the U.S. thanks to the vision of Governor Moore and the General Assembly, and the boldness of the Public Service Commission. By approving US Wind's OREC reconfiguration, the state secured commitments to support the development of Sparrows Point Steel and Hellenic Cables; no other state has secured major supply chain investments on this scale. Now, the state should act to ensure its supply chain and manufacturing have a dependable market to sell into, maximizing local employment and economic development. The following outlines Maryland's growing influential role as a regional transmission and manufacturing hub:

¹ IEA, [Offshore Wind Outlook 2019](#)

- **The creation of a monopile facility in Sparrows Point and Hellenic Cables' cable facility automatically place Maryland in a leadership position.** Sparrows Point Steel (SPS) will be the first fully functional monopile facility in the US. The current site is 88 acres and includes one of the largest graving docks on the East Coast; however, there remains the option to lease an additional 24 acres from property owner Tradepoint Atlantic. Sparrows Point Steel expects to employ hundreds of full-time workers including those from United Steelworkers, with whom they've established a Memorandum of Understanding (MOU)².
- **US Wind has also signed an MOU with the Baltimore-DC Building & Construction Trades for construction of the wind farm, as well as to support logistics and port operations.** At full capacity, SPS will create 530 jobs and can produce approximately 100 monopiles, transition pieces, or turbine towers each year; however, industry demand cycles will have the plant operating at roughly 80% capacity³.
- **US Wind is expected to enable \$90 million of investment in Hellenic Cables' array cable facility at Wagner's Point, which will be the first of its kind in the nation.** The land at Wagner's Point will be developed in two phases, the first of which will be completed at the end of 2026. Phase One, with a budget of \$200 million (including land acquisition costs), will see the construction of a land cables plant to address the need for transmission and distribution grid upgrades. Phase Two will expand the plant, adding the capability to manufacture subsea cables⁴.
- **Hellenic Cables estimates that it will hire 200 tradespeople during construction and 120 manufacturing positions while the facility is operational, with an additional 250 indirect jobs being created as well⁵.** Both facilities will give Marylanders the opportunity to go to work on projects in Maryland and the entire country.

While the facilities are likely to sell their components to projects all along the East Coast, building a stable local market is the best policy measure to secure the future of the facilities. The ENERGIZE Act's procurement flexibility granted to the PSC and planned transmission development both act to support market development and a long-term order book for Maryland-based supply chain facilities. This is true beyond Sparrows Point Steel and Hellenic Cable – the 44 Maryland companies already working in offshore wind (having won 62 contracts) will be bolstered by a consistent local market development.

Amendments

Our organizations reiterate our support for the ENERGIZE Act, however we do request amendments that would foster parity for offshore wind with other proposed clean energy resources.

It is reasonable to consider all options for zero-carbon energy resources, and we acknowledge the steps this legislation takes to create a pathway to new nuclear power investments. It is

² United Steelworkers, [USW, US Wind Announce Partnership to Transform Historic Sparrows Point Site](#)

³ US Wind, [Sparrows Point Steel](#)

⁴ Cenergy Holdings, [Final Investment Decision reached for a cables manufacturing facility in Maryland, USA](#)

⁵ Office of Governor Wes Moore, [Governor Moore Announces Support for New Cable Manufacturing Facility in Baltimore](#)

important that any clean energy policy implemented by this legislature reflect parity between energy sources. For example, reasonable ratepayer protections and conditions for state incentives should be aligned to not advantage one energy source over another. As introduced, this legislation implements or leaves in place several measures for offshore wind that would not apply to future nuclear power facilities. Specifically, we believe contract durations and federal incentive criteria should align for resources currently proposed in the ENERGIZE Act.

Closing thoughts

Although the need for offshore wind is clear, federal policy uncertainty is introducing new headwinds for the industry. In the face of federal policy instability and rising electricity demand, the ENERGIZE Act's offshore wind provisions signal Maryland's unwavering commitment to offshore wind and associated supply chain investments. This legislation is particularly critical this year, to ensure that the offshore wind developers and supply chain companies can continue to plan for investments needed by the end of the decade when PJM's forecasts show the energy demand crunch will materialize. We look forward to working with the legislation's sponsors to discuss potential amendments as this important legislation moves through the committee process.

Thank you for your consideration,

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