

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4111
Deepwater Wind Block Island, LLC
Response To
The Conservation Law Foundation's Data Requests
SET 1

CLF 1-1: Please identify every Federal loan guarantee for which Deepwater Wind has applied in connection with the Block Island Wind Farm demonstration scale project that is the subject of this Docket?

Response: Deepwater Wind Rhode Island, LLC has applied to the U.S. Department of Energy ("DOE") for a loan guarantee under DE-FOA-0000140.

Response by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4111
Deepwater Wind Block Island, LLC
Response To
The Conservation Law Foundation's Data Requests
SET 1

CLF 1-2: For each loan guarantee identified in response to Data Request # 1, please state the cost-savings benefit that would result if that loan guarantee were approved. State the answer in terms of reduced cost per kilowatt hour of power.

Response:

There is no publicly available information regarding the terms on which the DOE has provided loan guarantees for renewable energy projects. Accordingly, it is not possible to accurately estimate the value of a loan guarantee or its potential impact on the power price.

Comparisons of the loan guarantee program to conventional project financing arrangements may also be unfair as it does not appear that the DOE is structuring loan guarantees on a true non-recourse basis as is typical in traditional project finance structures. In other words, while certain financial terms may be better under the federal loan guarantee program, risks are allocated to the borrower by other means that are not so readily quantifiable. Factoring in those risks, the value of the loan guarantee could be dramatically lower.

Finally, a significant assumption has been made as to the timing for the project, which could impact the value of the loan guarantee by tens of millions of dollars due to an expiration date on the availability of federal renewable energy incentives to offset certain costs associated with the loan guarantee. If, for example, there are permitting delays, the value of the loan guarantee is diminished further because the cost of obtaining the loan guarantee would increase significantly.

Deepwater has assumed (and therefore taken the risk) that a loan guarantee would be available to the project on favorable terms and has factored this into the price already offered to National Grid. Said another way, Deepwater has already given the benefit of the loan guarantee to ratepayers and bears all the downside risk associated with the factors described above, including whether or not it receives the loan guarantee. The current global project financing market is very challenging. In the current financing markets, a loan guarantee is practically required in order to attract the requisite investment for the project to move forward.

Response by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4111
Deepwater Wind Block Island, LLC
Response To
The Conservation Law Foundation's Data Requests
SET 1

CLF 1-3: With respect to the "Escalation of Price" provision set forth in Section 5.1(b) (at page 18) of the unsigned draft Power Purchase Agreement (PPA) filed with the PUC on November 18, 2009, is Deepwater Wind aware of any PPA in the United States for any type of renewable energy that contains an escalation of price provision of 1% per annum or greater?

Response: The PPA between Bluewater Wind Delaware LLC and Delmarva Power & Light Company for the proposed offshore wind facility in Delaware provides for an escalator of 2.5%. The PPA can be viewed at the following internet address:

<http://www.ceoe.udel.edu/Windpower/DE-Qs/Delmarva-Bluewater-PPA-10-December-07.pdf>

The escalator can be found in Section 4.2(a)(iv) of the PPA.

In addition, Deepwater is anecdotally aware of several PPAs for onshore wind that have escalation rates of greater than 1%. However, Deepwater does not have access to such PPAs and is not in a position to provide copies of such agreements, since it is not a party to them.

Response by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4111
Deepwater Wind Block Island, LLC
Response To
The Conservation Law Foundation's Data Requests
SET 1

CLF 1-4: If the answer to Data Request # 3 is yes, please identify each such PPA and provide a copy.

Response: As identified in the response to CLF 1-3, a copy of the PPA between Bluewater Wind Delaware LLC and Delmarva Power & Light Company can be found at the following location:

<http://www.ceoe.udel.edu/Windpower/DE-Qs/Delmarva-Bluewater-PPA-10-December-07.pdf>

Deepwater does not have access to PPAs for other projects for which it has only anecdotal information.

Response by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4111
Deepwater Wind Block Island, LLC
Response To
The Conservation Law Foundation's Data Requests
SET 1
CERTIFICATION

I hereby certify that on November 30, 2009, I sent a copy of the within to all parties set forth on the attached Service List by electronic mail and copies to Luly Massaro, Commission Clerk, by electronic mail and regular mail.

Name/Address	E-mail Distribution	Phone/FAX
Thomas R. Teehan, Esq. National Grid. 280 Melrose St. Providence, RI 02907	Thomas.teehan@us.ngrid.com	401-784-7667 401-784-4321
	Joanne.scanlon@us.ngrid.com	
Ronald T. Gerwatowski, Esq. National Grid 40 Sylvan Rd. Waltham, MA 02451	Ronald.gerwatowski@us.ngrid.com	
	Celia.o'brien@us.ngrid.com	
	Jennifer.brooks@us.ngrid.com	
Michael McElroy, Esq. Schacht & McElroy PO Box 6721 Providence RI 02940-6721	McElroyMik@aol.com	401-351-4100 401-421-5696
	ifrtruck35@mac.com	
	albertrc@optimum.net	
Alan Mandl, Esq. Smith & Duggan LLP Lincoln North 55 Old Bedford Road Lincoln, MA 01773	amandl@smithduggan.com	617-228-4464 781-259-1112
Jerry Elmer, Esq. Conservation Law Foundation 55 Dorrance Street Providence, RI 02903	Jelmer@clf.org	401-351-1102 401-351-1130
Katherine A. Merolla, Esq., Merolla & Accetturo 469 Centerville Road Suite 206 Warwick, RI 02886	KAMLAW2344@aol.com	401-739-2900 401-739-2906
Richard A. Sinapi, Esq. Sinapi Formisano & Company, Ltd. 100 Midway Place, Suite 1 Cranston, RI 02920-5707	dicks@sfclaw.com	401-944-9690 401-943-9040
Alan Shoer, Esq. Adler Pollock & Sheehan One Citizens Plaza, 8 th Floor Providence, RI 02903-1345	Ashoer@apslaw.com	401-274-7200 401-751-0604

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION

DOCKET No. 4111

Deepwater Wind Block Island, LLC

Response To

The Conservation Law Foundation's Data Requests

SET 1

Joseph J. McGair, Esq. Petrarca & McGair, Inc. 797 Bald Hill Rd. Warwick RI 02886	jjm@petrarcamcgair.com	401-821-1330 401-823-0970
Leo Wold, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	lwold@riag.ri.gov	401-222-2424 401-222-3016
	Steve.scialabba@ripuc.state.ri.us	
	Al.contente@ripuc.state.ri.us	
Jon Hagopian, Esq. Dept. of Attorney General 150 South Main St. Providence, RI 02903	jhagopian@riag.ri.gov	
	Dmacrae@riag.ri.gov	
	Mtobin@riag.ri.gov	
Original & nine (9) copies w/: Luly E. Massaro, Commission Clerk Public Utilities Commission 89 Jefferson Blvd. Warwick RI 02889	Lmassaro@puc.state.ri.us	401-780-2017 401-941-1691
	Cwilson@puc.state.ri.us	
	Nucci@puc.state.ri.us	
	Anault@puc.state.ri.us	
	Sccamara@puc.state.ri.us	
Matt Auten, Office of Lt. Governor	mauten@ltgov.state.ri.us	

Joseph A. Keough, Jr., Esquire # 4925
KEOUGH & SWEENEY, LTD.
100 Armistice Boulevard
Pawtucket, RI 02860
(401) 724-3600