Maine Offshore Wind Project Gets Key Approval

GLENN ADAMS,Associated Press

AUGUSTA, Maine (AP) — Norwegian energy giant Statoil gained key approval Thursday in its bid to build one of the nation's first offshore wind power projects off the coast of Maine.

The $120 million project would put four, three-megawatt wind turbines 12 miles (19 kilometers) off Maine's Boothbay Harbor on floating spar-buoy structures tethered to the seabed in 460 feet (140 meters) of water.

A 2-1 vote by the Public Utilities Commission approved an important contract between Statoil North America and utility companies. The PUC vote was the biggest hurdle the Hywind Maine project faced as it moves forward with the goal of having power flowing by 2016.

The U.S. currently has no offshore wind farms. Other projects are also in development off Massachusetts, Rhode Island, New Jersey and Delaware.

The approval comes with some conditions but Statoil said it considers the PUC vote an important milestone.

The critical issues before the commission were the cost of that power and the project's economic benefits for Maine. Concerns over those issues prompted Gov. Paul LePage to oppose the PUC's approval.

In a filing with the commission, state Energy Director Patrick Woodcock said Maine ratepayers would have to absorb above-market electricity rates totaling $203 million over 20 years to subsidize the project.

"First and foremost, this administration seeks to reduce high electricity costs to Maine families. Our energy costs are among the highest in the nation and if this project adds to that burden I have questions as to how economically viable it is for the State of Maine," Woodcock said.

Woodcock also asserted that Statoil did not prove significant investments would occur for Maine-based manufacturing facilities directly related to the project.

But commissioners said they were satisfied that costs were sufficiently offset by benefits, and noted the project brings a potential boost to Maine businesses.

Commissioner David Littell said the PUC had received letters in support of the project from the Maine State Chamber of Commerce, major state-based companies including construction firm Cianbro Corp. and Navy shipbuilder Bath Iron Works, as well as smaller firms involved in research and engineering, metal fabricating, marine operators and industrial rope manufacturers.

"There's broad support from our business community for this proposal," said Littell. "The project is already producing work for approximately 25 workers in Maine and that number will increase over the next two to three years as it ramps up in design, engineering and preconstruction activities."

Littell also noted that an ocean energy law passed by the Legislature envisioned such a project, which would bring in large investments and advance the idea of developing large-scale offshore wind power production in the Gulf of Maine. The University of Maine leads a consortium of nonprofits, utilities and businesses whose goal is to generate 5 gigawatts of power by 2030, using floating turbines located 20-50 miles (32-80 kilometers) offshore.

The PUC decision won praise from Democratic legislative leaders, who called it a jobs booster.

Assistant Senate Majority Leader Troy Jackson of Allagash called it "an opportunity for many Maine companies to develop cutting-edge expertise on energy projects not just in Maine but around the world."

Norway's government owns 67 percent of Statoil ASA's shares. The company has operations in 42 countries, largely in oil and gas.

Source URL (retrieved on *07/29/2014 - 1:23pm*):
http://www.chem.info/news/2013/01/maine-offshore-wind-project-gets-key-approval