

April 1, 2025

The Honorable Joseph J. Solomon, Jr.
Chairman, House Corporations Committee
Rhode Island State House
Providence, Rhode Island 02908

RE: H-5816 – Relating to Public Utilities & Carriers – Offshore Wind Procurement

Dear Chairman Solomon:

On behalf of Rhode Island Energy, I write in **opposition** to H-5816, which directs our Company to establish a schedule for offshore wind procurements and includes certain requirements that could *increase* contract costs ultimately recovered from electric distribution customers. Moreover, the electric distribution company is *already* authorized to conduct competitive procurements for offshore wind resources elsewhere within the same chapter of the General Laws. While the legislation may be well intended, we respectfully urge the Committee to hold H-5816.

Rhode Island Energy provides essential energy services to more than 770,000 customers across the state through the delivery of electricity and natural gas. Our team of 1,400 union and non-union employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future in a safe, reliable, and affordable manner.

Importantly, we note that the Company is already engaged in prolonged contract negotiations for 200 MW of newly developed offshore wind capacity. **The competitive and historic multi-state solicitation that led to this selection was issued voluntarily by Rhode Island Energy using existing statutory authority** contained in RIGL §39-31, et. seq.

The bill's requirement of a schedule for offshore wind solicitations and mandate that this schedule "ensure" long-term contracts for 1,200 MW of offshore wind by March 30, 2029 (page 1, lines 7-14) is simply not reflective of current market conditions. On January 20, 2025, the Trump Administration issued an order¹ to relevant federal agencies that withdrew "from disposition for wind energy leasing all areas within the Offshore Continental Shelf (OCS)." According to the White House, "(t)his withdrawal temporarily prevents consideration of any area in the OCS for any new or renewed wind energy leasing for the purposes of generation of electricity or any other such use derived from the use of wind." It also directs federal agencies to stop the issuance of "new or renewed approvals, rights of way, permits, leases, or loans for onshore or offshore wind projects pending the completion of a comprehensive assessment and review of Federal wind leasing and permitting practices." In recent weeks, we have even seen the Trump Administration "remand" permits already issued for offshore wind projects. It is difficult to see how any competitive solicitations under these conditions could be successful in attracting viable projects.

¹ Temporary Withdrawal of All Areas on the Outer Continental Shelf from Offshore Wind Leasing and Review of the Federal Government's Leasing and Permitting Practices for Wind Projects, January 20, 2025. Available at: <https://www.whitehouse.gov/presidential-actions/2025/01/temporary-withdrawal-of-all-areas-on-the-outer-continental-shelf-from-offshore-wind-leasing-and-review-of-the-federal-governments-leasing-and-permitting-practices-for-wind-projects/>.

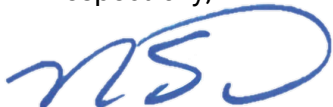
Even if it were possible to attract competitive bids from offshore wind developers over the next several years, other mandates in H-5816 would almost certainly inflate project development costs and, therefore, resulting contract prices ultimately recovered from Rhode Island electric customers. We saw the impact of such requirements in a previous solicitation for offshore wind mandated by law (conducted pursuant to the strikethrough language found on page 1, lines 4-6). H-5816 requires the electric distribution company to prioritize projects with certain employment and contracting practices, community benefits, financial contributions and technical assistance, hiring practices, and other potential benefits to society (page 2, lines 21-34 through page 3, lines 1-11). These goals are laudable – but they may also come at a cost. In our experience, Rhode Island is best positioned when procurements for utility-scale renewables are flexible, allowing developers to balance the potential costs and benefits associated with project development and construction, and put forward the most competitive and attractive pricing they can.

Lastly, should this bill advance, we respectfully request that the sentence beginning on page 2, lines 19-20 be struck. That line reads, “This information shall be incorporated in the procurement’s evaluation and scoring criteria.” The items specified in this existing section of statute are indeed important to Rhode Island and valuable as *bid requirements*, but not as evaluation and scoring criteria. For example, the environmental and fisheries mitigation plan and the site layout plan are elements typically included and evaluated during the federal permitting process. It is difficult to differentiate bidders based on these elements, but evaluating the overall status of their permits and the project’s environmental impacts are a better framework to score bids. In addition, given the long project development timelines for offshore wind, a small proportion of the project components and services are selected and procured at the time of bid submittal. The identification of specific vendors, project labor agreements, and diversity, equity, and inclusion plans are helpful to include as a bid requirement, but since developers do not typically have firm commitments at the time of the bid, it is difficult to differentiate and score bidders based on these criteria.

In closing, Rhode Island Energy has demonstrated that it is a company committed to helping the state achieve its offshore wind policy goals using authority that already exists in the General Laws. We continue to play a lead role in the first-of-its-kind, multi-state procurement effort (Massachusetts, Connecticut and Rhode Island) that resulted in the largest offshore wind selection in our region’s history. The contracts that resulted from that competitive solicitation are still pending negotiation. Our solicitation was designed to advance state policy while also ensuring sufficient bidding flexibility to attract the most competitive prices we could for our customers. Respectfully, H-5816 could disrupt this important balance and increase renewable costs for Rhode Islanders.

Thank you for your consideration of these comments.

Respectfully,



Nicholas S. Ucci
Director of Government Affairs

CC: The Honorable Members of the House Corporations Committee
The Honorable Arthur Handy, Rhode Island House of Representatives