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Business

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Delmarva pursues onshore wind deal

Utility talking to six bidders

By AARON NATHANS
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Delmarva Power says it hopes to sign long-term contracts with six developers of new land-based wind farms.

But **Delmarva** officials declined to publicly release the bids, citing competitive confidentiality.

Delmarva is trying to stop Delaware lawmakers from ordering the utility to sign a 25-year contract to buy offshore wind power from Bluewater Wind. Offshore wind power is too expensive, utility officials say.

On Wednesday, **Delmarva** President Gary Stockbridge said **Delmarva**, in conjunction with the Delaware Electric Cooperative, has decided to negotiate with six bidders with wind farm projects in Pennsylvania, Maryland and Illinois, with the intention of signing 15- to 20-year contracts.

That's not as long as the proposed Bluewater contract, which would last 25 years.

But Stockbridge said 15-20 years is a reasonable term to lock in a price for a land-based wind farm before the turbines need to be replaced.

Delmarva can save each typical residential customer \$240 a year by choosing land-based wind instead of Bluewater's offshore power, Stockbridge said.

The costs of the onshore wind power would be spread out among all **Delmarva** customers, he said.

"We're getting the benefits immediately," said Stockbridge, referring to the longer build-out period of the Bluewater project.

Bluewater spokesman Jim Lanard said under the utility's proposal, it would be taking much less wind power than Bluewater would provide.

The Bluewater contract would be for roughly 1.2 million megawatt hours of wind electricity per year.

The land-based contracts would provide **Delmarva** customers with 837,000 megawatt hours of electricity, the utility said.

"We've always said Bluewater's output is more than what **Delmarva** needs to serve its customers," said **Delmarva** spokeswoman Bridget Shelton.

Delmarva officials point out that the Delaware Electric Cooperative would buy an additional 432,000 megawatt hours annually. Both utilities would also buy the renewable energy credits associated with the wind farms.

The **Delmarva** plans rely on long-range transmission lines, which don't improve reliability on the peninsula like the Bluewater project would, Lanard said.

There are power losses in the transmission process, Lanard said. Once the shorter land-based contracts expire, the cost to replace them could be much higher, he said.

Bluewater wants to build its turbines off the coast of Rehoboth Beach. It would be among the first wind farms off the nation's coast.

The state House of Representatives has directed **Delmarva** to sign a 25-year contract with Bluewater, but **Delmarva** has been fighting the contract. Senators are considering the contract, and momentum in the chamber has been building in Bluewater's favor.

Stockbridge said an unbiased observer selected by the General Assembly can review the bids after signing a confidentiality agreement, and report an opinion on the bids.

Delmarva officials hope to provide more information to the public at the end of the month, Stockbridge said.

The Legislative session ends June 30.