



April 20, 2014

The Honorable Martin O'Malley
100 State Circle
Annapolis, Maryland 21401

Dear Governor O'Malley,

On behalf of Advanced Energy Economy (AEE) and our business members across the country, we respectfully request that you veto HB 1168, a bill that would set Maryland back by unnecessarily preventing a wind farm from coming to the state's lower eastern shore and creating a chilling effect on investments in Maryland renewables.

AEE represents the business voice of advanced energy - the innovators within the energy industry that are developing and implementing technologies, products and services that will lead to a cleaner, more secure and affordable energy system. AEE and its state partner organizations, which are active in 23 states across the country, represent roughly 1,000 businesses. Advanced energy encompasses a broad range of products and services, including energy efficiency, demand response, natural gas electric generation, solar, wind, hydro, nuclear, electric vehicles, biofuels and smart grid.

Under your leadership, Maryland has enacted forward-thinking policies that put the state at the forefront of the advanced energy industry. Land-based wind farms have sprouted in Western Maryland, solar panels cover more and more rooftops across the state, energy efficiency gains are saving ratepayers money, and you signed landmark legislation last year to bring offshore wind power to the state's coast.

The bill unnecessarily risks this legacy. Over the past seven years, your Administration has worked hard to take advantage of the new opportunities provided by advanced energy technologies in a manner that will not hinder the critical operations of the Patuxent River Naval Air Station. As such, you signed legislation in 2012 to ensure that any wind farm within 46 miles of the Patuxent River Naval Air Station must seek a Certificate of Public Convenience and Necessity in a proceeding before the Public Service Commission. Patuxent River Naval Air Station would be a party to the proceeding that would consider potential security implications and the economic impacts of any proposed project. This state law supplements the existing federal law which requires that energy project developers and the Department of Defense (DOD) engage with each other to "protect DOD mission capabilities from incompatible development" to "prevent, minimize, or mitigate adverse impacts on military operations, readiness, and testing."

The Great Bay project demonstrates that this process works to protect the economic value of Pax River. The developer, Pioneer Green Energy, has already agreed to curtail operations during mission activities. According to testimony to the Maryland Senate Finance Committee by David Belote, a former Air Force fighter pilot, Commander of Nellis Air Force Base, and Director of the DOD Siting Clearinghouse, “Simply put, if the turbines aren’t spinning, there’s no interference to ADAMS... there’s no need for additional studies to determine that stationary turbines cannot affect radar systems.” Any remaining concerns could be addressed using the established Public Service Commission process that has served Maryland well for many decades.

The adverse economic impact of the bill is hard to quantify. The developer has already spent millions on the project, which would generate much needed electricity for the eastern shore and tax revenues for local communities. By establishing a moratorium on development in almost half the state, the bill would chill investment in Maryland renewables at exactly the wrong time. AEE’s recently issued “Advanced Energy Now” 2014 market report found that the advanced energy industry in the United States, excluding wind energy, grew four times faster than the domestic economy and garnered 15% of the \$1.1 trillion global advanced energy market. However, policy uncertainty facing the wind sector, namely the late extension of the federal production tax credit at the start of 2013, resulted in a \$23 billion decline in revenues between 2012 and 2013. As Congress debates extending the PTC again, this is not the time to be closing Maryland’s doors for a sector that supported 50,000 direct jobs across the country at the close of last year.

Thank you for your leadership these last seven and a half years to move Maryland toward a more secure, clean, and affordable energy system. Once again, on behalf of AEE and our business members across the country, we urge you to keep Maryland open to the wind sector and veto HB 1168. Please let us know if we can be of assistance moving forward.

Sincerely,

Malcolm Woolf
Senior Vice President for Policy and Government Affairs
Advanced Energy Economy

