



DELAWARE AUDUBON SOCIETY

Chapter of National Audubon
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April 30, 2007

The Honorable Ruth Ann Minner
Governor
State of Delaware
Tatnall Building
William Penn Street, 2nd Fl.
Dover, DE 19901

Dear Governor Minner:

Delaware is at a crossroads. We have a unique opportunity to make a real difference in our efforts to reduce the dramatic impacts that will result from global climate change. On May 8, 2007 the Public Service Commission, along with the State Energy Office, the Office of Management & Budget and the Controller General, will decide on our energy future. Delaware Audubon believes there is only one clear choice and strongly supports the offshore wind energy proposal submitted by Bluewater Wind.

Our organization has long supported energy efficiency and conservation and the use of renewable sources of energy. Given the recent reports issued by the International Panel on Climate Change (IPCC), and the state's involvement in the Regional Greenhouse Gas Initiative (RGGI), the decision on new power generation takes on even greater importance. We offer the following observations and comments:

1. We acknowledge that the RFP/IRP process set forth under House Bill 6, which was enacted in the last legislative session, was complex and at times difficult to follow. Although HB 6 contains some very potentially progressive elements, the bill put the RFP "cart" before the IRP "horse." As a consequence, a tremendous amount of confusion has been created. The Public Service Commission is to be commended for doing a very commendable job in making this process more understandable, rational and workable.
2. The Independent Consultant's Interim Report states that Delmarva Power did not consider the potential shutdown of the two older units at Indian River in the event that NRG's proposed IGCC project was not constructed. Delaware Audubon made this point previously. Contrary to NRG's assertions, we believe this is highly likely, if NRG is to comply with the state's recently enacted multi-pollutant regulation.

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3. As mentioned earlier, the recent fourth assessment reports of the IPCC clearly indicate the need for bold and decisive action. Only one of the three proposed projects, Bluewater Wind's offshore wind power project, is a carbon-free alternative that will put us on the road to addressing the potentially catastrophic impacts resulting from global climate change.
4. The wind energy proposal clearly has the greatest public acceptance as evidenced by a large volume of correspondence sent to the PSC in support of the offshore wind energy project.
5. Surveys conducted by the University of Delaware indicate widespread acceptance of wind energy and suggest that the public is willing to pay more for this alternative. Two independent estimates suggest that the increase in electric utility rates for the wind power project would be in the range of \$5 to \$6 per month. This amounts to very inexpensive insurance when you consider the health and environmental benefits of wind energy over the two fossil fuel alternatives.
6. While we agree with the logic behind the IC's suggestion that Delmarva be directed to conduct a market test to explore an "all-source" or "renewables only" RFP, we believe it would be unfair to the current bidders to do so at this point. We recommend the agencies direct Delmarva to begin negotiations with the only pollution and carbon-free alternative and to enter into a mutually acceptable long-term power purchase agreement. Enough time, money and effort already have been spent on this process. Not moving forward with these negotiations will send a message to the business community that you cannot depend on Delaware to keep its word and see the process through when it solicits proposals.
7. While we support many of the recommendations contained in the Sustainable Energy Utility Task Force report, it should not be considered an alternative to new generation. Clearly, both energy conservation and energy efficiency, along with utility-scale renewable energy projects, will be required to reduce carbon emissions and replace fossil fuel generation.

On behalf of the nearly 1,500 members of Delaware Audubon, we strongly encourage you and other elected officials to support the offshore wind energy proposal. The decisions we make today will be with us for the next fifty years, a critical timeframe for mitigating the most serious impacts of global climate change. We must chose wisely.

Delaware Audubon appreciates the opportunity to share its thoughts with you on this very important issue.

Most sincerely,

\\S\ NICHOLAS A. DIPASQUALE
Nicholas A. DiPasquale
Conservation Chair

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pc: The Honorable John C. Carney, Jr., Lieutenant Governor
The Honorable Thurman Adams, Senate President Pro Tempore
The Honorable Anthony J. DeLuca, Senate Majority Leader
The Honorable Charles L. Copeland, Senate Minority Leader
The Honorable Terry R. Spence, Speaker of the House
The Honorable Richard C. Cathcart, House Majority Leader
The Honorable Robert F. Gilligan, House Minority Leader