

PUBLIC SERVICE COMMISSION OF MARYLAND

Offshore Wind Awardee Minority Business Enterprise and Community Benefit Agreement Compliance Report 2025

Submitted to the Maryland General Assembly
Annapolis, Maryland
Pursuant to the Clean Energy Jobs Act of 2019
§7-704.1 of Public Utilities Article,
Annotated Code of Maryland

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I. Introduction

The Clean Energy Jobs Act of 2019 (Senate Bill 516/House Bill 1158)¹ created a second application period (Round 2) for offshore wind (OSW) renewable energy credits (ORECs) in Maryland. The legislation also requires the Public Service Commission (Commission) to report on the compliance of the awardees with the minority business enterprise (MBE) goals and community benefit agreement (CBA) requirements of OREC awards. Specifically, §7-704.1 of the Public Utilities Article (PUA) requires the Commission to report on or before March 1 each year to the Governor, Senate Education, Energy, and the Environment Committee, and House Economic Matters Committee on:

- (i) compliance by applicants with the minority business enterprise participation goals under subsection (d)(4) of this section;² and
- (ii) with respect to the community benefit agreement under subsection (e)(1) of this section:
 - 1. the availability and use of opportunities for local businesses and small, minority, women-owned, and veteran-owned businesses;
 - 2. the success of efforts to promote career training opportunities in the construction industry for local residents, veterans, women, and minorities; and
 - 3. compliance with the minority workforce goal under subsection (e)(1)(i)5 of this section.³

¹ Act of Maryland 2019, Chapter 757 (Senate Bill 516).

² Subsection (d)(4) of §7-704.1 requires the OSW project developers to make serious, good faith efforts to solicit and interview minority investors and contractors and subcontractors that are minority business enterprises (“MBEs”).

³ Subsection (e)(1)(i)(5) essentially requires that the use of “best efforts and effective outreach” to obtain, as a goal, the use of a workforce including minorities, to the extent practicable. The term “minority” as used in this statute refers to an individual who is a member of any of the groups listed in §14-301(k) of the State Finance and Procurements Article.

As a condition of the Commission’s orders approving ORECs for OSW projects discussed in more detail below, awardees are required to file semi-annual compliance reports on their MBE goals and to notify the Commission within 30 days of executing their CBAs. This report contains the information reported through November 2024 for US Wind.⁴

II. History of OSW in Maryland

In 2013, the General Assembly passed the Offshore Wind Energy Act⁵ establishing a carve-out for offshore wind energy under the State Renewable Portfolio Standard⁶ (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.⁷ 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.⁸ On December 17, 2021, the Commission issued Order No. 90011 approving US Wind and Skipjack

⁴ Maillog No. 313479.

⁵ Acts of Maryland 2013, Chapter 3 (House Bill 226).

⁶ See PUA §7-701 et seq.

⁷ *In the Matter of the Applications of U.S. 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.*

⁸ *Skipjack Offshore Energy, LLC and US Wind, Inc.’s Offshore Wind Applications under the Clean Energy Jobs Act of 2019.*

for additional ORECs. Table 2 illustrates the project capacities, ORECs awarded, ratepayer impacts, and MBE goals of the Round 2 projects.

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 2026.⁹

On January 25, 2024, Skipjack withdrew from both OREC orders and no longer has awarded ORECs with the state.¹⁰ 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 2024.¹¹ The Commission held hearings on October 28 and 29, 2024, and issued Order No. 91496¹² on January 24, 2025, approving additional ORECs for US Wind. Table 3 illustrates a summary of the project.

⁹ 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.

¹⁰ Maillog No. 307274.

¹¹ Acts of Maryland 2024, Chapter 431 (House Bill 1296).

¹² Maillog No. 315131.

Table 3 Revised Round 2 Summary

US Wind	
Project Capacity	1,710 MW
ORECs (2012\$)	Phase 1: \$110.07 Phase 2: \$101.29 Phase 3: \$91.32 Phase 4: \$91.32
ORECs (#)	Phase 1: 1,680,191 Phase 2: 1,762,215 Phase 3: 1,762,215 Phase 4: 1,762,215
Total Residential Impacts	Less than \$2.38 per month (total)
Total Non-Residential Impacts	Less than 2.4% annually (total)
MBE Goal	15%

US Wind received final approval from BOEM on September 5, 2024.¹³ It is anticipated the US Wind will begin construction in 2025. Until construction begins, most of the anticipated expenditures with the projects and associated contracting and employment have 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 Goals¹⁴

As a condition of Order No. 91496, 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 most up-to-date information the Commission has received from US Wind is summarized below.

¹³ 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.>

¹⁴ The data in this section comes from Maillog Nos. 313479 and 309585.

a. MBE MOUs

US Wind was required to sign memoranda of understanding (MOUs) with the Commission related to opportunities for MBE participation, minority investors, and workforce diversity within 90 days of Order Nos. 88192 and 90011. US Wind in coordination with the Commission's Consumer Affairs Division (CAD) developed, signed, and filed MOUs with the Commission on August 14, 2017.¹⁵ The MOUs signed during Round 1 satisfy Round 2 requirements and continue to satisfy the Revised Round 2 requirements. US Wind reports that it did not seek to raise venture capital or new investors during 2024.

b. MBE Plans

US Wind was required to coordinate with the Governor's Office of Small, Minority & Women Business Affairs (GOSBA) and Office of the Attorney General (OAG) on MBE goals and plans within six months of Order Nos. 88192 and 90011 and to file the coordinated plans with the Commission. US Wind filed its Round 2 MBE plan on June 17, 2022.¹⁶

As discussed previously, US Wind is in the pre-construction phase of development which is reflected in the level of employment of contractors and subcontractors for the developer. US Wind requires prime contractors to create opportunities for MBE certified subcontractors and has met with and sought out MBE owned firms and entered contractual arrangements with them. US Wind, on a non-public basis, reports its levels of spending with diverse suppliers on a semi-annual basis in filings to the Commission.

c. MBE and Workforce Reporting

Order No. 88192 required US Wind to coordinate with the Director of CAD to develop MBE reporting templates and workforce diversity reporting templates within 90 days of Order No. 88192 and use those templates in the semi-annual MBE reports. Order No. 90011 required US Wind to review the templates created for Round 1 with the Director of CAD and update if necessary for Round 2. US Wind coordinated with CAD to develop templates during Round 1

¹⁵ Maillog Nos. 216489 and 216490.

¹⁶ Maillog No. 241145.

and subsequently reviewed them with the Director of CAD to make appropriate changes for Round 2.

d. Implement MBE Goals

US Wind is required to make serious, good faith efforts to implement its MBE goals as conditions of both Order No. 91496. As of the most recent semi-annual report, US Wind reports progress towards achieving its MBE goals. 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. US Wind has an MBE Program Compliance Manager and Outreach Team to assist contractors in meeting the company's MBE goals. The company reports 28 MBEs are currently providing services to US Wind, an increase of 11 from the previous report, and the continued engagement with hundreds of additional MBE firms. 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 which are in the review phase of implementation. Finally, US Wind reports that it has reached agreements with three unions.

IV. CBA Implementation¹⁷

CBAs were a new requirement for Round 2 awardees. US Wind is still working to finalize its CBAs. US Wind is required to notify the Commission within 30 days of executing its CBAs. US Wind has not signed a CBA.

¹⁷ The data in this section comes from Maillog Nos. 313479 and 309585.

V. Conclusion

The Commission appreciates the opportunity to provide the General Assembly with a status update on the compliance of US Wind with the MBE goals and CBA requirements of its 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.