

Maryland Offshore Wind Developments

Samuel Beirne

Wind Energy Program Manager

January 26, 2018

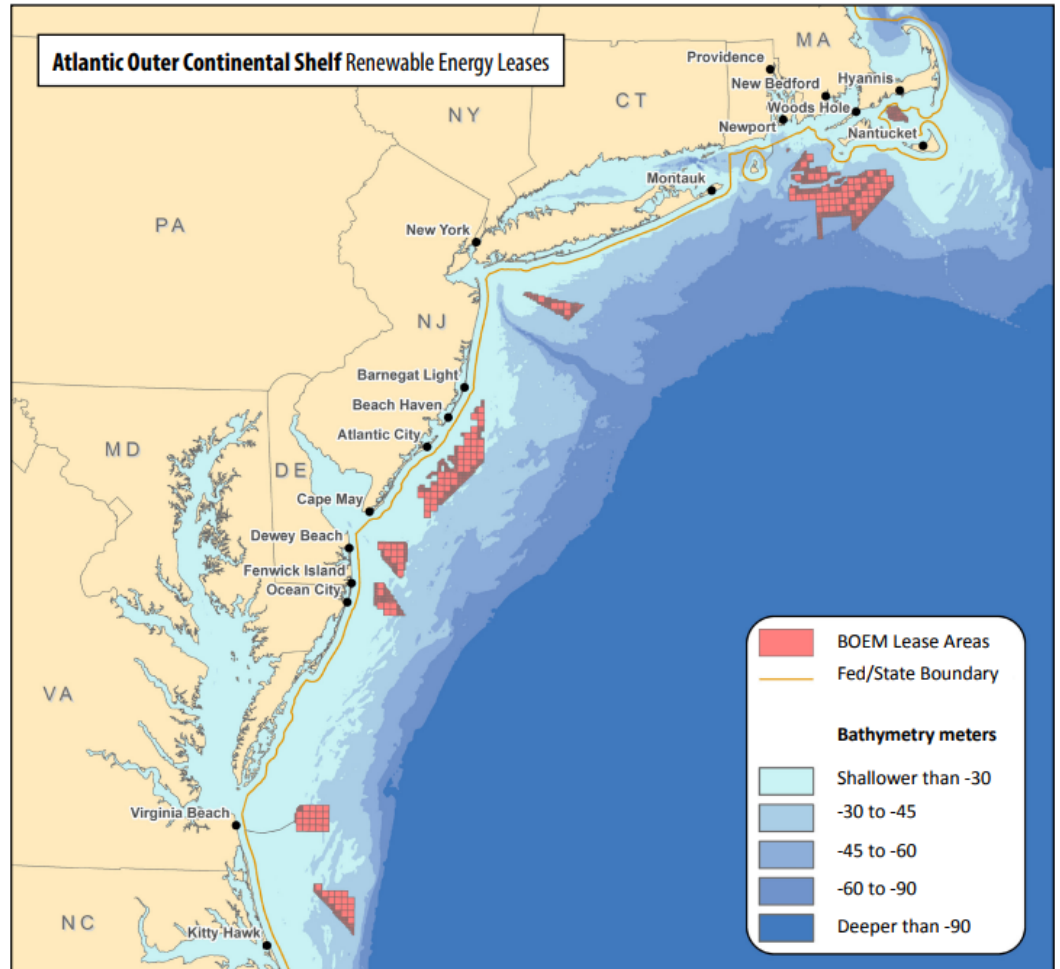
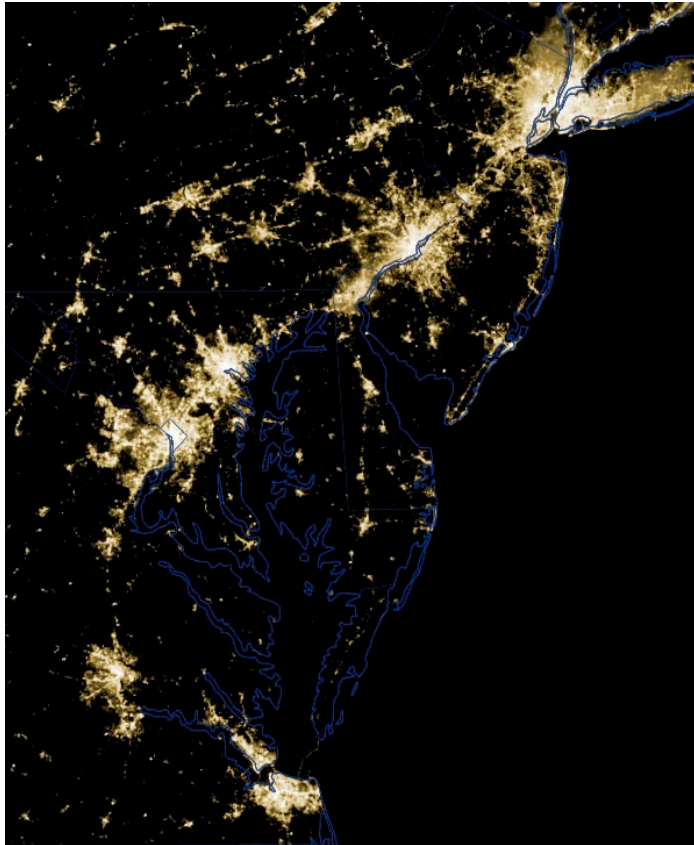


Key Accomplishments



- Maryland became the first State to approve large commercial offshore wind projects
- Set the price benchmark in the US for large commercial projects
- Launched two grant programs specifically for the offshore wind supply chain

Maryland



Policy Drivers



GHG Reduction Goal

40% by 2030

RGGI

2.5%/yr reduction thru
2020

3%/yr reduction thru
2030

EmPOWER Maryland

2% annually

RPS

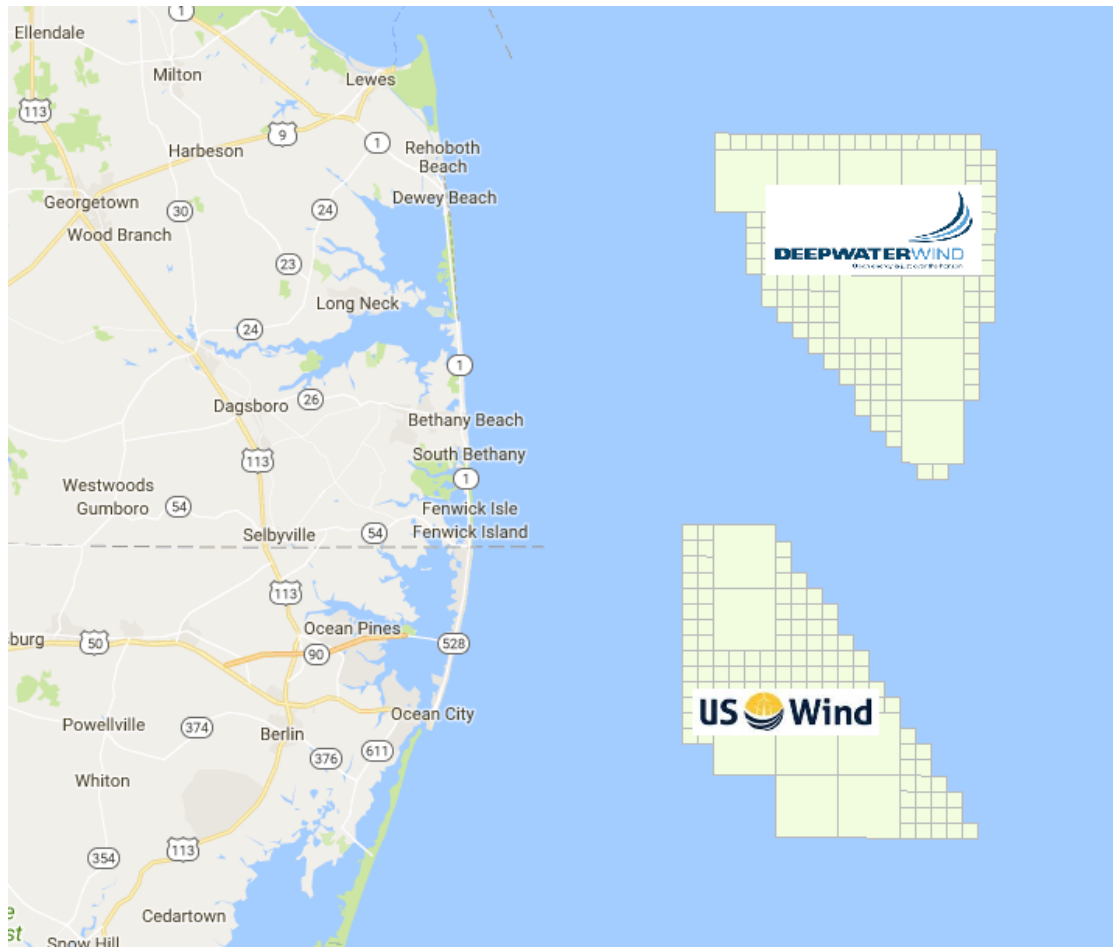
25% by 2020



OSW Legislation

- Maryland Offshore Wind Energy Act of 2013 created...
 - Pipeline via 2.5% offshore wind carve out
 - Subsidy & Offtake via ORECs
 - Project application and review process
 - Later established in Rule Making 51
 - Local benefit requirement

Delmarva Lease Areas



Maryland Projects

Deepwater Wind

- 120 MW
- Fifteen 8 MW turbines
- 19 miles from MD
- \$720 million cost estimate
- Connects to Ocean City, Maryland
- Scheduled for November 2022 completion

US Wind

- 248 MW
- Forty-one 6 MW turbines or Thirty 8.4 MW turbines
- 17 miles from MD
- \$1.4 Billion cost estimate
- Connects to Indian River, Delaware
- Scheduled for January 2020 completion

PSC Order No 88192

Approval Conditions

Deepwater Wind

- Must spend 34% of total costs in Maryland
- \$25 million for steel fabrication facility
- \$13.2 million for port infrastructure upgrades
- \$6 million to the OSWBDF
- 913 dev/construction jobs
- 484 O&M jobs
- Minority participation

US Wind

- Must spend 19% of total costs in Maryland
- \$51 million for steel fabrication facility
- \$26.4 million for port infrastructure upgrades
- \$6 million to the OSWBDF
- 1,298 dev/construction jobs
- 2,282 O&M jobs
- Minority participation

Offshore Wind Price



The United States now has an offshore wind price benchmark for commercial projects.

\$131.93/MWh (2012\$)

\$166.70/MWh (by 2021)

1 percent escalator each year after

Grant Programs



- In April 2017, MEA launched two grant programs to ensure Maryland had a local workforce and supply chain entering the offshore wind industry
 - OSW Business Development Grant Program
 - OSW Workforce Development Grant Program

OSW Business Development Program



- Provides grant funding to help offset upfront barrier costs in two key areas:
 - Market Entry Assistance
 - CAPEX & Facilities Upgrades
- Open to emerging business, including minority owned emerging business

OSW Workforce Development Program



- Supports new or existing training centers that provide vocational training of technical skills and safety standards utilized by the offshore wind industry
- Open to emerging business, including minority owned emerging business, non-profits, and State/Local government

FY 2018 Grant Awards



- Business - \$700,000 Total
 - Strum Contracting Co., Baltimore, MD – \$225,000
 - Martin Holdings Inc., Ocean City, MD - \$375,000
 - Devreco LLC., Salisbury, MD – \$100,000
- Workforce - \$300,000 Total
 - Arcon Welding Fabrications Salisbury, MD – \$100,000
 - Jane Addams Resource Corporation - Baltimore, – \$200,000

Questions?



Samuel Beirne
Wind Energy Program Manager
wind.me@maryland.gov
410-537-4000