

## Luly Massaro - clarification to testimony

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**From:** <lvesredmond@aol.com>  
**To:** <lmassaro@puc.state.ri.us>  
**Date:** 3/16/2010 12:15 PM  
**Subject:** clarification to testimony

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Luly,

I am unsure if this e-mail will suffice.

I need to make a clarification to something in the letter I submitted to the PUC regarding Docket 4111. Within the letter, I made mention of a survey. I have just learned that there was no underwriting by Deepwater and wanted to immediately clarify the information. I e-mailed the author on two occasions but had not received a response until this morning. There also was mention of distance within the survey. I am unsure as to if it was 'statisally valid.' Some respondents were voters and most likely on island and some were non-voters but homeowners who may not have been on island. And I now understand that surveys were sent out at two different times perhaps several months apart, thus my confusion.

The point is that when the survey was done, there was little specific information about what was actually being proposed by Deepwater.

My apologies to the members of the PUC.

Sincerely,  
Rosemarie Ives  
Mohegan Trail  
Redmond, WA 98052

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March 7, 2010

PUBLIC UTILITIES COMMISSION

Please accept this letter as formal testimony regarding Docket 4111 Proposed New Shoreham Project.

The Deepwater Demonstration Project is seriously flawed because it fails the test of being 'commercially reasonable.' A speculative project, it does not achieve economic and energy generation gains for the general public ratepayers. Ill-defined, it provides an unprecedented 98% return on equity to the applicant and its investors while the indirect benefits to the ratepayers are negligible if any and nowhere commensurate with costs. Deepwater is a private venture that should not be underwritten by ratepayers.

Although the PUC's expansive requests for information are appreciated, it is not the PUC's responsibility to fill-in-the-blanks of Deepwater's deficient proposal or to 're-create' its project to meet contrived criteria of acceptability. The magnitude of the PUC's requests is the clearest indicator that **the proposed contract between Deepwater and National Grid should be rejected outright.**

My interests, experiences, and expectations are at the heart of my opposition to the Deepwater demonstration project before you.

- First, five generations of my husband's family going back 90 years to the 1920's have owned a very modest summer family cottage at the ocean on Block Island. Even before the designation of Block Island as one of the 'Last Great Places' by The Nature Conservancy, family members knew how unique the island was with its rolling hills, stone walls, and extraordinary views of the ocean rising to meet the sky. Each of us has taken our responsibility of stewardship very seriously by doing our best to assure the island remains pristine for all in perpetuity. The island's essence will be forever ruined by Deepwater.
- Second, as the former 16-year mayor of Redmond, Washington, I believe that strategic public policy, transparent process, and sufficient, authentic public participation are the three-legged stool of good government and good governance. Doing the right thing, the right way, at the right time and always considering today's decisions in the context of the long-term are necessary and integral to our sustainability for years and generations to come. Regardless of where I am 'at home,' Block Island or Redmond, these are my expectations of government, its elected and its appointed officials. This has not been the case with all the Deepwater proceedings leading up to the PUC review.

I understand that the PUC is mandated by state legislation to set rates for this project. The legislation acts as if this is a project suitable for underwriting by ratepayers. It is not. There is sufficient and extensive evidence that the gubernatorial initiative with

concurrence from Deepwater, sanctioned by the state legislature's action in late June, 2009, to move expeditiously on only one of the Block Island sites was **misguided and premature**.

- The promise of economic benefit has been and continues to be overstated especially with regard to jobs. Good-paying jobs for existing Rhode Islanders will be negligible. It is wishful thinking shared by many other states including Maine, New Jersey, Delaware, Maryland, and Washington to name a few, that they will somehow become THE manufacturing hub for this emerging industry. Recently, it was reported that many small companies in the USA that manufacture some parts for wind turbines have closed or are slowing down production. It is also common knowledge that most parts are manufactured outside the USA and that China will eventually capture the market leaving transportation of parts and some assembly the only jobs for American workers.
- Although the state now requires a certain percentage of energy generation coming from renewable sources, generation is not the problem or challenge. According to experts during training on national energy issues at Harvard's Kennedy School for newly elected members of the House of Representatives and the Senate, the greatest obstacle is the lack of storage capability infrastructure and efficient transmission infrastructure that is still evolving for renewables. Representatives of National Grid concur that Deepwater's project does not make financial sense and that there are other locations closer to infrastructure and large population centers that would not only serve the public more efficiently but would be less expensive. Perhaps Rhode Island may be too small for such a mega project if it were to be paid by ratepayers.
- Demonstration projects should be paid for by the applicant and willing investors, not ratepayers. Wind farms on ocean waters are exorbitantly expensive and terribly speculative ventures that may not result in reducing or even stabilizing long-term energy prices.
- State legislation created a two-year 2009-2010 SAMP process that would establish pertinent criteria for evaluation of sites throughout ALL state ocean waters. Yet six months into a two-year process, legislation passed in late June 2009, stated that Block Island must be served but allowed Deepwater to arbitrarily select the BI Southeast Lighthouse site to be the only one of several BI sites forwarded to PUC for rate setting. It appears that Deepwater has been 'favored' with a state exemption from established processes and criteria such as those of the SAMP that are warranted and should appropriately be applied to this proposal.
- In September 2009, nine months into the two-year process, I had an opportunity to attend the CRMC meeting on Block Island and review CRMC information including research criteria. Preliminary SAMP research as well as the RIWINDS Report clearly identified several sites that were comparable and not depreciablely different from the BI Southeast Lighthouse site. However, a most critical criteria

addressing viewsheds was absent and is a significant omission for Block Island sites and other sites that rely heavily on tourism.

- Developer-driven at every turn, this project has numerous procedural problems and inconsistencies, questions, contradictions, unknowns, ambiguities and deficiencies in both methodology and process as are aptly reflected in the PUC's extensive and expansive requests for specific information from Deepwater that transcend what is usual in rate-setting deliberations. Projects that are forwarded for rate setting are on the ground with actual, capped costs and deliver direct benefits to ratepayers. This is not the case here. In addition, the total exclusion of the underwater cable, its costs and associated information, contradicts all logic. How can a fair and legitimate cost be arrived at without including all elements of energy generation and transmission? Will the cost of the cable not be borne by the ratepayers? If that is not the case, and in fact ratepayers will be paying for the cable, it is integral to rate-paying calculations so the total costs will be transparent to all.

The June 2009, law was flawed in its formulation and flawed in its passage because of serious and significant deficiencies and omissions as well as the **absence of public process and public notification** that is especially warranted on such a complex project.

- The people of Block Island were not formally notified by the Governor and/or state legislature about the details of this legislation or project prior to passage nor were they afforded the opportunity to get project-specific information to formulate an opinion and express their interests or positions.

The officials of the Town of New Shoreham have been complicit in not providing a meeting nor assuring a state-sponsored meeting before the legislation was introduced and passed. In addition, their successful efforts to have the PUC cancel an already announced public hearing on the island which I had considered attending, demonstrates their disregard for the people of Block Island. The town council has no way of predicting what the turnout might be. They have suggested that a survey conducted in mid-summer, 2009, after the legislation was passed and paid for by the developer, somehow justifies and suggests community support. That is not the case. Surveys do not constitute notification. The survey was generic and lacked specific project information, especially any details regarding distance from the island. It was not statistically valid and there was nothing that could be considered 'a mandate of the people.' Interestingly, the survey, its results including comments, has not been made available to the public. The PUC should request its release.

There is clear evidence that **state processes have been compromised and biased** in Deepwater's favor. The most blatant and prominent are the numerous examples in the CRMC's SAMP process.

- Of concern were the opening remarks by the CRMC's chairperson at the Block Island September, 2009 meeting referring to Deepwater as a "win-win" that were

clearly biased in favor of Deepwater and prejudices the outcome of CRMC's proceedings. After six months of researching and reflecting on this project, it seems that officials representing the State of Rhode Island, both elected and appointed, have been quite intentional about limiting the public's participation and minimizing the oversight and vetting by appropriate federal agencies. The most obvious example focuses on the completion of a NEPA Environmental Assessment rather than requiring a full Environmental Impact Statement that is absolutely warranted on such a complex, speculative project.

- Usually coastal commissions are considered a state's view-preserving agency and has jurisdiction over development near the coast with protection and preservation as priorities. The SAMP process is deficient and void of any chapter addressing viewsheds, the impacts on local and state economies, aesthetics and other pertinent issues. Measuring and valuing 'the quiet' and 'dark skies' so unique to the SE Lighthouse site, though difficult to quantify, are important and necessary. The absence of any mention of viewsheds coupled with the text of a SAMP document stating that its purpose is 'to expedite the process so investors will be attracted' seems to suggest this project will be done at all costs, financial and otherwise—thus benefiting only Deepwater and investors at the expense of taxpayers and ratepayers.
- The process of document review and decision-making is flawed. The CRMC has chosen to vote on each chapter without the benefit of all chapters being completed. A good and effective deliberative body makes sure that the completed document is available to all parties for public comment, input and possible amendment. In this particular case, the CRMC's incremental decisions absent a comprehensive overview and review is deficient and is another example of how flawed the process is. It was disheartening to read in the minutes of a SAMP meeting that the chairperson stated that the complete document for review would overwhelm the public. This is not only arrogant but also condescending and again demonstrates his disregard for the public, his efforts to 'fast-track' the process and his bias in favor of the applicant. This direction irreparably influences and affects the participation of each and all members of the commission and limits public participation.
- Another questionable reality about this project is the funding of processes. On occasion an applicant may contribute partial funding. However, the authorizing entity has the duty to create a firewall that is transparent to all. This has not been done at either the state or local levels. In too numerous instances throughout the state, its entities and its institutions, the process has been abridged and compromised at the expense of public interest and the common good. Another example that supports this observation is the actions of the Executive Director. Repeatedly throughout this process and often before decisions have been finalized, meetings were held and business conducted out of the public eye that should have proceeded sequentially but instead were done prior to or concurrently in order to 'fast track' but again at the expense of the public.

Another indicator of why this Deepwater project should be rejected is its **failure to meet** more than several of the **professionally established standards** that are articulated in the RI's Energy Facility Siting Board requirements:

- There is no demonstrated electricity-generation need for mainland ratepayers and no benefit commensurate with the cost to island ratepayers.
- Lacking is a detailed description and analysis of the immediate and cumulative impacts on the physical, aesthetic, social and other environments on and off-site.
- The costs cannot and have not been justified. This site is not the lowest reasonable cost to the ratepayer so is not commercially reasonable.
- There is no risk assessment protecting ratepayers.
- There are unknowns with regard to unacceptable harm over the long-term to the environment both in ocean waters and on Block Island as well as to the Block Island economy.
- There has been no study of alternatives to this facility including alternative energy sources specifically for Block Island's 500 in winter, 1700 in summer electricity customers.
- There is no mechanism that legally binds the applicant to performance.

Based on cursory review of the PUC's past proceedings, a decision other than rejection of the proposal would be **precedent setting**. According to testimony from Mr. Hahn stating that Deepwater will receive a 98% return on equity, will all future applicants before the PUC receive the same?

After more than six months of reviewing the proposal, the numerous related proceedings and documents, and the project's evolution into what is now before the PUC, it is evident that the predominant interest is economics rather than energy. However, Deepwater and its state and local allies have not been able to definitively and verifiably prove, demonstrate and guarantee the economic benefit.

Yet, there has been little done to document economic and other risks to the public. One such example is the negative impact specifically on Rhode Island and Block Island tourism from this project. There has been reference to surveys suggesting wind farms as tourist attractions that have no relevancy to Block Island. In the first place, getting to Block Island is oftentimes an experience in itself and has discouraged many. This is not a location on the mainland with easy car accessibility. Initially, some people will travel to the state and to the island for the sole purpose of seeing the project for an overnight visit but once completed, will not likely return again... unlike visitors who are mesmerized by their first experience at the never-ending views to the south, east and west from the SE Lighthouse and Payne Lookout who return year after year for longer and longer stays, passing on the tradition generation to generation.

With \$100million invested over four decades in preserving open space amounting to 50% of the island, the magnificent views of the island are one of its most significant resources.

Almost every view shed will have sight of one, some or all the eight 450'X 45' wind turbines the size of a 45 story building towering 300'/30stories above the island bluffs that cannot be airbrushed out by a photographer, a computer geek, nor wishful thinkers.

Those of us opposed to this project have provided substantive testimony more than sufficient to reject this proposal. This project is nothing other than a demonstration on how to shortcut government processes and along the way shortchanges the public.

Many of us genuinely believe that a green economy can be a strong and sustainable economy. We want renewable energy sources and conservation practices to be the norm but we must not abandon thorough analysis and fact-finding because we believe green is great! Since the technology and supporting infrastructure for ocean wind farms is in its infancy, there should be independent research outside of a project application that thoroughly examines the costs initially and overtime, the trade-offs, are costs to produce energy commensurate with the investment or are there other more efficient and cost effective options? Projects need to be held to specific publicly vetted standards depending on the source of funding, public or private.

If there is to be a demonstration project in Rhode Island, it only makes sense for the initial investment to occur where there are plans for an expanded larger project—in federal waters, 15 miles from ALL of Rhode Island's coastline communities, is a much better, sensible, and notable way for the state to 'make its mark.'

I want to commend the PUC and its staff for its work thus far. However, too much effort and too much money have been expended at the expense of Rhode Island taxpayers. With public dollars continuing to be spent on this speculative venture that will disproportionately benefit a private company with an exceptional return on equity at the expense of ratepayers as well as state and federal taxpayers, these expenditures constitute 'a gift of public funds.' The PUC can rectify this abuse. It's time to stop.

Thank you for your time and consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "Rosemarie Ives". The signature is written in dark ink and is somewhat stylized.

Rosemarie Ives  
807 Mohegan Trail, Block Island  
16020 NE 98<sup>th</sup> Street, Redmond, WA 98052

## Luly Massaro - No Wind Farm

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**From:** Gil Zanni <giljoyz@live.com>  
**To:** <lmassaro@puc.state.ri.us>  
**Date:** 3/16/2010 9:57 AM  
**Subject:** No Wind Farm

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Do to the HIGH unemployment rate and the HIGH foreclosure rate, we the people are struggling just to put food on our tables. We believe it is the wrong time to be increasing electric rates. At this time we should put the green energy wind farm on hold until the Rhode Island economy gets back on track.

Gilbert Zanni  
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Johnston R.I.  
751-6638

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