April 6, 2017

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

Case No. 9431: In the Matter of the Applications of US Wind, Inc. and Skipjack Offshore Energy, LLC for a Proposed Offshore Wind Project(s) pursuant to the Maryland Offshore Wind Energy Act of 2013.

Dear Mr. Collins:

Chesapeake Physicians for Social Responsibility supports the development of the two offshore wind projects proposed In the Matter of the Applications of US Wind, Inc. and Skipjack Offshore Energy, LLC for a Proposed Offshore Wind Project(s) pursuant to the Maryland Offshore Wind Energy Act of 2013.

These two projects will provide needed jobs in Baltimore region and the Eastern Shore and will position Maryland as the center of the wind industry on the East Coast in a way that will provide economic benefits for decades. These projects will also help to dramatically improve Maryland’s air quality and will provide tangible public health and climate benefits.

The real cost of electricity far exceeds the bottom line on a utility bill. Residents and businesses both pay for the health impacts of air pollution and the environmental damage caused by emissions from electrical generating units. These health and climate costs are particularly high for Maryland, where many of our coal-fired units do not use the most modern pollution-control technology. The health and climate costs of power generation may be invisible because they are paid at a different time and place than our utility bills, but they are still a real and important part of the price of power.

If both offshore projects were approved, the average residential ratepayer would only pay an estimated $1.50/m or $18/year ($0.97/month for US wind and about $0.45/month for Skipjack). This is not a very large expense: for the average family, the annual cost for two wind farms is less than the cost of half a tank of gas or a meal at a moderately-price restaurant. The cost is even less if only one project is approved.

The net return for Maryland residents and businesses from these projects will be large and positive due to the health and climate benefits of offshore wind:
1. Air pollution remains a major health risk for all Marylanders. Currently, the incidence of asthma in Maryland is twice the national rate, while residents of Baltimore are at even greater risk, with asthma at three times the national rate. Residents of Maryland overall and Baltimore in particular also suffer from a correspondingly large incidence of other respiratory problems, cardiovascular disease, and premature death. These are all well-documented results of the air pollution caused in large part by Maryland's coal-fired power plants.

Offshore wind power will greatly reduce these health risks by providing Marylanders with pollution-free power. The two projects considered here are just the beginning of a process that will eventually provide Maryland with enough clean offshore wind power to support a large fraction of our energy use. With your approval of offshore wind now, we can begin that important process.

2. Offshore wind will provide Marylanders with an array of money-saving health and climate benefits:

a. For an expected average investment of just $18/year, residents can reduce the risk that one of their family members will be stricken by a pollution-related disease. Considering the medical cost of disease, the cost of lost work or school time and the costs of human suffering associated with disease, this is a relatively inexpensive investment.

b. Residents who are lucky enough to avoid pollution-related illness will still benefit from reduced costs for the regional health impacts of air pollution, currently paid through private insurance rates and Medicare/Medicaid taxes. We will all save money if we can reduce pollution-related disease.

c. In exchange for a surcharge on commercial electricity, business owners will get improved worker health and will pay out fewer sick days. Increased worker health improves productivity and gives a bigger bottom line.

d. Climate change caused by carbon emissions from power plants is already starting to cost Maryland communities real money—we are already seeing increased tidal flooding, larger storm surge and significant negative impacts of climate change on agriculture and forestry. Through the offshore wind surcharges, Maryland families and businesses can make a tangible difference in carbon emissions and reduce the rate of future climate change and its damaging economic impacts. Make no mistake—these economic impacts will affect every Marylander and most of our businesses.

Using a 2016 study from Harvard, we can put some numbers on these general statements about the benefits of offshore wind. That study suggests that a 200

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MW wind farm off the MD coast would generate $120/MWh in health and climate benefits. In fact, the study states that the economic value of these benefits alone would make it economically worth building the offshore wind facility, regardless of the income resulting from the sale of the power. This study is particularly useful as an analysis of the economic benefits of offshore wind because it reveals the extent to which the benefits of a given wind farm depend on the location and the particular fuel(s) that are displaced.

The typical MD household uses 1000kWh/month = 1MWh. Therefore, using the results of the Harvard study, one 200 MW wind farm (slightly larger than the US Wind project) would provide expected total health and climate co-benefits of about $120/month for the average Maryland customer with a monthly usage of 1MW. A $120 return on an investment of $0.97 is an excellent return on investment. Even if this projection were off by a factor of ten it would still be very favorable—$12 for an investment of less than $1.

It is important to note that this impressive return on investment does not include the significant health and climate costs of obtaining, transporting and storing coal or natural gas for electricity generation. Nor does it include the economic benefits of the jobs that a Maryland based offshore wind industry will generate; and jobs not only help the economy—we know that good jobs also improve health.

When focusing on costs, it is crucial to consider all of the benefits, including the beneficial impacts of offshore wind on public health and the progression of climate change. When we do that, OSW comes out as a really good investment for Maryland.

We strongly urge the PSC to approve both of these offshore wind projects.

Thank you,

Tim Whitehouse, JD
Executive Director