

REPRESENTATIVE LAURENCE W. EHRHARDT

District 32, North Kingstown

*Committee on Finance
Committee on Environment and Natural Resources
Committee on Municipal Government*

via email

March 5, 2010

Mr. Elia Germani
Chairman
RI Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

Re: Docket 4111 – Review of Proposed Town of new Shoreham Project Pursuant to
General Laws 39-26.1-7

Dear Mr. Germani:

In reviewing some of the testimony submitted I see some witnesses attempting to compare the PPA price against projects “of a similar nature”. When the legislation (H-5002) was being discussed in the House last June I became concerned that such a comparison was too vague, especially since there were no similar projects in existence on the East coast of the US. Therefore, on June 16 I introduced a floor amendment stating that the definition of “commercially reasonable” was to be measured against transactions “involving newly developed renewable energy resources.” The amendment was seconded by Leader Fox and passed unanimously (House Journal June 16, 2009, pp 19-20)

As the author of that amendment, it was my specific legislative intent to avoid creating a safe harbor for pricing that was higher than renewable energy alternatives available elsewhere.

With that in mind, I am deeply concerned by the proposed PPA price that Richard Hahn describes as “at the very high end of the range.” I am further concerned by his calculation of an above market cost of the project of some \$521 million over the life of the project. I remain enthusiastic about the concept and its potential stimulus to economic growth but we must also remember that the objective was and continues to be “renewable energy at a reasonable price, not at any price.” \$521 million could provide a tremendous amount of stimulus in other areas as well.

Sincerely,

Laurence W. Ehrhardt

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