

Promoting Offshore Wind Energy Resources (POWER) Act

In 2022, Maryland passed the Climate Solutions Now Act, which sets ambitious goals for climate pollution reduction (60% reduction by 2031). Additionally, Maryland has a renewable energy goal of 50% by 2030 including at least 1200 MW of offshore wind, set by the Clean Energy Jobs Act of 2019. In order to meet those goals, we must prioritize the rapid deployment of renewable energy and investments in infrastructure to support that transition.

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Making OSW a Legislative Priority for 2023

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An Offshore Wind Energy Goal

- Many states, in our region and beyond, have established offshore wind development goals through executive orders or legislation.¹ These goals help signal to the market and regulators on the federal and state level that the state is friendly to offshore wind and has aspirations for investments in the industry.
- Federally, the Biden-Harris Administration has set a goal of 30 additional gigawatts of domestic offshore wind by 2030. With current lease areas and the Central Atlantic Call Areas currently under consideration, Maryland could deploy another 6 GWs of offshore wind.
- Setting a total of 8.5 GW as our state's goal will help establish Maryland as an epicenter for additional development.

Transmission

- Offshore wind projects in Maryland face a significant barrier to connecting to the grid.
- Transmission has been handled in the past on a project-by-project basis; to improve efficiency, experts recommend a more coordinated approach that would reduce congestion of multiple lines, increase carbon reduction potential and minimize environmental impacts.
- Passing legislation directing the state to manage a competitive transmission procurement, Maryland could establish a coordinated transmission network that solves the issue of interconnection and builds resilience and reliability.

Building Out Existing Lease Areas

Both Orsted and US Wind have existing space in their lease areas for roughly 700 - 800 additional megawatts each but the current policy (largely the Offshore Wind Renewable Energy Credit price cap) does not allow for additional development without impacting ratepayers. However, if additional projects could be built without the cost or risk accruing to rate-payers, Maryland could benefit from up to 1600 MW of additional offshore wind energy. This would be possible with direct purchasing contracts by the state.

Offshore Wind, Onshore Benefits

Job Creation - Offshore wind has the potential to **create thousands of family-sustaining jobs** in Baltimore and across the state. The U.S. Department of Energy has found that jobs associated with the offshore wind industry have average annual earnings (including benefits) of \$141,000 for onsite workers.² Already, **we are seeing economic growth and job creation as a result of these pending projects, including bringing steel back to Sparrows Point.**³

Manufacturing - Baltimore's deepwater port and underused industrial areas make the region a prime location for wind turbine manufacturing and assembly. Maryland's Public Service Commission required the two wind companies to **invest \$115 million in manufacturing facilities and port upgrades in and around Sparrows Point**, or a similar port facility, and contribute \$6 million to an offshore wind business development fund.⁴ This economic activity will **prioritize small businesses and businesses owned by women, veterans, and/or people of color.**

Reduce Emissions - Research recently published by the Gabel Associates highlights that 6,000 MW of **offshore wind energy deployed in Maryland would result in significant avoided lifetime air emissions** including 361,445,105 tons of avoided CO₂, 120,508 of avoided SO₂, and 128,931 of avoided NO_x.⁵ This amounts to roughly \$23,750 million (real 2021\$) in avoided damages.

Reduce Energy Costs - Offshore wind energy offers the potential to **lower energy bills for Maryland consumers** by generating revenue in energy markets and wholesale capacity markets.

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