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US Wind to bring steel fabrication back to Sparrows Point with multi-million dollar investment

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US Wind doubled down on its investment in Maryland's renewable energy future Tuesday with several major announcements, including plans to develop a steel fabrication facility that will bring 500 permanent manufacturing jobs to the home of the former behemoth, Bethlehem Steel.

News of the \$150 million investment to build the Sparrows Point Steel facility



CARLEY MILLIGAN/BBJ

comes as US Wind draws closer to launching its 22-turbine, 270-megawatt MarWin offshore wind project, planned for an area 17 miles off the coast of Maryland. To complete the project, which is expected to begin generating power in 2025, US Wind has signed a long-term lease for 90 waterfront acres at Tradepoint Atlantic where it will invest \$77 million to develop a new offshore wind deployment hub.

The project will be built by union workers due to new labor agreements between US Wind and the Baltimore-D.C. Building & Construction Trades and the International Brotherhood of Electrical Workers (IBEW).

The offshore wind developer also shared plans to pursue an expansion near MarWin that would allow for the development of an additional 1,200 megawatts of renewable energy. The 82-turbine Momentum Wind project will first require approval from the state's Public Service Commission, which has also received a competing bid from another offshore wind developer operating in Maryland.

"We will be bringing steel back to Sparrows Point," said Jeff Grybowski, CEO of US Wind.

The lease at Tradepoint Atlantic is the second of its kind. Maryland's other offshore wind developer, Orsted, locked in a 50-acre lease in 2019 at the 3,300-acre global logistics center that is also home to distribution centers for Amazon, FedEx, Home Depot and other major companies. Orsted's commitment included \$13.2 million to create an offshore wind energy staging center as well as other infrastructure and facilities improvements.

The Baltimore County site, which includes port access, rails and access to major highways, has long been eyed by the offshore wind community for its potential to become a hub and supply chain leader for an industry that doesn't yet have a large, physical footprint in the U.S.

"US Wind's vision for the future and commitment to establishing critical elements of the offshore wind supply chain at Tradepoint Atlantic is transformational and we look forward to partnering with them for many years to come," said Tradepoint Atlantic managing director Kerry Doyle. "Ultimately, there is much work to be done to keep Maryland well-positioned in this emerging industry and Tradepoint Atlantic will continue to be a national leader pushing for even greater growth and success."

US Wind's proposed steel fabrication facility will be used to produce monopiles, the foundations for the company's offshore projects, and in the future, offshore wind projects up and down the East Coast. Grybowski said he expects construction to begin sometime in 2023-2024, and when the facility is at full operations it will offer more than 500 local, permanent jobs, create more than \$1 billion in labor income over 20 years and increase Maryland's GDP by \$6.9 billion over 20 years.

The return of steel manufacturing jobs at Sparrows Point is both "great and emotional news" for union workers, said Jim Strong, assistant to the director for United Steelworkers. The union currently has about 37,000 workers in its district, and this project will open the door for even more job creation, he added.

US Wind said the Sparrows Point Steel facility will be built in conjunction with the Momentum Wind expansion. The newly proposed project seeks to answer Maryland's call for 1,200 megawatts of additional offshore wind capacity, which was expanded as part of the Clean Energy Jobs Act of 2019.

If the Maryland Public Service Commission approves US Wind's bid, the buildout would result in approximately 3,500 direct construction jobs, over \$300 million in construction labor income and about 100 direct operations jobs. Grybowski said Momentum Wind would come online in phases, with the first 400 megawatts by the end of 2026 and the remaining 800 megawatts in 2027-2028. He is hopeful the PSC will approve US Wind's bid by the end of this year.

The PSC can award 1,200 megawatts of Offshore Wind Renewable Energy Credits, or ORECs, and developer Orsted is also vying for a piece. Orsted's proposal is smaller than US Wind's at 760 megawatts. The developer is currently developing Skipjack Wind, a 120-megawatt project expected to be operational by 2026.

Both developers were awarded their initial projects, Skipjack Wind and MarWin, during Maryland's first offshore wind solicitation in May 2017.

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