

# RI energy commission OK's wind farm agreement

ERIC TUCKER - Associated Press Writer - Associated Press

The Rhode Island Public Utilities Commission on Wednesday approved a power purchase agreement for a proposed wind farm off the coast of Block Island, ruling over the objection of critics who slammed the arrangement as a sweetheart deal meant to benefit one company.

Attorney General Patrick Lynch vowed to appeal the decision to the state Supreme Court, saying in a statement that the deal makes ratepayers buy "grossly overpriced electricity."

The agreement between Deepwater Wind, LLC, a New Jersey-based developer, and National Grid, the state's dominant utility, involves a proposed eight-turbine pilot project connected by a transmission cable to the mainland.

The three-member commission, a quasi-judicial body, approved the agreement after weighing economic and environmental benefits and whether the terms were reasonable for ratepayers. The 20-year agreement calls for National Grid to buy the energy generated from the wind farm at 24.4 cents per kilowatt hour.

Deepwater Wind CEO Bill Moore said in a statement that the company was pleased with the decision, which he said solidifies "Rhode Island's leadership position in offshore wind development."

The commission unanimously agreed that wind energy could reap an environmental benefit but split 2-1 on other issues. Commissioner Mary Bray repeatedly voiced skepticism, saying the agreement would prove a long-term detriment to the economy by hurting ratepayers and small businesses that are already struggling.

"Would any reasonable person invest a substantial amount of money into something they know will at best cost three times what they will possibly get out of it?" Bray asked. "That is what we have here."

The commission in March rejected a similar agreement as too costly for ratepayers.

The decision led the General Assembly to come up with new legislation, passed at the end of the legislative session and signed into law by Gov. Don Carcieri, aimed at speeding the regulatory approval process.

The law requires the commission to issue a written decision approving the agreement within 45 days of it being filed, provided that the deal was commercially reasonable for ratepayers, contained economic and environmental benefits and included provisions allowing for a decrease in pricing.

Critics say the bill, including Lynch, essentially mandated the approval of the

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agreement without giving the utility commission enough time to review it.

"I think the commission did exactly what the Legislature dictated it to do," said Tricia Jedele, a vice president of the Conservation Law Foundation and director of its Rhode Island Advocacy Center.

But Lynch said the project was unfair and anti-competitive.

"The dreadful impact that this will have on the state is not something that I will take lying down," he said in an interview after the vote.

The federal government in April approved plans for the nation's first offshore wind farm — a 130 turbine project in Nantucket Sound. National Grid has agreed to pay 20.7 cents per kilowatt hour, starting in 2013, for half the power produced by the project. That deal still needs to be approved by Massachusetts regulators.

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