

Remarks Before The Delaware Offshore Wind Advisory Committee

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Good Evening,

My name is Stu Widom, and I am Director of Governmental and Regulatory Affairs for Calpine Corporation's East Office, based in Wilmington.

Calpine is an independent power provider with a national portfolio of 80 power plants in operation or under construction, representing approximately 26,000 megawatts of electric generating capacity.

About 95 percent of the electricity generated by Calpine's nationwide fleet is from technologically advanced natural gas-fired power plants. Overall, Calpine utilizes more than 10 percent of all natural gas consumed by the power industry, making us one of the largest consumers of natural gas in the U.S., and the largest among all power generators.

We also have a significant footprint in renewable generation. Calpine is the largest geothermal power producer and the largest operator of combined heat and power facilities in the U.S.

We generate power in 18 states including Delaware, and have the ability to utilize Calpine-owned, Delaware-based, electric generating assets to meet more than half of Delaware's peak summer load electric demand.

We are not a regulated utility receiving a guaranteed return. Rather, we compete against other generators to sell wholesale power into the PJM market or electric grid. Despite our size, Calpine's fleet is the cleanest among the major players in America's independent power generation sector. The economics of supply and demand are fundamental to our business.

Calpine does not believe that the Working Group should advocate for any form of public financial subsidies in pursuit of the development and implementation of Offshore Wind for Delawareans. These would include ratepayer guaranteed power purchase agreements or any financial subsidies offered by the State. Rather, we believe offshore wind technology should be able to continue to advance and compete on its own merits, with any project development, technology, financing or construction risks being born by the project developers and not by the public.

While the development of offshore wind policy goals for Delaware may be well intended, they nevertheless can have a significant, negative impact on the wholesale electricity markets, retail markets, and ultimately the cost that the Delaware consumer will pay.

In summary, Calpine believes that the Working Group should not advocate for any financial subsidies utilizing public resources. We believe that competition yields the best results and relying upon the free market ultimately creates more value and better outcomes for all.

Thank you for the opportunity to be here tonight.