

## Del. puts wind power deal on hold

### Citing cost concerns, lawmakers block vote

By AARON NATHANS and JEFF MONTGOMERY, The News Journal  
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DOVER -- State lawmakers have blocked an offshore wind power contract, forcing a deadlock among four state agencies and relegating the project to an uncertain fate.

The Public Service Commission and three other state agencies were expected to vote on the contract Tuesday, ending a yearlong process initiated after lawmakers ordered them to explore ways to stabilize energy prices. After ruling out alternatives, regulators earlier this year asked Bluewater Wind LLC and Delmarva Power to negotiate a contract.

But the very lawmakers who orchestrated the negotiations shut them down, at least temporarily.

House Speaker Terry Spence, R-Stratford, said he was concerned about the cost of the project, \$1 billion to construct 150 turbines off the coast of Rehoboth Beach.

"I have a feeling, in talking with other elected officials, that the possibility of a huge expense down the road, long-term, was one of the reasons why there was some hesitation, and it's probably why it's been tabled," Spence said.

He hoped the matter could be resolved in the next 30-60 days, he said. "I think everyone wants to step back and look at everything, and see if there's additional information that we may be able to come up with to make a solid decision on what we should do."

Before Tuesday's meeting, the heads of the four agencies in charge of voting on the contract met privately but were unable to agree on how to spread the cost for the wind power. One no vote would kill the project. Controller General Russ Larson, a voting member who answers to legislative leaders, was instructed to spread the costs statewide, beyond Delmarva Power [customers](#).

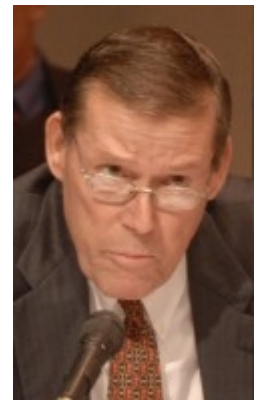
But the other agency heads -- from the Public Service Commission, Management and Budget, and Natural Resources and Environmental Control -- would not agree to his conditions, which would have required legislative intervention, a major hurdle. The agency heads then met publicly with the Public Service Commission and voted to table the proposal. They pledged to keep talking but are under no obligation to bring the proposal back.



A large crowd turned out at Wesley College in Dover expecting a vote on the Bluewater Wind contract proposal, but the vote was tabled five minutes into the meeting.

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DNREC Secretary John Hughes said he would like to see a resolution by spring.

"This reflects there are significant issues with this proposal that still need to be addressed," Delmarva spokesman Bill Yingling said. "We're willing to work with all the parties involved to reach the best solution for our customers."

Jim Lanard, spokesman for [developer](#) Bluewater Wind, said his group is ready to begin discussions with legislative leaders in an effort to forge an agreement.

### 'The old boys' network'

After Tuesday's meeting at Wesley College, about 30 frazzled environmental activists met to discuss alternatives. Some said they were ready to begin a wider campaign to rally support.

Betty Deacon, who retired to Lewes last year, called it a sad day for [Delaware](#).

"Since I've lived here, I've learned more and more about the old boys' network," said Deacon, who spent nine years as state director for Sen. Barbara Mikulski, D-Md. "Two or three or four people control the state Legislature. I think that's appalling."

A "yes" vote Tuesday by all four agencies would have required Delmarva to sign a 25-year contract to buy wind power from Bluewater. That contract would have allowed Bluewater to start the permitting process for the wind farm.

The proposed contract would have applied only to Delmarva residential and small-business customers. A Public Service Commission consultant identified the average monthly price increase to a residential customer as about \$6.50. One alternative proposal would have spread the costs to all Delmarva customers, including big [businesses](#), which would have cut the monthly increase to \$3.37. Other estimates of the cost, including those from a consultant hired by Delmarva, put it as high as \$21 to \$34 a month.

But it was a second alternative that caused the biggest dissent among the [voting](#) agencies. Larson said lawmakers wanted to explore having all Delaware electric users, including customers of the state's smaller utilities, pay for the wind power.

This would have cut the average monthly increase to \$2.24, according to PSC analysts, but would have required legislative approval, which observers said would have been difficult. Opponents of the wind farm occupy key posts in the Legislature.

"Admittedly, I probably had more issues than everybody else, but everyone had issues," Larson said.

### Questions remain

Public interest in the project has been overwhelming, particularly in Sussex County, he said. But he noted that a large number of those southern Delaware customers did not use Delmarva. He was referring to the Delaware Electric Cooperative, a small utility not included in the Delmarva contract.

Rep. Gregory F. Lavelle, R-Sharples, said there were still "a lot of unanswered questions. It's a tremendous risk that really the Delmarva customer base is shouldering for the benefit of the entire state."

Senate President Pro Tem Thurman G. Adams Jr., D-Bridgeville, said many questions about the project remain unanswered. He said the General Assembly needs to review and decide on the issue.

"The monkey's on our back to go forward, if we're going to do something," Adams said.

Another voting member, Jennifer Davis of the [Office](#) of Management and Budget, also wanted to give more thought to spreading the costs statewide, said Bert Scoglietti, the office's director of policy and external affairs.

None of the four voting groups was prepared to kill the project, said DNREC Secretary John Hughes, but none wants to see the issue drag on indefinitely. He said he'd like to see a [resolution](#) by spring.

"Nobody wants to see Bluewater subjected to death by a thousand cuts," said Hughes, a project supporter. "In the near term, now through June, I expect the issue will be debated in the Legislature to some degree. I'd be surprised if we got through the legislative session without both sides lobbying."

PSC Chairwoman Arnetta McRae could not be reached for comment.

Larson said discussions would probably pause until the legislative session begins next month.

Lanard, of Bluewater, called it "a temporary halt to a march to the finish line. Consider it a timeout, at the two-minute warning, and we're about to go into the endgame here. We are confident we can get this project across the goal line, but we need to huddle with the key legislators to help us understand what modifications they would like to our proposal."

The yearlong discussion about the wind farm has given rise to a grass-roots environmental movement in Delaware. And after the meeting, those activists converged in private to determine their next steps.

Tom Noyes, whose Tommywonk blog is widely read among Delaware environmentalists, expressed optimism the issues could be worked out.

"We've got the facts on our side, we've got the law on our side, we've got public sentiment on our side. Now we just have to get talking to our legislators," Noyes said.

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## WHAT HAPPENED?

Four state agencies were unable to reach agreement on a proposal to direct Delmarva Power to sign a 25-year contract to buy wind power from Bluewater Wind.

## WHAT'S NEXT?

Informal discussions are expected to take place between Bluewater and the legislative leaders who blocked the agreement, to try to forge a compromise.



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**Posted by: Dana Garrett- Wed Dec 19, 2007 8:24 am**

The DE legislators who are punting on this issue are doing it for one reason and one reason only: they are shilling for Delmarva Power.

These legislators know perfectly well that if the project fails (and there is no reason to believe it will) that it will cost neither Delmarva Power nor Delaware tax payers one thin dime. That's in the proposed contract. The loss will be carried by Blue Water wind alone.

These legislators are blowing smoke for the sake of Delmarva Power and Delaware's citizens will be the loser.

**Posted by: willie- Wed Dec 19, 2007 8:22 am**

Here we go again! Let the soap opera continue!

**Posted by: YKnot- Wed Dec 19, 2007 8:09 am**

And why were electric utilities in Delaware de-regulated again? Oh yea, to increase competition therefore decrease consumer rates.....RIGHT!

**Posted by: PK1- Wed Dec 19, 2007 7:35 am**

Has anybody looked into geothermal or massive solar power? The solar power could be done like what is being done in California where the state is helping people put solar on their roofs and paying for it over 20 years as part of their property taxes. The excess energy would be fed into the grid. But I think geothermal may be a better ideal. 😊