

MARYLAND PUBLIC SERVICE COMMISSION

Offshore Wind Awardee Minority Business Enterprise and Community Benefit Agreement Compliance Report 2024

Submitted to the Maryland General Assembly
Annapolis, Maryland

Pursuant to the Promoting Offshore Wind Energy Resources Act
of 2023

§7-704.5 of Public Utilities Article,
Annotated Code of Maryland

December 2024



William Donald Schaefer Tower
6 St. Paul Street
Baltimore, Maryland 21202-6806
www.psc.state.md.us

Table of Contents

| | | |
|------|---|---|
| I. | Introduction | 1 |
| II. | History of OSW in Maryland | 2 |
| III. | MBE Goals | 4 |
| | a. Efforts to promote opportunities for small, minority, women-owned, and veteran-owned businesses | 4 |
| | b. Participation of small, minority, women-owned, and veteran-owned businesses in offshore wind projects | 6 |
| | c. Plans to increase future participation of small, minority, women-owned, and veteran-owned business in offshore wind projects | 7 |
| IV. | Conclusion | 8 |

I. Introduction

The Promoting Offshore Wind Energy Resources Act of 2023 (Senate Bill 781/House Bill 793)¹ created an application period for offshore wind (OSW) transmission projects in Maryland. The legislation also requires the Public Service Commission (Commission) to report on the information collected under the Commission's Supplier Diversity Program regarding OSW developers. Specifically, §7-704.5 of the Public Utilities Article (PUA) requires the Commission to report on or before December 31 each year to the General Assembly on:

- (1) Efforts to promote opportunities for small, minority, women-owned, and veteran-owned businesses;
- (2) Information on participating offshore wind developers;
- (3) Participation of small, minority, women-owned, and veteran-owned businesses in offshore wind projects, including:
 - (i) The number of small, minority, women-owned, and veteran-owned businesses that receive contracts or subcontracts for offshore wind projects; and
 - (ii) The percentage of contractors and subcontractors on offshore wind projects that are small, minority, women-owned, or veteran-owned businesses; and
- (4) Plans to increase future participation of small, minority, women-owned, and veteran-owned businesses in offshore wind projects.

As a condition of the Commission's orders approving offshore wind renewable energy credits (ORECs) for OSW projects discussed in more detail below, awardees are required to file

¹ Act of Maryland 2023, Chapter 95 (Senate Bill 781).

semi-annual compliance reports on their MBE goals. This report contains the information reported through November 2024 for US Wind.²

II. History of OSW in Maryland

In 2013, the General Assembly passed the Offshore Wind Energy Act³ establishing a carve-out for offshore wind energy under the State Renewable Portfolio Standard⁴ (RPS) and an application and review process (Round 1) at the Commission for OSW projects seeking ORECs. The Commission established Case No. 9431 to review applications.⁵ On May 11, 2017, the Commission issued Order No. 88192 approving US Wind, Inc. (US Wind) and Skipjack Offshore Energy, LLC (Skipjack) for ORECs. Table 1 illustrates the project capacities, ORECs awarded, ratepayer impacts, and MBE goals of the Round 1 projects.

Table 1 Round 1 Summary

| | Skipjack | US Wind |
|-------------------------------|--|----------|
| Project Capacity | 120 MW | 248 MW |
| ORECs (2012\$) | \$131.93 | \$131.93 |
| ORECs (#) | 455,482 | 913,845 |
| Total Residential Impacts | \$1.40 per month (combined Skipjack and US Wind) | |
| Total Non-Residential Impacts | 1.4% annually (combined Skipjack and US Wind) | |
| MBE Goal | 29% | 15% |

In 2021, the Commission established Case No. 9666 to review Round 2 applications.⁶ On December 17, 2021, the Commission issued Order No. 90011 approving US Wind and Skipjack for additional ORECs. Table 2 illustrates the project capacities, ORECs awarded, ratepayer impacts, and MBE goals of the Round 2 projects.

² Maillog No. 313479.

³ Acts of Maryland 2013, Chapter 3 (House Bill 226).

⁴ See PUA §7-701 et seq.

⁵ *In the Matter of the Applications of US Wind, Inc. and Skipjack Offshore Energy, LLC for a Proposed Offshore Wind Energy Project(s) Pursuant to the Maryland Offshore Wind Energy Act of 2013.*

⁶ *Skipjack Offshore Energy, LLC and US Wind, Inc.'s Offshore Wind Applications under the Clean Energy Jobs Act of 2019.*

Table 2 Round 2 Summary

| | Skipjack | US Wind |
|-------------------------------|--|-----------|
| Project Capacity | 846 MW | 808.5 MW |
| ORECs (2012\$) | \$71.61 | \$54.17 |
| ORECs (#) | 3,279,207 | 2,513,752 |
| Total Residential Impacts | \$0.88 per month (combined Skipjack and US Wind) | |
| Total Non-Residential Impacts | 0.9% annually (combined Skipjack and US Wind) | |
| MBE Goal | 29% | 15% |

Following the grant by the Commission of ORECs during the Round 2 solicitation in 2020, both OSW project developers subsequently filed notices with the Commission which delayed, by several years, the estimated commercial operation date (COD) of both OSW projects awarded in Round 1. On February 25, 2021, Skipjack reported a new COD for its revised OSW project schedule as being the second quarter of 2026, and on April 13, 2022, US Wind reported an updated COD of its OSW project schedule of December 2026.⁷

On January 25, 2024, Skipjack withdrew from both OREC orders and no longer has awarded ORECs with the state.⁸ To address the loss of awarded projects, the General Assembly passed House Bill 1296 (HB 1296) requiring the Commission to open a revised Round 2 proceeding in 2024.⁹ The Commission held hearings on October 28 and 29, 2024 and an order will be issued by January 25, 2025 under Case No. 9666.

US Wind received final approval from the U.S. Department of the Interior’s Bureau of Ocean Energy Management (BOEM) on September 5, 2024.¹⁰ It is anticipated that US Wind will begin construction in 2025. Until construction begins, the majority of the anticipated expenditures

⁷ Maillog Nos. 240177 and 233931. The OSW project applications approved in the 2020 Round 2 application period under the Clean Energy Jobs Act have CODs of 2026.

⁸ Maillog No. 307274.

⁹ Acts of Maryland 2024, Chapter 431 (House Bill 1296).

¹⁰ The United States Government. (2024, September 5). Fact sheet: Biden-Harris Administration hits offshore wind milestone, continues to advance clean energy opportunities. The White House. <https://www.whitehouse.gov/briefing-room/statements-releases/2024/09/05/fact-sheet-biden-harris-administration-hits-offshore-wind-milestone-continues-to-advance-clean-energy-opportunities/#:~:text=Recognizing%20the%20urgency%20of%20catalyzing,and%20promoting%20ocean%20co%20Duse.>

with the projects and associated contracting and employment has yet to occur. Therefore, while the minority and MBE contracting goals during this pre-construction period of limited contracting and employment are currently being met by US Wind, a more complete gauge of the success of the OSW project's programs in meeting these goals will only occur during the actual construction phase of the projects.

III. MBE Goals¹¹

As conditions of Order Nos. 88192 and 90011, US Wind is required to file semi-annual MBE compliance reports with the Commission. Included in the semi-annual reports are status updates on the various statutorily required MBE requirements and goals for US Wind. The requirements are largely the same for both Round 1 and Round 2. The most up-to-date information the Commission has received from US Wind is summarized below.

a. Efforts to promote opportunities for small, minority, women-owned, and veteran-owned businesses

US Wind requires its general contractors to support the state's interest in expanding procurement opportunities for contractors and vendors who are MBEs, as that term is defined in §14-301 of the State Finance and Procurement Article. General contractors must provide documentation to illustrate their efforts to achieve US Wind's goals such as supporting documentation to show outreach to MBEs, explanations as to why they are unable to meet US Wind's goals, and MBE plans to show consideration of MBEs.

US Wind has an MBE Program Compliance Manager and Outreach Team to assist contractors in meeting the company's MBE goals. US Wind also continues to work closely with the Governor's Office of Small, Minority & Women Business Affairs (GOSBA) on its MBE program.

¹¹ The data in this section comes from Maillog Nos. 313479 and 309585.

US Wind reports participating in the following meetings and workshops during calendar year 2024 to promote opportunities for small, minority, women-owned, and veteran-owned businesses:

1. Bi-County Business Roundtable on January 22, February 19, March 11, April 10, May 15, June 10, July 9, August 13, September 11, and October 21.
2. GOSBA on January 4 and February 21.
3. Greater Baltimore Black Chamber of Commerce on February 7.
4. Greater Baltimore Committee on April 9, June 11, August 6, and October 2.
5. Maryland Black Chamber of Commerce on March 5 and July 7.
6. Piscataway Conoy Tribe™ on January 24.
7. Prince George's County Chamber of Commerce on January 31, March 5, March 20, August 7, and September 4.
8. Southern Maryland Minority Chamber of Commerce Inc. on April 17.
9. Pan Asian American Chamber of Commerce on January 9, February 15, and February 16.
10. Maryland Works for Wind Clauson tour on January 31.
11. Mayor's Office of Employment Development – City of Baltimore, Technology Careers, Training, and Internships Expo on February 22.
12. MBE Night in Annapolis 15th Anniversary Conference on February 22.
13. Sponsor, Maryland Kid Wind Challenge on February 24.
14. Exhibitor, Junior Achievement Inspire on March 12-13.
15. Exhibitor, James M. Bennett High School Career Day on April 12.
16. Exhibitor, University of Maryland Baltimore Supplier Diversity Outreach Event on April 23.
17. Exhibitor, Baltimore Public Schools Student Career Expo on May 8.
18. Exhibitor, Md. Washington Minority Companies Association 21st Annual 2024 Spring Breakfast Meeting/Business Showcase Expo on May 10 and July 16.
19. Metro DC Hispanic Contractors Association on May 29.

20. Maryland Hispanic Chamber of Commerce on June 6.
21. People for Change Coalition on July 30.
22. Legislative Black Caucus of Maryland, Inc. on September 13.
23. Turner Station Conservation Teams on October 21.
24. Baltimore City Community College on May 1.
25. Baltimore City Public Schools on May 7 and May 17.
26. Baltimore County Public Schools on May 8.
27. International Brotherhood of Electrical Workers Local Union 24 on May 16.
28. Baltimore Maritime PAC on May 30 and October 17.
29. College of Southern Maryland on June 9 and July 15.
30. Baltimore County Department of Economic & Workforce Development on August 22.
31. University of Maryland Eastern Shore on August 27.
32. Bowie State University on September 25.
33. Mid-Atlantic Carpenters' Training Centers on October 10.
34. City of Baltimore Procurement Conference on June 13.

b. Participation of small, minority, women-owned, and veteran-owned businesses in offshore wind projects

The company reports 28 MBEs are currently providing services to US Wind. The companies span a variety of services and products including workforce training, IT services, HR services, public relation services, engineering services, steel fabrication and inspections, and more. The most recent list provided by the company is below.

1. A.R. Movers, LLC
2. ARA Consulting Firm
3. Alpha Energy, LLC
4. Arcon Training Center, LLC
5. Bio-swiftics LLC
6. Bith Group, Inc.

7. Class Act Café & Catering, Inc.
8. Compliance Construction Remediation Inc
9. DSA Designs, Inc.
10. DC Nadia Group, LLC
11. Faulkner Lawn Care & Construction Inc
12. Global Messenger Corporation
13. Impact Business Solutions, LLC
14. JLM HR Consulting
15. Juno Collective
16. K&M Delivery Moving, Inc.
17. Kim Engineering, Inc.
18. Maryland Reprographics, Inc.
19. Mayoka Services, LLC
20. MD Washington Minority Companies
21. MMS, LLC
22. Ogos Energy, LLC
23. Sparks Quality Fence Company
24. SCD Information Technology
25. Strum Contracting, Inc.
26. The Four Thirteen Corporation
27. Unforgettably Yours Events, LLC
28. Willow Oak Group, LLC

c. Plans to increase future participation of small, minority, women-owned, and veteran-owned business in offshore wind projects

US Wind reports that it has continued to engage MBE companies as project development continues including meetings with hundreds of MBE firms. The company reports that the number of meetings has been increasing. US Wind also reports that it met with state and local agencies, companies, and MBEs and participated in workshops, conferences, and

meetings as part of its outreach and workforce development efforts. US Wind is developing both a small business incubator and MBE incubator programs.

The company reports planned outreach events with the College of Southern Maryland and Southern Maryland Minority Chamber of Commerce, Prince George's County Department of the Environment, Baltimore Mayor's Office of Employment Development, GOSBA and Western Maryland Chamber of Commerce, Maryland Washington Minority Companies Association, and Maryland Legislative Black Caucus.

IV. Conclusion

The Commission appreciates the opportunity to provide the General Assembly with a status update on the compliance of US Wind with the MBE goal requirements of the Round 1 and Round 2 OREC awards. US Wind is working towards meeting the State's goals and will continue providing updates to the Commission on a semi-annual basis. The Commission will continue to monitor the progress of US Wind as its projects complete their permitting and move into the construction phase.