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Renewable energy for Delaware? Better ways can be found

Posted Saturday, February 16, 2008

DELAWARE VOICE

Fifty million dollars to \$70 million per year for 25 years --- well over a billion dollars -- this is what is at stake in this critical issue for our customers, and unfortunately only our customers.

Much has been said lately about the need to move toward renewable energy, such as solar and wind power, and how best to do so.

Our obligation to our customers is clear, and over the past few years I have heard it repeatedly up and down the Peninsula: We need to increase our use of renewable energy and keep the rates low.

In 2007 we stood up in support of some of the most aggressive renewable goals in the state and across the country. Today we are standing up and fighting to keep rates low.

There is only one reason to rush into a 25-year contract for \$5.6 billion that will not even start for five years, a fear that the alternatives will present a far more attractive proposal.

Since the state set these aggressive goals, only a single renewable solution has been explored: the Bluewater Wind offshore proposal.

Locking into one alternative for 25 years before looking at other renewable options is neglecting one of our fundamental obligations to our customers.

Currently we are aggressively seeking proposals from more than 20 wind energy [developers](#) in this region. Just this week we sent out the requests for proposals.

Based on research by the state, we expect these bids to result in savings of over \$50 million each year for our Delaware customers, when compared to the existing 25-year offshore proposal. That's more than \$1.25 billion dollars over the life of the contract.

These savings would go directly to our customers and into the Delaware economy and provide far more benefits than any pledge by Bluewater Wind. I hope all parties can be patient as we seek pricing proposals by mid-March that achieve our anticipated savings.

By saving our customers this \$50 million, we would avoid what would essentially be a 25-year tax upon our customers and our customers only.

If the State wants to promote offshore wind, there are better ways.

The state of New Jersey has taken an alternate approach by providing incentives to offshore wind and requiring that developers provide their own financing, without mandatory long-term contracts.

This approach protects their consumers, and is far less controversial than in Delaware. New Jersey is moving forward with a process that has widespread support, including that of Bluewater Wind and our affiliate Atlantic City Electric.

In the end, despite higher costs, if Delaware believes it is best to move ahead with this 25-year contract with Bluewater Wind, then we ask leaders in the State to support a fair process.

Moving ahead on a state-wide basis where all the benefits and costs are shared across all residents and businesses in Delaware is a direction we would support.

We need to secure more renewable energy for our customers, and we need to do so in a way that minimizes the impact to rates.

If you support renewable energy at the least cost, we ask that you let those who represent you in Dover know how you feel. In the meantime we are doing all we can to bring forward contracts that provide all the benefits of renewable energy at significantly less cost.

Gary Stockbridge is president of Delmarva Power Region.