

June 15, 2023

Mr. Ronald Gerwatowski  
Chairman, RI PUC  
State House

Dear Mr. Gerwatowski:

As a concerned resident in Portsmouth, Rhode Island in opposition to the proposed SouthCoast Wind cable route up the pristine Sakonnet tidal basin/river and through a Portsmouth residential/recreational area, I am writing to you in response to your Show Cause Hearing on June 12, 2023. (Note: I filed a letter to the PUC on May 18, 2023 with details on the rationale for my opposition which is in the case file.)

**I request that the EFSB stay the process on approval of the cable route until SouthCoast demonstrates that they have a financially viable business. I will continue now with my justification.**

I attended the hearing and appreciated your attention to this matter and asking the right questions to get the answers that we all needed to hear. Mr. Slingsby was candid in his responses which unambiguously leads to the conclusion that SouthCoast Wind is currently not a financially viable entity with its signed PPAs with Massachusetts utility companies. As he clearly explained this is based upon a significant increase in supply chain costs and the cost of capital in the last few years, and a desire for a business entity to achieve its undisclosed profit objectives. Regardless of the timing of when and how they concluded this, Mr. Slingsby was unequivocal that they must terminate the current PPA agreements, pay the penalties, and negotiate new agreements to attract both bank debt financing and investor equity capital. And in his words in response to your question on a scale of 1-10, with 10 certainty of reaching a new agreement, it would be only 6/7. Again, I appreciate his candor.

You and others effectively probed the witnesses on why they needed permits when they haven't yet established financial viability. While it wasn't said exactly this way, the line of questioning leads me to this conclusion. They could then perhaps use a permit as negotiating leverage for new higher priced PPA agreements, since interested states would be able to meet their green policy objectives sooner. And, more importantly, as a carrot to attract the necessary capital for the project. Permits will be considered business assets so I can imagine one of the leading bullets in an offering memorandum being the fact they have secured permits early in the process. As you well know permits, or lack of, impact the risk return equation to determine the cost of capital in any project.

Toward this end, if the PUC Energy Facility Siting Board approves any permits at this time you could be inadvertently playing a role in tipping the scales in a competitive free market to advantage SouthCoast Wind's business objectives. Pursuant to my previous comment above you may in effect be giving them a corporate asset to capitalize on. That should not be a role that the PUC plays in any way.

The only answer is to stay the process on approval of siting until, if and when SouthCoast demonstrates, using their own devices, that they have a financially viable business. The other processes with the CRMC

to evaluate environmental and residential factors and as outlined in my previous letter can and should continue. I ask that you take this position in the best interests of Rhode Island and its residents.

Sincerely,

A handwritten signature in black ink that reads "J. Forgione". The signature is written in a cursive style with a horizontal line at the end.

Joe Forgione  
Portsmouth, RI