

HOUSE BILL 793

M5, C5, P2

3lr0935
CF SB 781

By: Delegates Charkoudian, Amprey, Barve, Boafu, Boyce, Cullison, Fennell, Fraser-Hidalgo, Jackson, A. Johnson, S. Johnson, R. Lewis, Love, Moon, Pruski, Qi, Queen, Reznik, Rogers, Stewart, Turner, Valderrama, and Wilkins

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Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 2023

CHAPTER _____

1 AN ACT concerning

2 **Offshore Wind Energy – State Goals and Procurement**
3 **(Promoting Offshore Wind Energy Resources Act)**

4 FOR the purpose of requiring an application for any new qualified offshore wind project
5 and a certain proposal for an offshore wind transmission facility to be subject to a
6 certain community benefit agreement; altering the requirements for a certain report
7 on offshore wind projects; authorizing certain offshore wind project developers to
8 apply for an exemption from certain requirements; requiring the Public Service
9 Commission to request that PJM Interconnection conduct a certain analysis of
10 transmission system upgrade and expansion options; requiring the Commission to
11 take certain actions regarding the transmission system and the analysis of
12 transmission system expansion options; requiring and authorizing the Commission
13 ~~to issue a certain number of competitive solicitations for,~~ or PJM Interconnection at
14 the request of the Commission, to take certain actions on proposals for certain
15 offshore wind transmission facilities and transmission upgrades and expansions;
16 ~~requiring the Commission to develop certain criteria for selecting a proposal and~~
17 ~~include certain specifications in the solicitation;~~ exempting certain proposals from
18 the requirement to obtain a certificate of public convenience and necessity;
19 establishing that procurement of certain proposals may not impact the
20 interconnection plans of certain earlier offshore wind projects; requiring the
21 Department of General Services, in consultation with the Commission, to issue ~~an~~
22 ~~invitation for bids~~ a certain solicitation for a certain power purchase agreement

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 ~~within a certain time frame~~; requiring the Department to identify the amount of
 2 energy necessary to meet the State's energy needs; requiring the State to use certain
 3 energy and associated renewable energy credits in a certain manner, offer for sale
 4 certain energy or associated renewable energy credits, issue a certain procurement
 5 on or before a certain date, and enter into a contract or contracts for that
 6 procurement on or before a certain date; establishing that the State be exempted
 7 from the renewable energy portfolio standard requirements under certain
 8 circumstances; requiring certain contractors to submit a certain attestation within a
 9 certain number of days after the operational commencement date of a certain power
 10 purchase agreement; requiring the Commission to submit, on or before a certain date
 11 each year, a report to the General Assembly on certain information collected under
 12 the Commission's Supplier Diversity Program; requiring a certain certification
 13 agency to initiate a certain study regarding clean energy and offshore wind
 14 industries and certain remedial measures; and generally relating to the development
 15 of renewable energy.

16 BY repealing and reenacting, without amendments,
 17 Article – Public Utilities
 18 Section 7-701(a)
 19 Annotated Code of Maryland
 20 (2020 Replacement Volume and 2022 Supplement)

21 BY adding to
 22 Article – Public Utilities
 23 Section 7-701(g-1) and (h-1), 7-704.3, ~~and~~ 7-704.4, and 7-704.5
 24 Annotated Code of Maryland
 25 (2020 Replacement Volume and 2022 Supplement)

26 BY repealing and reenacting, with amendments,
 27 Article – Public Utilities
 28 Section 7-701(k) and 7-704.1
 29 Annotated Code of Maryland
 30 (2020 Replacement Volume and 2022 Supplement)

31 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
 32 That the Laws of Maryland read as follows:

33 Article – Public Utilities

34 7-701.

35 (a) In this subtitle the following words have the meanings indicated.

36 (G-1) “OFFSHORE WIND TRANSMISSION PROJECT” MEANS AN ELECTRIC
 37 TRANSMISSION PROJECT SELECTED BY THE COMMISSION UNDER ~~§ 7-704.4~~ §
 38 7-704.3 OF THIS SUBTITLE TO INTERCONNECT DIRECTLY OR INDIRECTLY WITH ONE
 39 OR MORE QUALIFIED OFFSHORE WIND PROJECTS.

1 (H-1) “PJM INTERCONNECTION” MEANS PJM INTERCONNECTION, LLC OR
2 ANY SUCCESSOR ORGANIZATION THAT SERVICES THE PJM REGION.

3 (k) “Qualified offshore wind project” means a wind turbine electricity generation
4 facility, including the associated transmission-related interconnection facilities and
5 equipment, that:

6 (1) is located:

7 (I) on the outer continental shelf of the Atlantic Ocean in an area
8 that the United States Department of the Interior designates for leasing [after coordination
9 and consultation with the State in accordance with § 388(a) of the Energy Policy Act of
10 2005]; AND

11 (II) MORE THAN 10 MILES OFF THE COAST OF THE STATE FOR A
12 PROJECT SELECTED UNDER § 7-704.4 OF THIS SUBTITLE OR APPROVED UNDER §
13 7-704.1 OF THIS SUBTITLE AFTER JUNE 1, 2023; and

14 (2) interconnects to the PJM Interconnection grid:

15 (I) at a point located on the Delmarva Peninsula; OR

16 (II) THROUGH AN OFFSHORE WIND TRANSMISSION PROJECT
17 SELECTED UNDER § 7-704.3 OF THIS SUBTITLE.

18 7-704.1.

19 (a) (1) The General Assembly finds and declares that:

20 (I) THE STATE HAS A GOAL OF REACHING 8,500
21 MEGAWATTS OF OFFSHORE WIND ENERGY CAPACITY BY 2031, INCLUDING ROUND 1
22 OFFSHORE WIND PROJECTS, ROUND 2 OFFSHORE WIND PROJECTS, AND ANY OTHER
23 PROCUREMENT EFFORTS;

24 (II) THE GENERAL ASSEMBLY ANTICIPATES THE ISSUANCE OF
25 SUFFICIENT WIND ENERGY LEASES IN THE CENTRAL ATLANTIC REGION TO SATISFY
26 THE GOAL STATED IN ITEM (I) OF THIS PARAGRAPH;

27 [(i)] (III) the development of offshore wind energy is important to
28 the economic well-being of the State and the nation; [and]

29 (IV) OFFSHORE WIND CAN PROVIDE CLEAN ENERGY AT THE
30 SCALE NEEDED TO HELP ACHIEVE THE STATE’S ECONOMY-WIDE NET-ZERO

1 GREENHOUSE GAS EMISSIONS REDUCTION TARGETS ESTABLISHED IN CHAPTER 38
2 OF THE ACTS OF THE GENERAL ASSEMBLY OF 2022; ~~AND~~

3 [(ii)] (v) it is in the public interest of the State to facilitate the
4 construction of at least 1,200 megawatts of Round 2 offshore wind projects in order to:

5 1. position the State to take advantage of the economic
6 development benefits of the emerging offshore wind industry;

7 2. promote the development of renewable energy sources
8 that increase the nation's independence from foreign sources of fossil fuels;

9 3. reduce the adverse environmental and health impacts of
10 traditional fossil fuel energy sources; and

11 4. provide a long-term hedge against volatile prices of fossil
12 fuels; ~~AND~~

13 (VI) IT IS IN THE PUBLIC INTEREST OF THE STATE TO MAXIMIZE
14 THE OPPORTUNITIES FOR OBTAINING AND USING FEDERAL FUNDS FOR OFFSHORE
15 WIND AND RELATED TRANSMISSION PROJECTS THROUGH THE INCLUSION OF
16 SPECIFIED LABOR STANDARDS AND GOALS, DOMESTIC CONTENT REQUIREMENTS,
17 AND OTHER PROVISIONS TO ALIGN STATE LAW WITH PROVISIONS OF THE FEDERAL
18 INFRASTRUCTURE INVESTMENT AND JOBS ACT OF 2021 AND THE FEDERAL
19 INFLATION REDUCTION ACT OF 2022.

20 (2) After the effective date of Commission regulations implementing this
21 section and § 7-704.2 of this subtitle, and before June 30, 2017, a person may submit an
22 application to the Commission for approval of a proposed Round 1 offshore wind project.

23 (3) (i) On receipt of the application for approval of a Round 1 offshore
24 wind project, the Commission shall:

25 1. open an application period when other interested persons
26 may submit applications for approval of Round 1 offshore wind projects; and

27 2. provide notice that the Commission is accepting
28 applications for approval of Round 1 offshore wind projects.

29 (ii) The Commission shall set the closing date for the application
30 period to be no sooner than 90 days after the notice provided under subparagraph (i) of this
31 paragraph.

32 (4) The Commission shall provide additional application periods
33 beginning, respectively:

1 (i) January 1, 2020, for consideration of Round 2 offshore wind
2 projects to begin creating ORECs not later than 2026;

3 (ii) January 1, 2021, for consideration of Round 2 offshore wind
4 projects to begin creating ORECs not later than 2028; and

5 (iii) January 1, 2022, for consideration of Round 2 offshore wind
6 projects to begin creating ORECs not later than 2030.

7 (5) In its discretion, the Commission may provide for additional application
8 periods **THAT MEET THE REQUIREMENTS OF THIS SECTION.**

9 (b) Unless extended by mutual consent of the parties, the Commission shall
10 approve, conditionally approve, or deny an application within 180 days after the close of
11 the application period.

12 (c) An application shall include:

13 (1) a detailed description and financial analysis of the offshore wind
14 project;

15 (2) the proposed method of financing the offshore wind project, including
16 documentation demonstrating that the applicant has applied for all current eligible State
17 and federal grants, rebates, tax credits, loan guarantees, or other programs available to
18 offset the cost of the project or provide tax advantages;

19 (3) a cost–benefit analysis that shall include at a minimum:

20 (i) a detailed input–output analysis of the impact of the offshore
21 wind project on income, employment, wages, and taxes in the State with particular
22 emphasis on in–State manufacturing employment;

23 (ii) detailed information concerning assumed employment impacts
24 in the State, including the expected duration of employment opportunities, the salary of
25 each position, and other supporting evidence of employment impacts;

26 (iii) an analysis of the anticipated environmental benefits, health
27 benefits, and environmental impacts of the offshore wind project to the citizens of the State;

28 (iv) an analysis of any impact on residential, commercial, and
29 industrial ratepayers over the life of the offshore wind project;

30 (v) an analysis of any long–term effect on energy and capacity
31 markets as a result of the proposed offshore wind project;

32 (vi) an analysis of any impact on businesses in the State; and

1 (vii) other benefits, such as increased in-State construction,
2 operations, maintenance, and equipment purchase;

3 (4) a proposed OREC pricing schedule for the offshore wind project that
4 shall specify a price for the generation attributes, including the energy, capacity, ancillary
5 services, and environmental attributes;

6 (5) a decommissioning plan for the project, including provisions for
7 decommissioning as required by the United States Department of the Interior;

8 (6) a commitment to:

9 (i) abide by the requirements set forth in subsection [(e)] (F) of this
10 section; and

11 (ii) deposit at least \$6,000,000, in the manner required under
12 subsection [(g)] (H) of this section, into the Maryland Offshore Wind Business Development
13 Fund established under § 9-20C-03 of the State Government Article;

14 (7) a description of the applicant's plan for engaging small businesses, as
15 defined in § 14-501 of the State Finance and Procurement Article;

16 (8) a commitment that the applicant will:

17 (i) use best efforts to apply for all eligible State and federal grants,
18 rebates, tax credits, loan guarantees, or other similar benefits as those benefits become
19 available; and

20 (ii) **SUBJECT TO SUBSECTION (K) OF THIS SECTION**, pass along to
21 ratepayers, without the need for any subsequent Commission approval, 80% of the value of
22 any [state] **STATE** or federal grants, rebates, tax credits, loan guarantees, or other similar
23 benefits received by the project and not included in the application; and

24 (9) any other information the Commission requires.

25 **(D) THE FOLLOWING ARE SUBJECT TO A COMMUNITY BENEFIT AGREEMENT**
26 **UNDER SUBSECTION (F) OF THIS SECTION:**

27 **(1) AN APPLICATION FOR ANY NEW QUALIFIED OFFSHORE WIND**
28 **PROJECT; AND**

29 **(2) A PROPOSAL ~~FILED AND APPROVED IN ACCORDANCE WITH~~**
30 **SELECTED BY THE COMMISSION UNDER § 7-704.3 OF THIS SUBTITLE FOR AN**
31 **OFFSHORE WIND TRANSMISSION PROJECT.**

- 1 **[(d)] (E)** (1) The Commission shall use the following criteria to evaluate and
2 compare proposed offshore wind projects submitted during an application period:
- 3 (i) lowest cost impact on ratepayers of the price set under a proposed
4 OREC pricing schedule;
- 5 (ii) potential reductions in transmission congestion prices within the
6 State;
- 7 (iii) potential changes in capacity prices within the State;
- 8 (iv) potential reductions in locational marginal pricing;
- 9 (v) potential long-term changes in capacity prices within the State
10 from the offshore wind project as it compares to conventional energy sources;
- 11 (vi) the extent to which the cost-benefit analysis submitted under
12 subsection (c)(3) of this section demonstrates positive net economic, environmental, and
13 health benefits to the State;
- 14 (vii) the extent to which an applicant's plan for engaging small
15 businesses meets the goals specified in Title 14, Subtitle 5 of the State Finance and
16 Procurement Article;
- 17 (viii) the extent to which an applicant's plan provides for the use of
18 skilled labor, particularly with regard to the construction and manufacturing components
19 of the project, through outreach, hiring, or referral systems that are affiliated with
20 registered apprenticeship programs under Title 11, Subtitle 4 of the Labor and
21 Employment Article;
- 22 (ix) the extent to which an applicant's plan provides for the use of an
23 agreement designed to ensure the use of skilled labor and to promote the prompt, efficient,
24 and safe completion of the project, particularly with regard to the construction,
25 manufacturing, and maintenance of the project;
- 26 (x) the extent to which an applicant's plan provides for
27 compensation to its employees and subcontractors consistent with wages outlined under §§
28 17-201 through 17-228 of the State Finance and Procurement Article;
- 29 (xi) siting and project feasibility;
- 30 (xii) the extent to which the proposed offshore wind project would
31 require transmission or distribution infrastructure improvements in the State;
- 32 (xiii) estimated ability to assist in meeting the renewable energy
33 portfolio standard under § 7-703 of this subtitle; and

1 (xiv) any other criteria that the Commission determines to be
2 appropriate.

3 (2) In evaluating and comparing an applicant's proposed offshore wind
4 project under paragraph (1) of this subsection, the Commission shall contract for the
5 services of independent consultants and experts.

6 (3) The Commission shall verify that representatives of the United States
7 Department of Defense and the maritime industry have had the opportunity, through the
8 federal leasing process, to express concerns regarding project siting.

9 (4) (i) In this paragraph, "minority" means an individual who is a
10 member of any of the groups listed in § 14-301(k)(1)(i) of the State Finance and
11 Procurement Article.

12 (ii) If an applicant is seeking investors in a proposed offshore wind
13 project, it shall take the following steps before the Commission may approve the proposed
14 project:

15 1. make serious, good-faith efforts to solicit and interview a
16 reasonable number of minority investors;

17 2. as part of the application, submit a statement to the
18 Commission that lists the names and addresses of all minority investors interviewed and
19 whether or not any of those investors have purchased an equity share in the entity
20 submitting an application;

21 3. as a condition to the Commission's approval of the offshore
22 wind project, sign a memorandum of understanding with the Commission that requires the
23 applicant to again make serious, good-faith efforts to interview minority investors in any
24 future attempts to raise venture capital or attract new investors to the offshore wind
25 project; and

26 4. as a condition to the Commission's approval of the offshore
27 wind project, sign a memorandum of understanding with the Commission that requires the
28 applicant to use best efforts and effective outreach to obtain, as a goal, contractors and
29 subcontractors for the project that are minority business enterprises, to the extent
30 practicable, as supported by a disparity study.

31 (iii) The Governor's Office of Small, Minority, and Women Business
32 Affairs, in consultation with the Office of the Attorney General, shall provide assistance to
33 all potential applicants and potential minority investors to satisfy the requirements under
34 subparagraph (ii)1 and 3 of this paragraph.

35 (5) As a condition of the Commission's approval of the offshore wind
36 project, the applicant shall sign a memorandum of understanding with the Commission
37 and skilled labor organizations that requires the applicant to follow the portions of the

1 applicant's plan that relate to the criteria set forth in paragraph (1)(viii) and (ix) of this
2 subsection.

3 ~~[(e)]~~ **(F)** (1) (i) In this paragraph, "community benefit agreement" means
4 an agreement applicable to the development of any qualified offshore wind project **OR**
5 **OFFSHORE WIND TRANSMISSION FACILITY** that:

6 1. promotes increased opportunities for local businesses and
7 small, minority, women-owned, and veteran-owned businesses in the clean energy
8 industry, **INCLUDING THE USE OF A PREFERENCE GIVEN TO BUSINESSES THAT ARE**
9 **CERTIFIED UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE**
10 **PROGRAM;**

11 2. ensures the timely, safe, and efficient completion of the
12 project by:

13 **A.** facilitating a steady supply of highly skilled craft workers
14 who shall be paid not less than the prevailing wage rate determined by the Commissioner
15 of Labor and Industry under Title 17, Subtitle 2 of the State Finance and Procurement
16 Article; **AND**

17 **B.** **GUARANTEEING THAT THE CONSTRUCTION WORK**
18 **PERFORMED IN CONNECTION WITH THE PROJECT WILL BE SUBJECT TO AN**
19 **AGREEMENT THAT:**

20 **I.** **IS WITH ONE OR MORE LABOR ORGANIZATIONS; AND**

21 **II.** **ESTABLISHES, IN ACCORDANCE WITH PARAGRAPH (3)**
22 **OF THIS SUBSECTION, THE TERMS AND CONDITIONS OF EMPLOYMENT AT THE**
23 **CONSTRUCTION SITE OF THE PROJECT OR A PORTION OF THE PROJECT;**

24 3. promotes safe completion of the project by ensuring that
25 at least 80% of the craft workers on the project have completed an Occupational Safety and
26 Health Administration 10-hour or 30-hour course;

27 4. promotes career training opportunities in the
28 **MANUFACTURING, MAINTENANCE, AND** construction [industry] **INDUSTRIES** for local
29 residents, veterans, women, and minorities;

30 5. provides for best efforts and effective outreach to obtain,
31 as a goal, the use of a workforce including minorities, to the extent practicable; [and]

32 6. reflects a 21st-century labor-management approach **BY**
33 **DEVELOPERS AND SUPPLIERS** based on cooperation, harmony, and partnership **THAT**

1 PROACTIVELY SEEKS TO ENSURE THAT WORKERS CAN FREELY CHOOSE TO BOTH
2 ORGANIZE AND COLLECTIVELY BARGAIN;

3 7. PROVIDES PLANS TO USE DOMESTIC IRON, STEEL,
4 AND MANUFACTURED GOODS TO THE GREATEST EXTENT PRACTICABLE BY
5 DISCLOSING CONTRACTED SUPPLIERS;

6 8. USES LOCALLY AND DOMESTICALLY MANUFACTURED
7 CONSTRUCTION MATERIALS AND COMPONENTS; AND

8 9. MAXIMIZES THE USE OF SKILLED LOCAL LABOR,
9 PARTICULARLY WITH REGARD TO THE CONSTRUCTION AND MANUFACTURING
10 COMPONENTS OF THE PROJECT, USING METHODS INCLUDING OUTREACH, HIRING,
11 OR REFERRAL METHODS THAT ARE AFFILIATED WITH REGISTERED
12 APPRENTICESHIP PROGRAMS UNDER TITLE 11, SUBTITLE 4 OF THE LABOR AND
13 EMPLOYMENT ARTICLE.

14 (ii) If the Commission receives reasonable proposals that
15 demonstrate positive net economic, environmental, and health benefits to the State, based
16 on the criteria specified in subsection (c)(3) of this section, and subject to subparagraph (iii)
17 of this paragraph, the Commission shall approve orders to facilitate the financing of
18 qualified offshore wind projects, including at least 1,200 megawatts of Round 2 offshore
19 wind projects.

20 (iii) The Commission may not approve an applicant's proposed
21 offshore wind project unless:

22 1. for a Round 1 offshore wind project application:

23 A. the projected net rate impact for an average residential
24 customer, based on annual consumption of 12,000 kilowatt-hours, combined with the
25 projected net rate impact of other Round 1 offshore wind projects, does not exceed \$1.50 per
26 month in 2012 dollars, over the duration of the proposed OREC pricing schedule;

27 B. the projected net rate impact for all nonresidential
28 customers considered as a blended average, combined with the projected net rate impact of
29 other Round 1 offshore wind projects, does not exceed 1.5% of nonresidential customers'
30 total annual electric bills, over the duration of the proposed OREC pricing schedule; and

31 C. the price specified in the proposed OREC price schedule
32 does not exceed \$190 per megawatt-hour in 2012 dollars; and

33 2. for a Round 2 offshore wind project application:

34 A. the projected incremental net rate impact for an average
35 residential customer, based on annual consumption of 12 megawatt-hours, combined with

1 the projected incremental net rate impact of other Round 2 offshore wind projects, does not
 2 exceed 88 cents per month in 2018 dollars, over the duration of the proposed OREC pricing
 3 schedule;

4 B. the projected incremental net rate impact for all
 5 nonresidential customers considered as a blended average, combined with the projected net
 6 rate impact of other Round 2 offshore wind projects, does not exceed 0.9% of nonresidential
 7 customers' total annual electric bills during any year of the proposed OREC pricing
 8 schedule; and

9 C. the project is subject to a community benefit agreement.

10 (2) (i) When calculating the net benefits to the State under paragraph
 11 (1)(ii) of this subsection, the Commission shall contract for the services of independent
 12 consultants and experts.

13 (ii) When calculating the projected net average rate impacts for
 14 Round 1 offshore wind projects under paragraph (1)(iii)1A and B of this subsection and for
 15 Round 2 offshore wind projects under paragraph (1)(iii)2A and B of this subsection, the
 16 Commission shall apply the same net OREC cost per megawatt-hour to residential and
 17 nonresidential customers.

18 **(3) AN AGREEMENT REQUIRED UNDER PARAGRAPH (1)(I)2B OF THIS**
 19 **SUBSECTION SHALL:**

20 **(I) GUARANTEE AGAINST STRIKES, LOCKOUTS, AND SIMILAR**
 21 **DISRUPTIONS;**

22 **(II) ENSURE THAT ALL WORK ON THE PROJECT FULLY**
 23 **CONFORMS TO ALL RELEVANT STATE AND FEDERAL LAWS, RULES, AND**
 24 **REGULATIONS;**

25 **(III) CREATE MUTUALLY BINDING PROCEDURES FOR RESOLVING**
 26 **LABOR DISPUTES ARISING DURING THE TERM OF THE PROJECT;**

27 **(IV) SET FORTH OTHER MECHANISMS FOR**
 28 **LABOR-MANAGEMENT COOPERATION ON MATTERS OF MUTUAL INTEREST AND**
 29 **CONCERN, INCLUDING PRODUCTIVITY, QUALITY OF WORK, SAFETY, AND HEALTH;**
 30 **AND**

31 **(V) BIND ALL CONTRACTORS AND SUBCONTRACTORS TO THE**
 32 **TERMS OF THE AGREEMENT THROUGH THE INCLUSION OF APPROPRIATE**
 33 **PROVISIONS IN ALL RELEVANT SOLICITATION AND CONTRACT DOCUMENTS.**

34 **[(f)] (G)** (1) An order the Commission issues approving a proposed offshore
 35 wind project shall:

- 1 (i) specify the OREC price schedule, which may not authorize an
2 OREC price greater than, for a Round 1 offshore wind project, \$190 per megawatt-hour in
3 2012 dollars;
- 4 (ii) specify the duration of the OREC pricing schedule, not to exceed
5 20 years;
- 6 (iii) specify the number of ORECs the offshore wind project may sell
7 each year;
- 8 (iv) provide that:
- 9 1. a payment may not be made for an OREC until electricity
10 supply is generated by the offshore wind project; and
- 11 2. ratepayers, purchasers of ORECs, and the State shall be
12 held harmless for any cost overruns associated with the offshore wind project; and
- 13 (v) require that any debt instrument issued in connection with a
14 qualified offshore wind project include language specifying that the debt instrument does
15 not establish a debt, obligation, or liability of the State.
- 16 (2) An order approving a proposed offshore wind project vests the owner of
17 the qualified offshore wind project with the right to receive payments for ORECs according
18 to the terms in the order.
- 19 (3) On or before March 1 each year, the Commission shall report to the
20 Governor and, in accordance with § 2-1257 of the State Government Article, to the Senate
21 ~~Finance~~ Committee **ON EDUCATION, ENERGY, AND THE ENVIRONMENT** and the House
22 Economic Matters Committee on:
- 23 (i) compliance by applicants with the minority business enterprise
24 participation goals under subsection [(d)(4)] **(E)(4)** of this section; and
- 25 (ii) with respect to the community benefit agreement under
26 subsection [(e)(1)] **(F)(1)** of this section:
- 27 1. the availability and use of opportunities for local
28 businesses and small, minority, women-owned, and veteran-owned businesses;
- 29 2. the success of efforts to promote career training
30 opportunities in the **MANUFACTURING, MAINTENANCE, AND** construction [industry]
31 **INDUSTRIES** for local residents, veterans, women, and minorities; and

1 3. compliance with the minority workforce goal under
2 subsection [(e)(1)(i)5] **(F)(1)(I)5** of this section.

3 **[(g)] (H)** For Round 2 offshore wind project applications, the Commission shall
4 approve OREC orders representing a minimum of 400 megawatts of nameplate capacity
5 proposed during each application period unless:

6 (1) not enough Round 2 offshore wind project applications are submitted to
7 meet the net benefit test under subsection (c)(3) of this section; or

8 (2) the cumulative net ratepayer impact exceeds the maximums provided
9 in subsection [(e)(1)(ii)2] **(F)(1)(II)2** of this section.

10 **[(h)] (I)** (1) Within 60 days after the Commission approves the application of
11 a proposed offshore wind project, the qualified offshore wind project shall deposit
12 \$2,000,000 into the Maryland Offshore Wind Business Development Fund established
13 under § 9-20C-03 of the State Government Article.

14 (2) Within 1 year after the initial deposit under paragraph (1) of this
15 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
16 the Maryland Offshore Wind Business Development Fund.

17 (3) Within 2 years after the initial deposit under paragraph (1) of this
18 subsection, the qualified offshore wind project shall deposit an additional \$2,000,000 into
19 the Maryland Offshore Wind Business Development Fund.

20 **[(i)] (J)** (1) The findings and evidence relied on by the General Assembly for
21 the continuation of the Minority Business Enterprise Program under Title 14, Subtitle 3 of
22 the State Finance and Procurement Article are incorporated in this subsection.

23 (2) To the extent practicable and authorized by the United States
24 Constitution, approved applicants for a proposed offshore wind project shall comply with
25 the State's Minority Business Enterprise Program.

26 (3) (i) On or before 6 months after the issuance of an order approving
27 an OREC application, the Governor's Office of Small, Minority, and Women Business
28 Affairs, in consultation with the Office of the Attorney General and an approved applicant,
29 shall establish a clear plan for setting reasonable and appropriate minority business
30 enterprise participation goals and procedures for each phase of the qualified offshore wind
31 project.

32 (ii) To the extent practicable, the goals and procedures specified in
33 subparagraph (i) of this paragraph shall be based on the requirements of Title 14, Subtitle
34 3 of the State Finance and Procurement Article and the regulations implementing that
35 subtitle.

1 (iii) Every 6 months following the issuance of an order approving an
2 OREC application, an approved applicant shall submit a report on its progress establishing
3 and implementing minority business enterprise goals and procedures to the Commission.

4 (4) On and after July 1, 2023, the provisions of this subsection and any
5 regulations adopted in accordance with this subsection shall be of no effect and may not be
6 enforced.

7 **(K) (1) A DEVELOPER OF A ROUND 1 OFFSHORE WIND PROJECT OR**
8 **ROUND 2 OFFSHORE WIND PROJECT APPROVED UNDER THIS SECTION MAY APPLY**
9 **TO THE COMMISSION FOR A FULL OR PARTIAL EXEMPTION FROM THE**
10 **REQUIREMENTS IN SUBSECTION (C)(8)(II) OF THIS SECTION FOR ANY FEDERAL**
11 **INFLATION REDUCTION ACT OF 2022 GRANTS, REBATES, TAX CREDITS, OR LOAN**
12 **GUARANTEES RECEIVED BY THE PROJECT IF AT LEAST 15% OF THE TOTAL LABOR**
13 **HOURS OF CONSTRUCTION, ALTERATION, OR REPAIR WORK FOR THE PROJECT,**
14 **INCLUDING ANY CONSTRUCTION, ALTERATION, OR REPAIR WORK PERFORMED BY A**
15 **CONTRACTOR OR SUBCONTRACTOR, IS PERFORMED BY QUALIFIED APPRENTICES**
16 **CONSISTENT WITH FEDERAL LAW.**

17 **(2) A DEVELOPER SEEKING AN EXEMPTION UNDER PARAGRAPH (1)**
18 **OF THIS SUBSECTION SHALL CERTIFY THAT THE EXEMPTION IS REQUIRED TO**
19 **FULFILL THE DEVELOPER'S OBLIGATIONS UNDER AN APPROVED OREC ORDER.**

20 **(3) THE COMMISSION SHALL:**

21 **(I) ESTABLISH AN APPLICATION PROCESS FOR A DEVELOPER**
22 **TO APPLY FOR AN EXEMPTION UNDER PARAGRAPH (1) OF THIS SUBSECTION;**

23 **(II) APPROVE, DENY, OR REQUEST ADDITIONAL INFORMATION**
24 **REGARDING AN APPLICATION SUBMITTED UNDER THIS SUBSECTION WITHIN 60**
25 **DAYS AFTER RECEIPT OF THE APPLICATION;**

26 **(III) IN EVALUATING AN APPLICATION SUBMITTED UNDER THIS**
27 **SUBSECTION, TAKE INTO CONSIDERATION THE POTENTIAL BENEFITS AND IMPACTS**
28 **OF APPROVING THE APPLICATION, INCLUDING:**

29 **1. THE STATE'S GOALS FOR DEVELOPING OFFSHORE**
30 **WIND ENERGY;**

31 **2. WORKFORCE AND SUPPLY CHAIN IMPACTS; AND**

32 **3. THE RISK THAT PRICE INFLATION MAY HAVE ON**
33 **ACHIEVING THE STATE'S OFFSHORE WIND ENERGY GOALS; AND**

1 (IV) KEEP ANY PROPRIETARY INFORMATION SUBMITTED BY AN
2 APPLICANT CONFIDENTIAL.

3 (4) IF THE COMMISSION APPROVES A PARTIAL EXEMPTION UNDER
4 PARAGRAPH (1) OF THIS SUBSECTION, THE NONEXEMPT VALUE OF ANY FEDERAL
5 INFLATION REDUCTION ACT OF 2022 GRANTS, REBATES, TAX CREDITS, OR LOAN
6 GUARANTEES RECEIVED BY THE PROJECT SHALL BE PASSED ALONG TO
7 RATEPAYERS.

8 **7-704.3.**

9 (A) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT IT IS IN THE
10 PUBLIC INTEREST TO UPGRADE AND EXPAND THE TRANSMISSION SYSTEM TO
11 ACCOMMODATE THE BUILDOUT OF AT LEAST 8,500 MEGAWATTS OF OFFSHORE WIND
12 ENERGY FROM QUALIFIED OFFSHORE WIND PROJECTS SERVING THE STATE BY
13 2031.

14 (B) (1) ~~(H)~~ TO MEET THE ~~GOAL~~ GOALS ESTABLISHED UNDER § 7-703 OF
15 THIS SUBTITLE AND SUBSECTION (A) OF THIS SECTION, THE COMMISSION, IN
16 CONSULTATION WITH THE MARYLAND ENERGY ADMINISTRATION ~~AND PJM~~
17 ~~INTERCONNECTION~~, SHALL REQUEST THAT PJM INTERCONNECTION CONDUCT AN
18 ANALYSIS OF TRANSMISSION SYSTEM UPGRADE AND EXPANSION OPTIONS THAT
19 TAKE INTO CONSIDERATION BOTH ONSHORE AND OFFSHORE INFRASTRUCTURE.

20 ~~(H) IN CONDUCTING THE ANALYSIS REQUIRED UNDER~~
21 ~~SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE~~

22 (2) THE COMMISSION:

23 (I) SHALL CONSULT WITH OTHER STATES SERVED BY PJM
24 INTERCONNECTION TO EVALUATE REGIONAL TRANSMISSION COOPERATION THAT
25 COULD HELP ACHIEVE THE STATE'S RENEWABLE ENERGY AND OFFSHORE WIND
26 ENERGY GOALS WITH GREATER EFFICIENCY;

27 (II) SHALL WORK WITH PJM INTERCONNECTION TO ENSURE
28 THAT THE ANALYSIS REQUESTED UNDER PARAGRAPH (1) OF THIS SUBSECTION
29 INCLUDES AN ANALYSIS OF SOLUTIONS THAT:

30 1. USE AN OPEN-ACCESS COLLECTOR TRANSMISSION
31 SYSTEM TO ALLOW FOR THE INTERCONNECTION OF MULTIPLE QUALIFIED
32 OFFSHORE WIND PROJECTS AT A SINGLE SUBSTATION;

33 2. AVOID A SIGNIFICANT OUTAGE, OR SINGLE
34 CONTINGENCY, OF ANY PART OF THE TRANSMISSION SYSTEM;

1 **3. REDUCE PERMITTING RISKS, IMPACTS ON**
 2 **COMMUNITIES, AND UNNECESSARY HIGH COSTS;**

3 **4. LEVERAGE EXISTING INFRASTRUCTURE;**

4 **5. OFFER BENEFITS THAT ADDRESS ADDITIONAL GRID**
 5 **CHALLENGES; AND**

6 **6. ADDRESS ANY OTHER ISSUES THAT THE COMMISSION**
 7 **IDENTIFIES; AND**

8 **(III) MAY ~~ALSO~~ CONSULT WITH OWNERS OF TRANSMISSION**
 9 **FACILITIES IN THE STATE TO GATHER RELEVANT TECHNICAL INFORMATION.**

10 **~~(2)~~ (3) THE COMMISSION MAY ENTER INTO ANY NECESSARY**
 11 **AGREEMENTS WITH PJM INTERCONNECTION FOR TRANSMISSION PLANNING TO:**

12 **(I) ~~FURTHER THE COMMISSION'S~~ INITIATE PJM**
 13 **INTERCONNECTION'S ANALYSIS; OR**

14 **(II) ASSIST WITH THE SOLICITATION OF PROPOSALS FOR**
 15 **OFFSHORE WIND TRANSMISSION PROJECTS.**

16 **~~(3)~~ (4) ON OR BEFORE JULY 1, 2024, THE COMMISSION SHALL**
 17 **SUBMIT ~~ITS COMPLETED~~ A STATUS UPDATE ON THE ANALYSIS REQUESTED UNDER**
 18 **PARAGRAPH (1) OF THIS SUBSECTION TO THE GENERAL ASSEMBLY, IN**
 19 **ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.**

20 **(C) (1) ON OR BEFORE ~~DECEMBER 1, 2024~~ JULY 1, 2025, THE**
 21 **COMMISSION SHALL ISSUE, OR REQUEST THAT PJM INTERCONNECTION ISSUE, ONE**
 22 **OR MORE COMPETITIVE SOLICITATIONS FOR PROPOSALS FOR OPEN ACCESS**
 23 **OFFSHORE WIND TRANSMISSION FACILITIES AND ~~NECESSARY~~ COMPLEMENTARY**
 24 **ONSHORE TRANSMISSION UPGRADES AND EXPANSIONS.**

25 **(2) THE COMMISSION MAY ISSUE, OR REQUEST THAT PJM**
 26 **INTERCONNECTION ISSUE, FURTHER SOLICITATIONS FOR PROPOSALS AFTER THIS**
 27 **DATE IF DETERMINED NECESSARY BY THE COMMISSION.**

28 **(D) IN DEVELOPING CRITERIA FOR SELECTING A PROPOSAL UNDER THIS**
 29 **SECTION, THE COMMISSION:**

1 (1) SHALL CONSIDER THE ANALYSIS REQUIRED UNDER SUBSECTION
2 (B) OF THIS SECTION, INCLUDING A CONSIDERATION OF POTENTIAL
3 INTERCONNECTION POINTS ~~AND CABLE ROUTES~~;

4 (2) SHALL EVALUATE THE POTENTIAL FOR COOPERATING WITH
5 OTHER STATES IN THE PJM REGION TO MAXIMIZE CONSUMER BENEFITS THAT WILL
6 BEST ACHIEVE THE STATE'S RENEWABLE ENERGY AND OFFSHORE WIND ENERGY
7 GOALS; AND

8 (3) MAY CONSULT WITH THE ADMINISTRATION, ELECTRIC
9 COMPANIES, TRANSMISSION FACILITY OWNERS, AND OTHER STATES OR ENTITIES
10 DESIGNATED BY THOSE STATES IN DEVELOPING OR COORDINATING EQUIVALENT
11 STANDARDS FOR THE APPROVAL OF TRANSMISSION PROJECTS UNDER THIS
12 SECTION THAT WILL FACILITATE THE INTEGRATION OF MULTIPLE OFFSHORE WIND
13 ENERGY PROJECTS AND POTENTIAL MULTISTATE OFFSHORE WIND TRANSMISSION
14 PROJECTS.

15 (E) (1) THE COMMISSION SHALL INCLUDE, OR WORK WITH PJM
16 INTERCONNECTION TO INCLUDE, SPECIFICATIONS IN THE SOLICITATION THAT
17 REQUIRE PROPOSALS TO:

18 (I) ALLOW FUTURE TRANSMISSION LINES TO CONNECT IN A
19 MESHED MANNER AND SHARE LANDING POINTS;

20 (II) CONSIDER OTHER ONSHORE AND OFFSHORE CLEAN
21 ENERGY GENERATION AND STORAGE FACILITIES; ~~AND~~

22 (III) INCORPORATE COMMUNITY BENEFIT AGREEMENTS IN
23 ACCORDANCE WITH § 7-704.1 OF THIS SUBTITLE;

24 (IV) ADDRESS THE SITING, ENVIRONMENTAL, AND
25 SOCIOECONOMIC INFORMATION REQUIRED TO BE CONSIDERED BY THE
26 COMMISSION UNDER § 7-207 OF THIS TITLE FOR AN APPLICATION FOR A
27 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY, INCLUDING
28 OPPORTUNITIES FOR PUBLIC ENGAGEMENT AND COMMENT WITH UNITS OF STATE
29 AND LOCAL GOVERNMENT AND THE GENERAL PUBLIC;

30 (V) DEMONSTRATE NET BENEFITS TO RATEPAYERS IN THE
31 STATE WHEN COMPARED WITH AN ALTERNATIVE BASELINE SCENARIO UNDER
32 WHICH 8,500 MEGAWATTS OF OFFSHORE WIND ENERGY CAPACITY IS CONNECTED TO
33 PJM INTERCONNECTION INDEPENDENT OF AN OFFSHORE WIND TRANSMISSION
34 PROJECT TO ACHIEVE THE GOAL ESTABLISHED UNDER § 7-704.1(A)(1)(I) OF THIS
35 SUBTITLE; AND

1 **(VI) ENSURE A COMPETITIVE BIDDING PROCESS BY REDACTING**
2 **PROPRIETARY INFORMATION PROVIDED TO THE COMMISSION OR TO PJM**
3 **INTERCONNECTION.**

4 **(2) THE COMMISSION MAY ~~CONSIDER~~ EVALUATE, OR REQUEST THAT**
5 **PJM INTERCONNECTION ASSIST WITH THE EVALUATION OF, PROPOSALS THAT**
6 **INCLUDE:**

7 **(I) UPGRADING THE EXISTING TRANSMISSION GRID;**

8 **(II) EXTENDING THE EXISTING TRANSMISSION GRID ONSHORE**
9 **AND OFFSHORE TO BE CLOSER TO OFFSHORE WIND ENERGY LOCATIONS;**

10 **(III) INTERCONNECTING BETWEEN OFFSHORE SUBSTATIONS;**

11 **(IV) ADDING ENERGY STORAGE; AND**

12 **(V) THE USE OF HVDC CONVERTER TECHNOLOGY TO SUPPORT**
13 **POTENTIAL WEAKNESSES IN THE TRANSMISSION GRID.**

14 **(3) THE COMMISSION MAY SELECT A PROPOSAL OR PROPOSALS THAT**
15 **INCLUDE:**

16 **(I) FEDERAL FUNDING IN THE FORM OF A MATCH, GRANT,**
17 **LOAN, OR OWNERSHIP AND OPERATION BY THE UNITED STATES GOVERNMENT;**

18 **(II) COST SHARING AMONG STATES OR RECOVERY OF**
19 **TRANSMISSION COSTS THROUGH FEDERAL TRANSMISSION RATES, CONSISTENT**
20 **WITH THE POLICIES AND TARIFFS OF THE FEDERAL ENERGY REGULATORY**
21 **COMMISSION;**

22 **(III) A COMBINATION OF THE FUNDING METHODS OUTLINED IN**
23 **ITEMS (I) AND (II) OF THIS PARAGRAPH; OR**

24 **(IV) ANY OTHER AVAILABLE FUNDING MECHANISMS.**

25 **(4) EACH PROPOSAL SHOULD MAXIMIZE ACCESS TO AND BE**
26 **CONSISTENT WITH THE TERMS OF THE U.S. DEPARTMENT OF ENERGY FUNDING**
27 **PROGRAMS, INCLUDING THOSE ESTABLISHED:**

28 **(I) UNDER THE FEDERAL INFRASTRUCTURE INVESTMENT AND**
29 **JOBS ACT;**

1 (II) UNDER THE FEDERAL INFLATION REDUCTION ACT OF
2 2022;

3 (III) THROUGH THE U.S. DEPARTMENT OF ENERGY
4 TRANSMISSION FACILITATION PROGRAM; AND

5 (IV) THROUGH ANY LOAN PROGRAMS, OFFICE PROGRAMS, OR
6 RESILIENCY FUNDING.

7 (F) THE SOLICITATION PROCESS SHALL:

8 (1) INCLUDE A PREQUALIFICATION PROCESS TO ENSURE THE
9 FINANCIAL AND TECHNICAL COMPETENCE AND CAPABILITIES OF THE ENTITIES
10 RESPONDING TO THE SOLICITATION FOR PROPOSALS;

11 (2) PROVIDE FOR RIGOROUS SEPARATION BETWEEN INDIVIDUALS OR
12 FIRMS PARTICIPATING IN THE REVIEW, ANALYSIS, AND SELECTION OF THE
13 PROPOSALS BY OR ON BEHALF OF THE COMMISSION AND THOSE PARTICIPATING IN
14 THE DEVELOPMENT OR MANAGEMENT OF PROPOSALS; AND

15 (3) PROMOTE RIGOROUS COMPETITION AMONG PREQUALIFIED
16 ENTITIES IN THE PREPARATION AND SUBMISSION OF THEIR PROPOSALS.

17 (G) THE COMMISSION MAY MODIFY, OR REQUEST THAT PJM
18 INTERCONNECTION MODIFY, A SOLICITATION FOR PROPOSALS AT ANY TIME IN
19 ORDER TO SATISFY ELIGIBILITY CRITERIA FOR U.S. DEPARTMENT OF ENERGY
20 FUNDING PROGRAMS.

21 (H) IN SELECTING A PROPOSAL UNDER THIS SECTION, THE COMMISSION
22 SHALL TAKE INTO CONSIDERATION THE TOTAL AMOUNT OF NEW TRANSMISSION
23 INFRASTRUCTURE NEEDED TO:

24 (1) MAINTAIN ELECTRIC SYSTEM RELIABILITY;

25 (2) ~~AVOID UNNECESSARY UPGRADE COSTS TO THE EXISTING~~
26 ~~TRANSMISSION GRID;~~

27 (3) ACHIEVE THE STATE'S OFFSHORE WIND, RENEWABLE ENERGY,
28 AND DECARBONIZATION GOALS;

29 (4) (3) OBTAIN DEMONSTRABLE BENEFITS TO THE CONSUMER AND
30 ENVIRONMENT; AND

1 ~~(5)~~ (4) FOSTER ECONOMIC DEVELOPMENT AND JOB CREATION IN
2 THE STATE.

3 (I) THE COMMISSION SHALL:

4 (1) ~~EVALUATE~~ REQUEST THAT PJM INTERCONNECTION ASSIST WITH
5 THE EVALUATION OF EACH PROPOSAL SUBMITTED IN ACCORDANCE WITH THIS
6 SECTION; AND

7 (2) AFTER NOTICE, ONE OR MORE HEARINGS TO RECEIVE PUBLIC
8 COMMENT, AND AN EVIDENTIARY HEARING, AND SUBJECT TO SUBSECTION (J) OF
9 THIS SECTION, ON OR BEFORE ~~JULY~~ DECEMBER 1, ~~2026~~ 2027, BY ORDER, SELECT A
10 PROPOSAL OR PROPOSALS FOR DEVELOPMENT:

11 (I) USING A FUNDING MECHANISM OR COMBINATION OF
12 FUNDING MECHANISMS IDENTIFIED IN SUBSECTION (E)(3) OF THIS SECTION; AND

13 (II) THAT DEMONSTRATE NET BENEFITS TO RATEPAYERS IN
14 THE STATE WHEN COMPARED WITH AN ALTERNATIVE BASELINE SCENARIO UNDER
15 SUBSECTION (E)(1)(V) OF THIS SECTION.

16 (J) IF THE COMMISSION FINDS THAT NONE OF THE PROPOSALS
17 ADEQUATELY SUPPORT THE GOALS ESTABLISHED UNDER THIS SECTION OR
18 DEMONSTRATE NET BENEFITS TO RATEPAYERS IN THE STATE WHEN COMPARED
19 WITH AN ALTERNATIVE BASELINE SCENARIO UNDER SUBSECTION (E)(1)(V) OF THIS
20 SECTION, THEN THE COMMISSION MAY END THE SOLICITATION PROCESS WITHOUT
21 SELECTING A PROPOSAL.

22 (K) (1) THE COMMISSION MAY, FOR A PROPOSAL SELECTED UNDER
23 SUBSECTION (I) OF THIS SECTION:

24 (I) ADOPT CONDITIONS FOR THE CONSTRUCTION AND
25 OPERATION OF FACILITIES INCLUDED IN THE PROPOSAL; AND

26 (II) CONSIDER ANY CONDITIONS PROPOSED BY THE POWER
27 PLANT RESEARCH PROGRAM.

28 (2) THE REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC
29 CONVENIENCE AND NECESSITY UNDER § 7-207 OR § 7-208 OF THIS TITLE DOES NOT
30 APPLY TO A PROPOSAL SELECTED UNDER SUBSECTION (I) OF THIS SECTION.

31 (3) AN ORDER SELECTING A PROPOSAL UNDER SUBSECTION (I) OF
32 THIS SECTION CONSTITUTES AUTHORIZATION BY THE COMMISSION TO CONSTRUCT

1 AND OPERATE FACILITIES THAT WOULD OTHERWISE REQUIRE A CERTIFICATE OF
 2 PUBLIC CONVENIENCE AND NECESSITY UNDER § 7-207 OR § 7-208 OF THIS TITLE.

3 (L) EXCEPT AS PROVIDED IN SUBSECTION (K) OF THIS SECTION, A
 4 PROPOSAL ~~APPROVED~~ SELECTED UNDER THIS SECTION IS SUBJECT TO ALL OTHER
 5 RELEVANT REQUIREMENTS FOR THE SITING AND CONSTRUCTION OF TRANSMISSION
 6 LINES, ~~INCLUDING ANY REQUIREMENT TO OBTAIN A CERTIFICATE OF PUBLIC~~
 7 ~~CONVENIENCE AND NECESSITY.~~

8 ~~(H)~~ (M) SELECTION OF COORDINATED TRANSMISSION PROPOSALS MAY
 9 NOT IMPACT THE INTERCONNECTION PLANS OF EARLIER OFFSHORE WIND
 10 PROJECTS, INCLUDING OCS-A 0490 (US WIND) AND OCS-A 0519 (SKIPJACK),
 11 UNLESS THE LEASEHOLDERS FOR THESE PROJECTS OPT TO PARTICIPATE IN THE
 12 PROPOSAL BY NOTIFYING THE COMMISSION BY MAIL OR E-MAIL BEFORE THE
 13 COMPLETION OF THE ANALYSIS OF TRANSMISSION SYSTEM EXPANSION OPTIONS
 14 UNDER SUBSECTION (B) OF THIS SECTION.

15 ~~(M)~~ (N) IF NO PROPOSAL HAS BEEN ~~APPROVED~~ SELECTED UNDER THIS
 16 SECTION BY ~~JULY~~ DECEMBER 1, 2026 2027, THE COMMISSION SHALL SUBMIT A
 17 STATEMENT OF DETERMINATION TO THE GOVERNOR AND GENERAL ASSEMBLY
 18 THAT:

19 (1) PROVIDES A COMPREHENSIVE EXPLANATION OF THE
 20 COMMISSION'S ~~DECISION~~ DETERMINATION; AND

21 (2) RECOMMENDS A PATH FORWARD TO ACHIEVE THE STATE'S GOAL
 22 UNDER SUBSECTION (A) OF THIS SECTION.

23 ~~(N)~~ (O) AFTER THE COMMISSION SELECTS A PROPOSAL OR PROPOSALS,
 24 THE COMMISSION SHALL WORK WITH THE MARYLAND ENERGY ADMINISTRATION,
 25 TRANSMISSION DEVELOPER OR DEVELOPERS, TRANSMISSION FACILITY OWNERS,
 26 PJM INTERCONNECTION, THE FEDERAL ENERGY REGULATORY COMMISSION, AND
 27 ANY OTHER STATES THAT VOLUNTARILY PARTICIPATE, TO FACILITATE THE
 28 DEVELOPMENT OF THE PROPOSAL OR PROPOSALS AND THE CONSTRUCTION OF THE
 29 PROPOSED OFFSHORE WIND PROJECT OR PROJECTS.

30 ~~(O)~~ (P) THE COMMISSION:

31 (1) SHALL CARRY OUT THE PROVISIONS OF THIS SECTION BY
 32 OBTAINING INFORMATION THROUGH REQUEST, COOPERATION, SUBPOENA, OR ANY
 33 OTHER LEGAL METHOD FROM TRANSMISSION OWNERS, PJM INTERCONNECTION,
 34 OR ANY OTHER ENTITY; AND

35 (2) MAY RETAIN CONSULTANTS.

1 7-704.4.

2 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
3 INDICATED.

4 (2) "COMMUNITY BENEFIT AGREEMENT" HAS THE MEANING STATED
5 IN § 7-704.1(E) OF THIS SUBTITLE.

6 (3) "SOCIAL COST OF GREENHOUSE GASES" MEANS THE MOST
7 RECENT SOCIAL COST OF GREENHOUSE GASES ADOPTED BY THE U.S.
8 ENVIRONMENTAL PROTECTION AGENCY.

9 (B) (1) ~~BETWEEN JULY 31, 2024, AND APRIL 30, 2025, THE~~ THE
10 DEPARTMENT OF GENERAL SERVICES, IN CONSULTATION WITH THE PUBLIC
11 SERVICE COMMISSION, SHALL ISSUE AN INVITATION FOR BIDS A COMPETITIVE
12 SEALED PROCUREMENT SOLICITATION AND MAY ENTER INTO AT LEAST ONE
13 CONTRACT FOR A POWER PURCHASE AGREEMENT TO PROCURE ~~BETWEEN 1,000,000~~
14 ~~AND 8,000,000~~ UP TO 5,000,000 MEGAWATT-HOURS ANNUALLY OF OFFSHORE WIND
15 ENERGY AND ASSOCIATED RENEWABLE ENERGY CREDITS FROM ONE OR MORE
16 QUALIFIED OFFSHORE WIND PROJECTS.

17 (2) EACH AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF
18 THIS SUBSECTION SHALL HAVE A TERM OF NOT LESS THAN 20 YEARS.

19 (3) WHEN ISSUING THE INVITATION FOR BIDS UNDER THIS
20 SUBSECTION, THE DEPARTMENT SHALL TAKE INTO CONSIDERATION:

21 (I) THE SOCIAL COST OF GREENHOUSE GAS EMISSIONS;

22 (II) THE STATE'S CLIMATE COMMITMENTS; AND

23 (III) THE STATE'S COMMITMENTS UNDER § 7-704.1(A) OF THIS
24 SUBTITLE.

25 (4) THE EVALUATION CRITERIA FOR BIDS SHALL INCLUDE:

26 (I) COMPARING THE SOCIAL COST OF GREENHOUSE GAS
27 EMISSIONS FOR OFFSHORE WIND WITH THE SOCIAL COST OF GREENHOUSE GAS
28 EMISSIONS FOR NONRENEWABLE POWER PURCHASED FROM WHOLESALE ELECTRIC
29 MARKETS ADMINISTERED BY PJM INTERCONNECTION; AND

30 (II) THE EXTENT TO WHICH AN APPLICANT'S PROPOSAL
31 PROVIDES FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT MONITORING

1 AND MITIGATION OF WILDLIFE AND HABITAT IMPACTS ASSOCIATED WITH THE
2 PROPOSED OFFSHORE WIND PROJECT.

3 (5) EACH AGREEMENT ENTERED INTO UNDER PARAGRAPH (1) OF
4 THIS SUBSECTION SHALL INCLUDE:

5 (I) A COMMUNITY BENEFIT AGREEMENT AND DOMESTIC
6 CONTENT PREFERENCES; AND

7 (II) A DESCRIPTION OF:

8 1. INITIAL PLANS FOR MITIGATING THE IMPACTS OF THE
9 CONSTRUCTION AND OPERATION OF THE PROPOSED OFFSHORE WIND PROJECT ON
10 FISHERIES AND THE ENVIRONMENT; AND

11 2. THE EXTENT TO WHICH AN APPLICANT WILL PROVIDE
12 FOR FINANCIAL AND TECHNICAL ASSISTANCE TO SUPPORT THE MONITORING AND
13 MITIGATION OF WILDLIFE AND HABITAT IMPACTS ASSOCIATED WITH THE PROJECT.

14 (C) (1) THE DEPARTMENT OF GENERAL SERVICES SHALL IDENTIFY THE
15 AMOUNT OF ENERGY NECESSARY TO MEET THE STATE'S ENERGY NEEDS.

16 (2) (I) THE STATE SHALL USE THE ENERGY PROCURED UNDER
17 SUBSECTION (B) OF THIS SECTION TO MEET THE STATE'S ENERGY NEEDS AND
18 RETIRE THE ASSOCIATED RENEWABLE ENERGY CREDITS TO MEET ITS OBLIGATIONS
19 UNDER THE RENEWABLE ENERGY PORTFOLIO STANDARD AND CHAPTER 38 OF THE
20 ACTS OF THE GENERAL ASSEMBLY OF 2022.

21 (II) THE STATE SHALL BE EXEMPTED FROM THE RENEWABLE
22 ENERGY PORTFOLIO STANDARD REQUIREMENTS UNDER § 7-703 OF THIS SUBTITLE
23 IF THE DEPARTMENT OF GENERAL SERVICES PROCURES 100% OF THE STATE'S
24 ENERGY NEEDS FROM THE POWER PURCHASE AGREEMENT REQUIRED UNDER
25 SUBSECTION (B) OF THIS SECTION.

26 (3) THE STATE SHALL OFFER FOR SALE ANY ENERGY OR RENEWABLE
27 ENERGY CREDITS REMAINING AFTER THE REQUIREMENTS UNDER PARAGRAPH (2)
28 OF THIS SUBSECTION HAVE BEEN MET ON THE COMPETITIVE WHOLESALE POWER
29 MARKET OPERATED BY PJM INTERCONNECTION, THROUGH BILATERAL SALES TO
30 CREDITWORTHY COUNTERPARTIES, OR INTO RENEWABLE ENERGY CREDIT
31 MARKETS.

32 (D) THE STATE SHALL:

1 (1) ISSUE A PROCUREMENT FOR OFFSHORE WIND ENERGY ON OR
2 BEFORE JULY 31, 2024;

3 (2) PROVIDE A ~~BIDDING~~ PROCUREMENT SUBMISSION PROCESS
4 WINDOW OF NOT LESS THAN 180 DAYS; AND

5 (3) AWARD CONTRACTS IN A TIMELY MANNER; ~~AND~~

6 ~~(4) ENTER INTO A CONTRACT OR CONTRACTS FOR THE~~
7 ~~PROCUREMENT ON OR BEFORE APRIL 30, 2025.~~

8 (E) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE STATE
9 MAY ENTER INTO A CONTRACT OR CONTRACTS FOR THE PROCUREMENT ON OR
10 BEFORE SEPTEMBER 1, 2025.

11 (2) THE STATE MAY MODIFY THE DATE ESTABLISHED IN PARAGRAPH
12 (1) OF THIS SUBSECTION IF AN UNFORESEEN CIRCUMSTANCE ADVERSELY AFFECTS
13 THE PROCUREMENT SUBMISSION PROCESS.

14 (F) (1) WITHIN 90 DAYS AFTER THE OPERATIONAL COMMENCEMENT
15 DATE OF THE POWER PURCHASE AGREEMENT, ANY CONTRACTOR PROVIDING
16 OPERATIONS AND MAINTENANCE SERVICES UNDER AN AGREEMENT WITH THE
17 DEPARTMENT OF GENERAL SERVICES SHALL SUBMIT TO THE DEPARTMENT
18 ATTESTATION THAT THE CONTRACTOR HAS ENTERED INTO A LABOR PEACE
19 AGREEMENT WITH EACH LABOR ORGANIZATION THAT IS ACTIVELY ENGAGED IN
20 REPRESENTING OR ATTEMPTING TO REPRESENT EMPLOYEES PERFORMING
21 OPERATIONS AND MAINTENANCE WORK ON THE PROJECTS THAT:

22 (I) PROHIBITS STRIKES, LOCKOUTS, OR ANY OTHER ECONOMIC
23 INTERFERENCE WITH THE CONTRACTED PROJECT;

24 (II) DESCRIBES THE CLASS OR CLASSES OF COVERED
25 EMPLOYEES TO WHOM THE LABOR PEACE AGREEMENT APPLIES;

26 (III) DESCRIBES ANY CLASS OR CLASSES OF EMPLOYEES NOT
27 CURRENTLY REPRESENTED BY A LABOR ORGANIZATION;

28 (IV) DESCRIBES THE CLASSES OF COVERED EMPLOYEES FOR
29 WHICH LABOR PEACE AGREEMENT NEGOTIATIONS HAVE NOT YET CONCLUDED; AND

30 (V) FOR CLASSES OF EMPLOYEES THAT ARE NOT COVERED BY A
31 LABOR PEACE AGREEMENT, PROVIDES AN ATTESTATION THAT NO LABOR
32 ORGANIZATION HAS SOUGHT TO NEGOTIATE SUCH AN AGREEMENT.

1 **(2) A LABOR PEACE AGREEMENT REQUIRED UNDER PARAGRAPH (1)**
2 **OF THIS SUBSECTION SHALL BE:**

3 **(I) VALID AND ENFORCEABLE UNDER 29 U.S.C. § 158; AND**

4 **(II) MAINTAINED AS AN ONGOING MATERIAL CONDITION OF ANY**
5 **CONTINUATION OF PAYMENTS UNDER ANY AGREEMENT REQUIRED BY THIS**
6 **SUBSECTION.**

7 **(G) NOTHING IN THIS SECTION MAY BE CONSTRUED TO PREVENT THE**
8 **PROCUREMENT OF NEW OFFSHORE WIND ENERGY GENERATION IN ACCORDANCE**
9 **WITH THE CURRENT OR ANY FUTURE SOLICITATION SCHEDULE.**

10 **7-704.5.**

11 **(A) ON OR BEFORE DECEMBER 31, 2024, AND ON OR BEFORE EACH**
12 **DECEMBER 31 THEREAFTER, THE COMMISSION SHALL SUBMIT A REPORT TO THE**
13 **GENERAL ASSEMBLY, IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT**
14 **ARTICLE, ON THE INFORMATION COLLECTED UNDER THE COMMISSION'S SUPPLIER**
15 **DIVERSITY PROGRAM REGARDING OFFSHORE WIND DEVELOPERS.**

16 **(B) THE REPORT REQUIRED UNDER SUBSECTION (A) OF THIS SECTION**
17 **SHALL INCLUDE:**

18 **(1) EFFORTS TO PROMOTE OPPORTUNITIES FOR SMALL, MINORITY,**
19 **WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES;**

20 **(2) INFORMATION ON PARTICIPATING OFFSHORE WIND DEVELOPERS;**

21 **(3) PARTICIPATION OF SMALL, MINORITY, WOMEN-OWNED, AND**
22 **VETERAN-OWNED BUSINESSES AND BUSINESSES CERTIFIED UNDER THE FEDERAL**
23 **DISADVANTAGED BUSINESS ENTERPRISE PROGRAM IN OFFSHORE WIND**
24 **PROJECTS, INCLUDING:**

25 **(I) THE NUMBER OF SMALL, MINORITY, WOMEN-OWNED, AND**
26 **VETERAN-OWNED BUSINESSES AND BUSINESSES CERTIFIED UNDER THE FEDERAL**
27 **DISADVANTAGED BUSINESS ENTERPRISE PROGRAM THAT RECEIVE CONTRACTS OR**
28 **SUBCONTRACTS FOR OFFSHORE WIND PROJECTS; AND**

29 **(II) THE PERCENTAGE OF CONTRACTORS AND**
30 **SUBCONTRACTORS ON OFFSHORE WIND PROJECTS THAT ARE SMALL, MINORITY,**
31 **WOMEN-OWNED, OR VETERAN-OWNED BUSINESSES AND BUSINESSES CERTIFIED**
32 **UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE PROGRAM; AND**

1 (4) PLANS TO INCREASE FUTURE PARTICIPATION OF SMALL,
2 MINORITY, WOMEN-OWNED, AND VETERAN-OWNED BUSINESSES AND BUSINESSES
3 CERTIFIED UNDER THE FEDERAL DISADVANTAGED BUSINESS ENTERPRISE
4 PROGRAM IN OFFSHORE WIND PROJECTS.

5 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General
6 Assembly that:

7 (1) four Position Identification Numbers (PINs) be created in the Public
8 Service Commission for full-time positions that will focus only on implementing the
9 provisions of § 7-704.3 of the Public Utilities Article, as enacted by Section 1 of this Act;
10 and

11 (2) notwithstanding any other provision of law, for fiscal year 2025, the
12 Governor may include in the annual budget bill an appropriation of not less than
13 \$3,500,000 of additional funding to the budget of the Public Service Commission for the
14 studies and analyses required under § 7-704.3 of the Public Utilities Article, as enacted by
15 Section 1 of this Act.

16 SECTION 3. AND BE IT FURTHER ENACTED, That:

17 (a) The certification agency designated by the Board of Public Works under §
18 14-303(b) of the State Finance and Procurement Article and the Governor's Office of Small,
19 Minority, and Women Business Affairs, in consultation with the Public Service
20 Commission, the Maryland Department of Labor, the Office of the Attorney General, and
21 the General Assembly, shall initiate a study regarding the participation of small, minority,
22 women-owned, and veteran-owned businesses and businesses certified under the federal
23 Disadvantaged Business Enterprise Program that receive contracts or subcontracts for
24 offshore wind projects under this Act to evaluate whether the enactment of remedial
25 measures to assist minority and women-owned businesses in the clean energy and offshore
26 wind industries would comply with the U.S. Supreme Court decision in City of Richmond
27 v. J. A. Croson Co., 488 U.S. 469, and any subsequent federal or constitutional
28 requirements.

29 (b) The certification agency and the Governor's Office of Small, Minority, and
30 Women Business Affairs shall submit the findings of the study required under subsection
31 (a) of this section to the Legislative Policy Committee, in accordance with § 2-1257 of the
32 State Government Article, on or before December 31, 2025, so that the General Assembly
33 may review the findings before the 2026 session.

34 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
35 1, 2023.