

**Proposed statement to be approved by the Town Council to be presented at the Public Hearing of the PUC to be held on, Island Tuesday, January 5, 2010 in Doc. NO: 4111**

The Town of New Shoreham has always been actively involved in energy issues on Island, from both a cost and environmental standpoint since our power source is the diesel generating plant on Island owned by BIPCO. Besides the Council and Town Manager's monitoring of energy, we also have an energy task force which allows us to keep a continual attention on costs, environmental impacts and reliability of energy services. When the Council learned of the legislation seeking to expand the supply of renewable energy in Rhode Island by building a wind farm just off the coast of Block Island we were interested in assessing the opportunities for, and risks to the island. From inception, we have followed the legislation and it's resultant regulatory process closely. As the project developed we have maintained an openness to various development possibilities and welcomed informational meetings and presentations on the island. From the Town's viewpoint, we see a broad diversity of opinion concerning this project, but it would be fair to say that a majority of island residents believe it could benefit New Shoreham as well as other communities in Rhode Island. This benefit is, of course, fully dependent on:

1. The final terms of the wind farm;
2. The proposed cable from the wind farm to the island and from the island to the mainland; and
3. The development and management of the power supply and local facilities on Block Island.

We would like to address each these aspects of the project.

At this point, we note that the major participants, -Deepwater Wind Co. and National Grid Co (Narragansett Electric) - have reached commercially agreeable terms for the output of the wind farm through a Purchase Power Agreement ("PPA"). Our own review of their experts' reports and testimony gives us confidence that the wind project as now conceived is commercially viable and can provide the benefits of renewable power to Rhode Island.

As part of the project, the wind power will be delivered to a point on Block island and transmitted to mainland Rhode island. From the experts' testimony to date, we note a great deal of precision in pricing and design of the wind farm but not of the cable. While this is understandable in that a viable wind project must exist for other aspects of the project to proceed, we find it premature to make a final determination on the cable in this particular Docket, or at least this particular phase of Docket 4111. As presented by the experts, the cable sizing, routing, design and cost are either preliminary or not yet determined. Consequently, we request that the Commission defer any specific review or approval for the cable project until the PPA has been acted upon and the specifications for the cable are firmly established.

Lastly, at such point that the cable project is ready for regulatory review, the Town of New Shoreham will have several associated issues, for example, new power supply, on island generation back-up requirements and local distribution enhancement. Thus, we request the Commission re-affirm its prior ruling that these issues be evaluated within a fully integrated resource plan ("IRP").

In summary, the Town of New Shoreham offers its support and cooperation to continuing the development of the wind farm off its shore; it believes that the cable project is still in preliminary planning and any evaluations or approval of the cable project or its associated procedure rate-making is premature; and lastly, when the cable is ready for review, the Commission consider all of the associated utility issues affecting Block Island in the context of an IRP.

Thank you for your time and attention.

Docket 4111  
Sponsor: Public  
Exhibit: 1  
Date: 1/5/10

CPW