



MEMORANDUM

TO: State of Rhode Island Public Utilities Commission and Division of Public Utilities and Carriers

FROM: Steven J. King, PE, Managing Director, Quonset Development Corporation

SUBJECT: **Docket No. 22-22-EL – The Narragansett Electric Co. d/b/a Rhode Island Energy’s Request for Proposals for Offshore Wind Energy**

DATE: October 3, 2022

Section 2.3.2 – Other Direct Economic Benefits to the State of Rhode Island

The contents of this Section require the approved project(s) to provide specific and measurable economic benefits to the State of Rhode Island, potentially including specific in-state expenditures during the construction, operation and maintenance phases of the project. To formalize the identified economic benefits, the Section states that:

“Successful bidders will be required to negotiate and execute a contractual commitment with the applicable government entity or entities of the State of Rhode Island (i.e., likely in the form of a Memorandum of Understanding) for any specific commitments to economic benefits (e.g. specific grants or specific commitments to industries) that are included in the proposal but not reflected in agreements at the time of bidding to ensure that the economic benefits are actually obtained and tracked.” (page 23)

The Quonset Development Corporation (“QDC”) urges the Public Utilities Commission (“PUC”) to consider the State’s past experience with the commitments of DWW Rev 1, LLC (“DWW”) for the Revolution Wind project, and to strengthen the legal mechanism that requires Companies to fulfill the commitments outlined in their proposals.

In accordance with the Power Purchase Agreement (“Rev Wind PPA”) between National Grid and DWW, the Rhode Island Executive Office of Commerce (“EOC”) and DWW executed the attached Memorandum of Understanding (the “MOU”) on May 3, 2019. The MOU outlines the specific in-state expenditures that DWW proposed during the procurement process, including \$40 million in port improvements.

While the MOU was executed as required by the Rev Wind PPA, the document lacks a legally binding mechanism to require that DWW fulfill its obligations. The MOU does not describe what will occur if the obligations are not fulfilled as promised, nor does it provide a way to force fulfillment within a timely manner. As a result, it seems that DWW has yet to make available the full \$40 million committed to port improvements.

QDC is a quasi-state agency, responsible for the management and development of the Quonset Business Park, including the state-owned and operated Port of Davisville. The Quonset Business Park will be home to the project's marine and aviation transportation hubs during construction, operations and maintenance, the onshore cable landing site and cable route, the onshore substation, and the interconnection facility. To facilitate this, QDC has been in constant communication with DWW, including representatives from both Orsted Wind Power North America and Eversource Energy, throughout the development phase of the Revolution Wind project. As the operator of the Port and home to several facilities related to the Revolution Wind project, QDC has a significant interest in the allocation of the proposed investment in port improvements.

QDC urges the PUC to consider how best to legally bind Companies to the spending commitments made during the procurement process. If, as outlined in the Request for Proposals, the direct economic benefits proposed by a Company are to be considered during the selection process, there must be a legally binding mechanism to ensure the benefits to the State of Rhode Island are realized within an appropriate timeframe.