SPONSOR: Sen. Hansen & Rep. Osienski & Rep. Romer &
Sen. Huxtable & Sen. Walsh & Sen. Hoffner
Sens. Mantzavinos, S. McBride, Sokola, Sturgeon,
Townsend; Reps. Baumbach, Bush, Griffith, Lambert,
Phillips, Wilson-Anton

DELAWARE STATE SENATE
152nd GENERAL ASSEMBLY

SENATE BILL NO. 170
AS AMENDED BY
SENATE AMENDMENT NO. 1

AN ACT TO AMEND TITLE 29 OF THE DELAWARE CODE RELATING TO OFFSHORE WIND ENERGY.

WHEREAS, anthropogenic emissions of greenhouse gases are contributing to climate change, threatening the health and well-being of the people of Delaware; and

WHEREAS, the threat that climate change poses to Delaware is multi-faceted, resulting in severe impacts such as sea level rise, disruption to the hydrologic cycle, more frequent and intense heatwaves, droughts, and storms; and

WHEREAS, Delaware has the lowest mean elevation of any state in the nation and the State is particularly vulnerable to related climate change impacts like sea level rise, flooding, saltwater intrusion into drinking water, erosion, wetland loss, beach loss, and extreme storm events; and

WHEREAS, offshore wind power represents a significant opportunity for large scale renewable energy power for Delaware, reducing harmful emissions from power generation; and

WHEREAS, other Atlantic states have contracted for power from offshore wind facilities and the contract prices for the electricity from Atlantic offshore wind have fallen significantly over time; and

WHEREAS, any contract for Delaware offshore wind development should ensure cost-effective projects from qualified, experienced developers; and

WHEREAS, transmission of power from an offshore wind facility is a significant consideration, but careful planning of transmission can increase grid resilience and lessen environmental impacts; and

WHEREAS, the development of an offshore wind facility in waters off the coast of Delaware or adjacent areas is likely to bring additional economic benefits, including business and employment opportunities; and

WHEREAS, careful planning of offshore wind development opportunities, transmission opportunities, and procurement strategies will help ensure the best opportunities for Delaware and all Delawareans.

NOW, THEREFORE:

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

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Section 1. Amend § 8051, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 8051. Short title; declaration of policy.

(b) The General Assembly finds and declares that:

(6) It is in the public interest of the State to evaluate the impact on the transmission system of the offshore wind procurement goals of other states within the PJM region and the potential for procurement of electricity from offshore wind projects by Delaware;

(7) It is in the public interest of the State to evaluate procurement of electricity from offshore wind projects given the potential economic development opportunities of the emerging offshore wind industry, the potential to reduce greenhouse gas emissions and other air pollutants, and the potential for a long-term, large scale, stable source of electricity for the State; and

~~(6)~~ (8) The establishment of the State Energy Office is in the public interest and will promote the general welfare by assuring coordinated and efficient management of state energy policy.

Section 2. Amend § 8056, Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows and by redesignating accordingly:

§ 8056. ~~[Reserved.]~~ Offshore Wind Transmission and Procurement Analysis.

(a) Definitions. For the purposes of this section:

(1) "Department" means the Department of Natural Resources and Environmental Control.

(2) "DPA" means the Delaware Division of the Public Advocate.

(3) "Offshore wind project" means a power production facility located in waters off the Atlantic coast, converting ocean winds into electricity.

(4) "PJM Interconnection" means PJM Interconnection, LLC or any successor organization that services the PJM region.

(5) "PSC" means the Delaware Public Service Commission.

(b) Transmission Planning.

(1) The Department shall cooperate with PJM Interconnection in an analysis of the impacts on transmission of offshore wind procurement goals of other states within the PJM region and the potential for procurement by Delaware of electricity from offshore wind projects including transmission system upgrade and expansion options that take into consideration both onshore and offshore infrastructure. The Department shall consult with the PSC, the DPA, and all electric utilities in Delaware prior to engaging with PJM Interconnection in

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this analysis and shall provide the results of any such analysis to the PSC, the DPA, and all electric utilities in Delaware.

(2) The Department shall consult with the state energy offices, or equivalent offices, in other states served by PJM Interconnection to evaluate regional transmission cooperation that could help achieve the State's renewable energy goals with greater efficiency. The Department shall report to the PSC, the DPA, and all electric utilities in Delaware on this effort.

(c) Offshore Wind Procurement Planning.

(1) The Department shall study the procurement processes, including those used in other Atlantic states for electricity from offshore wind projects, evaluate the options for conducting and evaluating a request for proposal process to procure offshore wind power, and prepare recommendations for potential offshore wind procurement. Any procurement process should consider at least the following:

(i) The long-term cost impact, if any, on ratepayers in Delaware.

(ii) Potential economic costs and benefits for the State and for Delawareans.

(iii) The consistency of such a procurement with the Delaware Climate Action Plan, the Delaware Energy Plan, and the ability of the State to meet its Renewable Energy Portfolio Standards.

(iv) The avoided costs of greenhouse gas emissions and other air pollutants on the State from power generation sources.

(v) Potential health benefits for the State and for Delawareans.

(vi) The availability and scale of suitable offshore wind locations.

(vii) The state of the offshore wind industry and associated supply chains.

(viii) The impacts on the electricity transmission system.

Section 3. The Department shall provide a written report, including the Department's recommended procurement process, and any legislative or regulatory steps necessary to effectuate the recommendation, to the Governor, the Chief Clerk of the House of Representatives, and the Secretary of the Senate by December 31, 2023.