STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-1: What federal and state permits would be required in order to decommission the Block Island Wind Farm?

Response: As part of Deepwater Wind's permit applications, Deepwater Wind will develop a project specific decommissioning plan that addresses the wind turbines and all associated facilities – onshore and offshore. The plan will include anticipated decommissioning methodology and associated impacts. The decommissioning plan will be prepared to meet the requirements of the US Army Corps of Engineers, the Rhode Island Coastal Resources Management Council and other jurisdictional agencies and will be subject to NEPA review. Prior to decommissioning, Deepwater Wind will, in coordination with appropriate agencies, review the plan to determine the appropriateness of the proposed action.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-2: What does decommissioning the project encompass in terms of the structures and foundations of the Block Island Wind Farm?

Response: Decommissioning will, in effect, be similar to construction in reverse. Vessels will be deployed and the turbines will be removed from the platform. Then the platform itself will be removed.

Although there is little real-world experience with the decommissioning of offshore wind farms, the offshore oil and gas industry has a long history of decommissioning offshore structures. The process of decommissioning the wind turbine generator and tower is identical to what is done for land-based wind farms, which is now routine.

One of the advantages of the jacket foundation is that it can be lifted off of the ocean floor and reused elsewhere - as is routinely done in the offshore oil and gas business. Furthermore, there is also the potential that jacket foundations can act as artificial reefs - the most recent study of the environmental impacts of off-shore wind farms says that foundations can have "marine conservation and biodiversity benefits." After twenty years of fostering marine habitats in and around these structures, the jurisdictional agencies may indicate a preference for a decommissioning process that minimizes disruption to marine environments or that fosters further habitat development. This may includes options such as cutting the jacket structure off at an appropriate level below the sea level, or repositioning a lifted jacket on the ocean floor to keep established habitats intact. In all cases, Deepwater Wind anticipates that there would be no visible structure above sea level following decommissioning.

In any event, Deepwater Wind will work with the appropriate jurisdictional agencies to develop a project-specific decommissioning plan, to which Deepwater Wind will adhere.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-3: Please provide a detailed explanation of the derivation of $10,000,000 of decommissioning costs as identified in the response to COMM 1-1 to Deepwater.

Response: Deepwater Wind will be responsible for the decommissioning of the facility. In recognition of that obligation, Deepwater Wind allocated $10,000,000 in the last year of the PPA to pay for decommissioning. This was an estimate of required costs net of scrap or salvage value of the jackets and turbine components, which are likely to offset a portion of the decommissioning costs.

Please note that the costs to decommission the facility are borne by Deepwater Wind. Ratepayers are not responsible for the costs to decommission.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-4: What analytical tool / mathematical formula can be used to estimate the expected decommissioning cost of the project in any given future year?

Response: Decommissioning involves many of the same (or similar) activities as construction. Accordingly, the same budgeting tools that are used to estimate construction costs will be used to estimate decommissioning costs. The costs to decommission will consist largely of vessel costs to remove the wind turbine generator, tower and platform.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-5: The response to COMM 1-2 states that the new PPA does not allow DWW to pass the cost of decommissioning to NGrid or its ratepayers. What then, will be the source of decommissioning funds?

Response: The cost of decommissioning the facility is a risk that has been assumed by Deepwater Wind. As is the case with other operating and maintenance expenses of the facility, the revenues from the operation of the facility will be used to fund decommissioning costs. Further, please see response to Comm. 5-3.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-6: The response to COMM 1-2 states that the risk of decommissioning will be borne by Deepwater Wind. Please identify the specific legal entity that will bear this risk. Please also identify what assets will be on the books of the entity to cover any decommissioning cost.

Response: The legal entity that will be responsible for decommissioning will be the owner of the facility – Deepwater Wind Block Island, LLC. The assets on Deepwater Wind Block Island, LLC's books will include the Block Island Wind Farm.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-7: What amount is expected to be paid to the State of Rhode Island for use of submerged State lands?

Response: Deepwater Wind believes that potential payments to the State for the use of submerged lands will be determined during the CRMC permitting process. Deepwater Wind has already paid $3.2 million to the State to help defray the State's cost of the SAMP.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-8: Does the project cost include all costs incurred to date including reimbursement to the State for the cost of the SAMP?

Response: Deepwater Wind has paid $3.2 million to the State to help defray the State's cost of the SAMP. Deepwater Wind has not included the contribution to SAMP funding in the development costs of the Block Island Wind Farm. The Base Amount does not include this amount or other costs of the SAMP.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-9: The DOE rejection letter provided in the response to COMM 1-3 indicates that one of the reasons for rejection was lack of secured equity commitments. Please explain why DWW does not have secured equity commitments and how, including a timeline, DWW will secure equity commitments.

Response: The Deepwater Wind ownership structure is widely recognized and accepted in the marketplace. In fact, it is the same ownership structure that is employed by at least two projects funded by DOE. A funding support letter was submitted with the DOE Application from a large and well-capitalized company. The letter expressed a commitment to fund provided that the Project made economic sense.

It is premature to commit, unconditionally, to fund the construction of the project at this stage of the development of the project. The necessary construction capital will be raised at the financial closing of the Project, which will occur prior to the commencement of construction. Deepwater Wind will draw on the extensive project finance experience of its management team, investor group and Board of Managers, all of whom are experienced in raising capital for well-developed projects.

We believe that the lack of a firm revenue stream (the power purchase agreement was at the time pending before the Commission in Docket 4111) also factored into the DOE's consideration of the Deepwater Wind application.

Additionally, First Wind used a similar commitment in its loan guarantee application, which was received successfully and closed on July 27, 2010. This First Wind project is the first wind generation project to receive a loan guarantee under the program and only the second loan guarantee to be closed.

Prepared by: William Moore

STATE OF RHODE ISLAND PUBLIC UTILITIES COMMISSION
DOCKET No. 4185
Deepwater Wind Block Island, LLC
Response To
Rhode Island Public Utility Commission's Data Requests
SET 5

Comm. 5-10: What is the anticipated voltage that will be used to:

a. Transmit power from the Block Island Wind Farm to Block Island?
b. Transmit power to/from Block Island and the mainland?

Response:

a. 34.5KV
b. 34.5KV

Prepared by: William Moore