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Via First Class Mail Return Receipt Requested

David J. Collins
Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 St. Paul Street, 16th Floor
Baltimore, Maryland 21202

RE: Case No. 9431 – In the Matter of the Applications of US Wind, Inc. and Skipjack Offshore Energy, LLC

Dear Mr. Collins:

I am writing on behalf of Turner Station Conservation Teams (“TSCT”) and the Environmental Integrity Project (“EIP”). TSCT is an organization that represents, and advocates on behalf of, the community of Turner Station, located in Baltimore County, Maryland. Turner Station, as described in more detail below, is the community located closest to the Sparrows Point industrial peninsula, which both applicants have referenced as the site of a future assembly/manufacturing plant for their operations. EIP is a non-profit organization that works closely with residents of the Baltimore area to reduce pollution and improve public health and quality of life.

TSCT and EIP strongly urge the Commission to approve one or both of the two offshore wind energy proposals that it is considering in this proceeding. These projects offer an opportunity for Maryland to take an important step away from polluting energy sources that harm residents’ health and to create good jobs while doing so. As described in more detail below, the Baltimore area, in particular, is adversely affected by polluting energy generation and, at the same time, its residents badly need more job opportunities. Offshore wind represents a step toward solving both of these problems. The US Wind project could bring hundreds of good-paying jobs to Baltimore and, because of its larger size and head start on development, we believe that it provides the greatest chance to make Baltimore an East Coast manufacturing hub for this industry. Lastly, representatives of US Wind have taken the time to meet with residents of Turner Station to provide information about the project.

For all of these reasons, TSCT and EIP respectfully request that the Commission closely consider approving the application by US Wind.

I. Polluting Energy Adversely Affects the Baltimore Area

A. Baltimore is a Hub for Fossil Fuel-Based Energy and Trash-to-Energy Incinerators

Baltimore has long been a hub for polluting energy generation and associated infrastructure. Three coal-fired power plants are located within ten miles of Baltimore City's borders. Baltimore City is home to the state's largest trash-to-energy incinerator, which pumps over 1,000 tons of ozone-forming pollution into the air each year,¹ and communities recently fought off a proposal to build a second, even larger, trash-burning plant approximately four miles from the existing one. The Port of Baltimore exported more coal than any other port in the country in 2014 and 2015 with one exception (the Port of Virginia).² In addition, Baltimore is home to one terminal that ships crude oil by train and a proposal for a second such terminal was recently withdrawn.³ These shipments endanger residents as they have caused a number of large explosions over the past four years following train derailments, one of which killed 47 people in Canada in 2013.⁴

Baltimore's air quality has improved significantly over the last decade, due in large part to efforts by the Maryland Department of the Environment ("MDE"). However, the Baltimore area still does not meet federal health-based standards for ground level ozone, which can worsen the frequency of asthma attacks.⁵ Areas in Anne Arundel and Baltimore County near the H.A. Wagner coal plant were recently classified as failing to meet air standards for sulfur dioxide,⁶ another pollutant that make breathing difficult, especially for asthmatics.⁷ Baltimore was also considered a "nonattainment" area for fine particles, which can cause premature death from heart and lung disease,⁸ until 2014.⁹

Each of the pollutants listed above – ozone, sulfur dioxide, and fine particles – can worsen the symptoms of existing asthma, and Baltimore has extremely high asthma rates relative to the rest of this state. According to data from the Maryland Department of Health and Mental Hygiene ("DHMH"), the average asthma hospitalization rate in Baltimore City between the years

¹ See Maryland Department of the Environment Presentation, NOx RACT for Municipal Waste Combustors, Slide 14 – Wheelabrator 2015 NOx Emissions, at <http://mde.maryland.gov/programs/regulations/air/Documents/SHMeetings/MunicipalWasteCombustors/MWCNOxRACTPresentation.pdf>.

² This is shown by publicly available data from the U.S. Energy Information Administration ("EIA") at <https://www.eia.gov/coal/data.php>.

³ Scott Dance, *Houston company Targa withdraws plans to ship crude oil through Baltimore*, Baltimore Sun (July 11, 2015), available at <http://www.baltimoresun.com/features/green/blog/bs-md-targa-withdraws-20160711-story.html>.

⁴ *Id.*

⁵ EPA, Health Effects of Ozone Pollution, at <https://www.epa.gov/ozone-pollution/health-effects-ozone-pollution>.

⁶ EPA, Air Quality Designations for the 2010 Sulfur Dioxide (SO₂) Primary National Ambient Air Quality Standard – Round 2, 81 Fed. Reg. 45039, 45050 (July 12, 2016).

⁷ EPA, Sulfur Dioxide Basics, at <https://www.epa.gov/so2-pollution/sulfur-dioxide-basics#effects>.

⁸ EPA, Health and Environmental Effects of Particulate Matter, at <https://www.epa.gov/pm-pollution/health-and-environmental-effects-particulate-matter-pm>.

⁹ EPA, Approval and Promulgation of Air Quality Plans; Maryland, Redesignation Request and Associated Maintenance Plan for the Baltimore, Maryland Nonattainment Area for the 1997 Annual Fine Particulate Matter Standard, 79 Fed. Reg. 75032 (Dec. 16, 2014).

2011 and 2013 was approximately 2.5 times the average state rate for those years.¹⁰ The Baltimore City Health Department’s website states that “asthma accounts for the greatest loss of productivity either through missed work days or school absenteeism.”¹¹

B. Specific Effects of Pollution on the Turner Station Community

Turner Station is located in Baltimore County, immediately outside of the border with Baltimore City. Even within the context of the Baltimore area, Turner Station’s experience with environmental pollution is unique because of its close proximity (about a mile at nearest point) to Sparrows Point. For decades, inadequate environmental oversight at the Bethlehem Steel Mill meant that pollution from the mill was visibly deposited on Turner Station residents’ cars, roofs, and clothes hung out to dry. A dump site called Grey’s Landfill is visible from Turner Station Park and stores materials, including asbestos, in an unlined landfill. Nearby chromium fill leaches toxic hexavalent chromium into public waterways. In 1964, a beach opened in Turner Station, but, after swimming in the water, children and adults experienced ear infections, skin lesions, eye infections, and respiratory problems. The beach was permanently closed a few months after it opened.

Turner Station’s residents have experienced serious health problems. Unfortunately, as is the case for much of Maryland, there is very little data available on local health outcomes. However, residents know that they have paid the ultimate price for environmental neglect and continue to suffer from health disparities. DHMH asthma data shows that zip code 21222, which includes Turner Station, had an average asthma hospital discharge rate that was 39% higher than the state rate during the 2011-2013 period.¹²

In addition, Turner Station is still affected by pollution from the area’s coal plants. The community is located in the area that EPA has determined does not meet air quality standards for sulfur dioxide. This area covers parts of Baltimore and Anne Arundel Counties within 16.65 miles of the Wagner coal plant,¹³ and Turner Station is about 4.6 miles from this facility. The lack of nearby monitors means that there is very little community-specific air quality data for Turner Station. However, the closest monitor – located 5 miles away – registers ozone values that exceed EPA’s most recent air quality standard.¹⁴

II. Offshore Wind Can Improve the Economy in Baltimore and Throughout Maryland

Despite the oft-repeated mantra that dirty energy like coal creates jobs, the plethora of coal plants, coal export terminals, crude oil terminals, and the incinerator have not made

¹⁰ This data is available at DHMH’s Maryland Environmental Public Health Tracking site at <https://maps.dhmh.maryland.gov/epht/query.aspx>.

¹¹ Baltimore City Health Department, Asthma in Baltimore, at <http://health.baltimorecity.gov/node/454>.

¹² This comparison is based on an age-adjusted rate per 10,000 people averaged over 2011-2013, the most recent years for which data is available.

¹³ EPA, *supra* note 6.

¹⁴ EPA’s 2015 ozone standard is 70 parts per billion (“ppb”) measuring using the 4th highest 8-hour value registered each year averaged over 3 years. The monitor located 5 miles from Turner Station registered a value of 73 ppb for the 2014-2016 period.

Baltimore a thriving city. While many things contribute to the problems in Baltimore, the US Wind proposal represents a step toward a better future.

A. The US Wind Proposal Could Create Thousands of Jobs in Maryland

US Wind is proposing to locate an assembly and manufacturing plant¹⁵ on the Sparrows Point peninsula in Baltimore County, just outside of the city. This plant could, according to the company, bring 900 permanent jobs to the area.¹⁶ US Wind's proposal to the Commission is for offshore wind renewable energy credits ("ORECs") for the first phase – 248 megawatts ("MW") – of a larger project that, at full build-out, would be 748 MW. The Commission's consultants, Levitan & Associates, Inc. ("Levitan"), independently assessed the likely economic benefits to Maryland of the US Wind project, including benefits of the Sparrows Point plant. For just the first phase (248 MW) of the project, Levitan found that the development and construction phase of the entire project would likely directly employ 1,298 people, indirectly employ 498 people, and induce employment of another 1,139 people.¹⁷ During the operating period, Levitan estimated the creation of 2,282 direct jobs, 480 indirect jobs, and 1,353 induced jobs.¹⁸

Additional jobs would be created when US Wind moves forward with expanding the wind farm from 248 MW to 748 MW.¹⁹ And, if more East Coast states commit to significant offshore wind projects, Maryland could become a manufacturing hub for the industry. A significant U.S. commitment to offshore wind is necessary before it is economical to manufacture offshore wind turbines and blades in the United States rather than at existing facilities in Europe.²⁰ Maryland's approval of the larger-sized US Wind project will help move the East Coast toward such a commitment. And early construction of manufacturing facilities in Maryland could position it as the "first mover", i.e. the regional hub for the industry. Levitan has found that US Wind's development schedule is about two years ahead of the other applicant, Skipjack, even assuming that US Wind's commercial operating date is delayed beyond the

¹⁵ In its application, US Wind acknowledges that "[d]ue to the nascent stage of development of the U.S. Offshore Wind Industry, much of the highest technological components will have to initially be imported from manufacturing facilities in Europe. Components such as turbine generators, manufactured blades, and transmission cables will be most economically sourced from existing facilities in Europe." US Wind Application, Public Version, pps. 8-9 (Nov. 30, 2016) (PSC Docket No. 9431, Document No. 3). However, it also states that "several local facilities will be installed to accommodate several other aspects of the Project. Required facilities such as steel rolling, tubular welding, tower section assembly, and structural painting and coating can be installed locally as part of the Project." *Id.*

¹⁶ Baltimore County, *Kamenetz Sees Clean Energy at Sparrows Point* (May 16, 2016) at https://www.baltimorecountymd.gov/News/BaltimoreCountyNow/Kamenetz_Sees_Clean_Energy_at_Sparrows_Point.

¹⁷ Levitan & Associates, Inc., *Evaluation and Comparison of US Wind and Skipjack Proposed Offshore Wind Project Applications, REVISED Public Version*, Prepared for the Maryland Public Service Commission (Original December 11, 2016; Revised March 17, 2017) (PSC Docket No. 9431, Document No. 85).

¹⁸ *Id.*

¹⁹ Levitan states that US Wind provided it with additional information relating to the full project but that "[a]lthough informative, the analysis for the 748 MW project did not influence our evaluation of the US Wind project." *Id.* at 69.

²⁰ Estimates addressed in a recent Energywire article ranged from 500 to 3,000 MW. Saqib Rahim, *States jockey for jobs in nascent U.S. industry*, Energywire E&E News (Feb. 17, 2017) at <http://www.governorswindenergycoalition.org/?p=20856>.

current January 1, 2020 date.²¹ Time is of the essence as other East Coast states – notably New York²² and Massachusetts²³ – are also competing for the first-mover advantage.

B. Offshore Wind Jobs Pay Well and Can Help Baltimoreans

These jobs could be an enormous boon to the Baltimore area. The U.S. Department of Energy has found that jobs associated with the offshore wind industry have average annual earnings (including benefits) of \$140,000 with supply chain job holders earning an estimated \$70,000 annually and induced jobs providing approximately \$50,000.²⁴

In addition, representatives of TSCT and EIP attended a March 6, 2017 informational meeting held by US Wind at which local labor unions discussed jobs training programs that could prepare workers for careers in offshore wind. The Baltimore Ironworkers (Local No. 5) and Pile Drivers (Local No. 179) described training programs and facilities that appear very well suited to prepare workers for this industry. Union leaders also described relationships with local institutions including community colleges, the Baltimore City Department of Social Services, and the Jane Adams Resource Center, that could help unemployed or underemployed residents access these training programs. Working with local unions, job training programs, and service providers, the offshore wind industry could provide important opportunities for a stable and meaningful career to many Baltimoreans.

III. Offshore Wind Will Make Maryland’s Renewable Portfolio Standard Work More Effectively for Marylanders

Approving an offshore wind farm can have multiple financial benefits for Maryland. Among these is taking a step toward a Maryland Renewable Portfolio Standard (“RPS”) that works more effectively for Marylanders. The RPS currently provides Tier 1 renewable incentives²⁵ primarily to facilities that generate energy out of state, failing to benefit in-state workers. For example, in 2015, the three largest sources of energy from which Tier 1 renewable energy credits were “retired” were black liquor²⁶ (29%), wind (23%), and small hydroelectric (21%).²⁷ However, only 3.55% of the black liquor credits were generated in Maryland, only 1.5% of the wind credits were generated in state, and only 0.37% of Tier 1 hydroelectric credits were generated in state.²⁸

²¹ Levitan & Assoc., *supra* note 17, p. ES-6.

²² See Stephanie McClellan, *One if by Land, Two if by Sea – US Offshore Wind Power has Arrived*, Renewable Energy World (Oct. 10, 2016), at <http://www.renewableenergyworld.com/articles/2016/10/one-if-by-land-two-if-by-sea-u-s-offshore-wind-power-has-arrived.html>.

²³ See e.g. *Massachusetts Bill Boosts Offshore Wind, Canadian Hydro*, RTO Insider (March 16, 2017) at <https://www.rtoinsider.com/massachusetts-bill-offshore-wind-canadian-hydropower-29805/>

²⁴ U.S. Department of Energy, *Economic Impacts of Offshore Wind*, January 2014, at <https://www1.eere.energy.gov/wind/pdfs/57511.pdf>.

²⁵ Given that the total cost of all Tier 1 non-solar credits in 2015 was about \$85 million in 2015 and the total cost of all Tier 2 credits was about \$2.6 million, this analysis focuses on Tier 1 credits.

²⁶ Black liquor is also a polluting source of energy.

²⁷ Public Service Commission of Maryland, *Renewable Energy Portfolio Standard Report, With Data for Calendar Year 2015* (January 2017), p. 9, at <http://www.psc.state.md.us/wp-content/uploads/RPS-Report-2017.pdf>.

²⁸ *Id.* at 19-20.

Conversely, for one of the most polluting forms of energy in the portfolio, waste-to-energy (trash burning incineration), 98.75% of Tier 1 credits retired in 2015 were from Maryland facilities, though this fuel comprised 9% of the total Tier 1 credits (including all states) retired.²⁹ In fact, over 40% of the Tier 1 renewable energy credits generated in 2015 within Maryland's borders were from burning trash.³⁰ Again, these impacts are felt especially acutely in Baltimore, where the Wheelabrator waste-to-energy incinerator, which emitted over 1,000 tons of ozone-forming pollution and 93 tons of hazardous air pollutants in 2015,³¹ appears to have received about \$3.5 million in the same year for its Tier 1 renewable energy credits.³²

In the near term, approving an offshore wind farm in Maryland may not displace substantial amounts of Tier 1 credits for dirty in-state energy sources under the RPS or out-of-state facilities. However, it moves Maryland a step closer to this positive outcome. The Commission's consultants, Levitan, have estimated that the initial 248 MW phase of the US Wind project is approximately 53% of an assumed offshore wind carve-out of 2.5% of state energy retail sales.³³ If the US Wind project were fully built out to a 748 MW project as the company states that it plans to do, then the project's larger size would hopefully contribute to reduced energy prices as well as displacing additional renewable credits from out-of-state or dirty in-state generation. In addition, Maryland ratepayers' money will be directed toward a portfolio that, as a whole, is more beneficial for the state.

IV. US Wind's Community Outreach Efforts

Finally, TSCT and EIP are appreciative of the efforts that US Wind has made to inform Turner Station residents about the project and to develop relationships with community members. In the summer of 2016, Paul Rich, Director of Project Development for US Wind, attended a Turner Station community meeting to speak about the project and has, thereafter, kept in contact with community leaders. Mr. Rich also invited Larry Bannerman, a Turner Station community leader who has a long history of working at power plants, to speak at an informational meeting held by US Wind in Dundalk in March 2017. After years of being negatively impacted by nearby industry, most of which made no attempt to dialogue with the community, TSCT appreciates the developing relationship with US Wind.

Conclusion

For all of the reasons stated above, TSCT and EIP believe that offshore wind represents an extremely important opportunity for Maryland to move away from dirty energy generation and toward good jobs associated with clean, in-state generating facilities. This opportunity could be critical for the Baltimore area, which has suffered from dirty energy and is well-positioned to fill jobs in the offshore wind industry. In addition, we believe that approval of the US Wind project would increase the likelihood that Maryland could become a manufacturing hub for the

²⁹ *Id.* at 9, 19.

³⁰ *Id.* at 15.

³¹ These emissions were reported by the company to the Maryland Emissions Inventory.

³² In 2015, 248,377 Tier 1 credits were retired from Wheelabrator and the average cost of a non-solar Tier 1 credit was \$13,87, indicating that Wheelabrator likely received around \$3.5 million that year for its renewable credits. *Id.* at 7, 19.

³³ Levitan & Assoc., *supra* note 17, at ES-41.

offshore wind industry on the East Coast. Therefore, we strongly urge the Commission to approve one or both of the offshore wind applications and request that the Commission closely consider approving the US Wind project.

Thank you for considering our comments.

Sincerely,



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*On behalf of Turner Station Conservation Teams and
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