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March 4, 2021

The Honorable David A. Bennett, Chair
House Committee on Environment and Natural Resources
State House
Providence, RI 02903

Re: Testimony in Support of H-5357

Dear Chair Bennett and Members of the Committee:

On behalf of the Block Island Utility District d/b/a Block Island Power Company, I offer the following written testimony for consideration. The Block Island Utility District and its members strongly support passage of H-5357.

This bill amends the legislation that created the Town of New Shoreham Project (§39-26.1-7). The Town of New Shoreham Act was drafted in 2008, passed in 2009 and amended in 2010. Through this legislation, the General Assembly found it was in the public interest to construct the Block Island Wind Farm as the first offshore wind farm in America.

The stated policy goals of the Town of New Shoreham Act were to:

- (1) provide Block Island with an electrical connection to the mainland via an undersea transmission cable,
- (2) reduce adverse environmental and health impacts of traditional fossil fuel energy sources, and
- (3) promote the development of renewable energy sources.

The purpose of this bill is to clarify that it was the intention of the General Assembly that all costs associated with the Town of New Shoreham Project be shared by National Grid's Rhode Island customers through transmission rates. (See § 39-26.1-7(f)) This included costs related to:

- (1) a small-scale offshore wind farm off the coast of Block Island,
- (2) an undersea transmission cable from Block Island to the mainland, and
- (3) facilities related to the wind farm and transmission cable.

Regrettably, it is National Grid's position that certain costs related to the Town of New Shoreham Project could be excluded from the legislative requirement that all costs be shared by all Rhode Island customers. National Grid is instead charging the Block Island Utility District and its members millions of dollars for facilities necessary to meet the policy goals of the Town of New Shoreham Act, including providing Block Island with an electrical connection to the mainland and reducing adverse environmental and health impacts of fossil fuel energy sources.

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The General Assembly anticipated that Block Island could receive a benefit from the interconnection to the mainland, so the Town of New Shoreham Act required that transmission rates for Block Island customers were higher than for mainland customers (based on a ratio related to peak demand). In other words, the General Assembly (and the public) expected that all costs for the project would be shared by all Rhode Island customers under the Act, so the General Assembly structured transmission rates to ensure that Block Islanders paid their “fair share.” This provision would not be altered by H-5357.

The sole objective of this bill is to make clear that the General Assembly intended that all costs associated with the Town of New Shoreham Project – including the millions currently charged to the Block Island Utility District and its members – were to be shared by all of National Grid’s Rhode Island customers through transmission rates.

I urge you to support the passage of H-5357.

Sincerely,

A handwritten signature in cursive script that reads "Leah J. Donaldson".

Leah J. Donaldson