



LEWES: Commission now says proposed wind farm is too expensive

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Calling a proposed wind farm too costly to ratepayers, the Public Service Commission said in a report that the plan, in its current form, is not in the public interest.

The PSC staff report, released Monday, said the proposal by Bluewater Wind is very different from the plan the firm submitted at first, and indicated that negotiations between Bluewater and Delmarva Power would lead to highest costs, to be borne by the which ratepayers.

Bluewater wants to build 150 turbines off Rehoboth Beach.

The PSC staff's 91-page report was critical of Bluewater's intention to pass along to increases in the cost of commodities such as steel and fuel to Delmarva, pointing out that the terms would allow the price to Delmarva to go up, but not down.

"The consequence of the changes in Bluewater's project is a drastic increase in the price impact" for Delmarva's residential ratepayers, the PSC staff wrote. The first proposal would have cost ratepayers \$6.23 more per megawatt hour for wind power, but the more recent terms and conditions increased that price to \$11.71 more per megawatt hour, the staff wrote.

However, the report said that factors such as hikes in the price of commodities and a delay in construction could push the increased price per megawatt hour above \$55. That represents a \$1.7 billion increase over the original Bluewater bid, the staff wrote.

"After an informed and deliberative review ... staff cannot recommend that the state agencies direct power purchase agreements based on any of the long-term generation proposals, including the backup arrangements," the report said. There are plans to back up the wind farm with a natural gas plant.

"Although staff would like to be part of the effort to pioneer offshore wind power to take control of Delaware's energy future, such a recommendation is - at this time - not in the public interest and is not consistent with the underlying principles of the Electric Utility Retail Customer Supply Act of 2006," the report said.

Bluewater spokesman Jim Lanard said the report left open the possibility that the company could submit a revised proposal, adding that the statement indicates the PSC staff thinks there is a place for Bluewater and its project.

"We're disappointed with this report, but we appreciate the PSC staff's offer to continue the dialogue," he said.