June 2, 2025

MAREC Action comments on SB 159- SUPPORT

Chair Hansen, Vice-Chair Huxtable, and Senate Environment, Energy & Transportation Committee Members,

MAREC Action (informally, "Mid-Atlantic Renewable Energy Coalition") **supports SB 159 and encourages its passage**. MAREC Action is a non-profit advocacy organization representing over 50 utility-scale solar, wind, and battery storage developers and manufacturers dedicated to the growth and development of renewable energy in Delaware and across the PJM grid region. At a time when electricity demand growth in the U.S. is predicted to rise 50% or more by 2050, SB 159 is a necessary action Delaware can take to ensure energy reliability for its citizens.

PJM, the regional electricity grid operator for Delaware and 12 neighboring states, has stated that it could face an energy supply and demand imbalance due to retirements of old energy generation and the slow build of new energy resources. The electricity grid could face an energy capacity shortage as early as summer 2026, which is why it is critical that PJM states adopt an "all-of-the-above" policy when it comes to energy generation. SB 159 will help to facilitate a large, reliable, energy generator to plug into the grid with the retroactive approval of the substation permit for US Wind's 1.7 GW offshore wind project.

PJM also encourages states to streamline their siting processes to expedite the development and interconnection of new generation projects to meet the growing energy demand in the region. US Wind's offshore wind project can come online faster than any other energy generating project of similar size in Delaware. Every day that the project doesn't receive its outstanding permit will push the timeline back for it to begin sending needed power to the grid. Through SB 159, the state is heeding PJM's advice by clearing the pathway for a new energy project that will generate almost 2 GW of energy to begin construction.

Along with energy reliability, energy affordability is a top priority for Delawareans. States across PJM's region have seen energy price spikes, and consumers will face additional rate hikes this summer as the impact of PJM's last capacity auction, with historically high prices, takes effect. In Delaware, an overreliance on natural gas coupled with extended freezing temperatures led to extremely high utility bills in January 2025. If US Wind's offshore wind project had been operating, it would have saved DPL ratepayers an estimated $43 million in emergency additional capacity in January, over 90% of the total emergency capacity costs, and analysis suggests the project could have saved up to 40% of total power costs as well.

Offshore winds blow stronger and more consistently in the winter months, when natural gas prices are higher. Additionally, offshore wind pricing is fixed in long term contracts and thus will not increase due to heavy demand, shortages, or geopolitical events. Renewable energy projects like offshore wind deliver value to consumers by producing what is essentially free electricity—at close to

zero marginal cost—after an initial capital investment is made. SB 159 will help ensure energy prices in Delaware stabilize instead of continuing to fluctuate with unreliable and high natural gas prices.

Delaware has state climate and offshore wind goals it is obligated to achieve, which will be both more expensive and harder to meet without passing SB 159. The state must meet its Renewable Energy Portfolio Standard (RPS) of 40% by 2035. During the operation of its project, US Wind will provide 150,000 free RECs to Delaware every year. At a minimum, these zero-cost RECs will save ratepayers $3.75 million per year, or about 30% of total RPS costs. Last year Delaware passed SB 265, setting a goal of procuring up to 800 MW of offshore wind energy. It is critical for the Mid-Atlantic offshore wind industry that this first project is built- not only will it bring climate and jobs benefits to Delaware, but it will also help ensure future offshore wind projects have the supply chains and infrastructure in place to satisfy Delaware's offshore wind goal.

In closing, we would like to thank Sen. Hansen, Rep. Snyder-Hall, Rep. Burns, and the other cosponsors for their support of this essential legislation. SB 159 will help Delawareans power their homes and businesses with more reliable, affordable energy. MAREC Action respectfully requests the Committee's support for SB 159, and we thank you for your consideration.

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