

For the PUC meeting, July 22, 2010

Welcome back to Block Island. We appreciate the enormous amount of time you have and will contribute consideration of the Block Island Project.

My name is Peter B. Baute. I am a member of the Town Council, but these comments are from me as a member of the community. I have a few brief observations to make on the potential economic effects of this project.

Block Island is a living, breathing, working, year round community for which electric utility charges, averaging 3X comparable mainland bills, have a significant impact. For the majority of our residents, paying \$70-\$100 less twelve months/year for electricity means having that much more disposable income. For our town government, that means having at least \$120,000 that we can allocate to other important, underfunded parts of our budget, like basic maintenance. Overall, according to the very conservative estimate provided by Barbara Macmullan, this project will save the town and its citizens over \$1,000,000 in electricity costs.

Some will suggest that this project is some kind of subsidy for BI, paid for by the rest of the state. In Chapter 6 of the SAMP report is a section on tourism expenditures. On Block Island in 2007, tourists are said to have spent \$259,000,000. Many of those dollars, paid in sales tax on beverages and meals, as well as room tax, are funneled right back to state government--I estimate that number to be at least \$12 to 14 million. The Town of New Shoreham will get back less than \$900,000 in state aid in fiscal 2011. TNS is in fact subsidizing the State.

Will there be a deleterious effect on tourism because of this project? This has not been the experience in the case of wind farms in Denmark or elsewhere in Europe.

What about property values? I refer you to the recent Berkeley National Laboratory report--7500 property sales--carefully analyzed--no effect.

Finally, I would like to touch on the macroeconomic, and, yes, environmental aspects. We have watched 95 days of drama surrounding the oil spill in the gulf. We saw the mining disaster in West Virginia, and we continue to be held hostage by the oil interests in the Middle East and special interests, right here at home. The Block Island Project is part of the beginning of this country's weaning from its dependence on fossil fuels.

Let's get it going.