

Offshore Wind Working Group
June 22, 2018

The Working Group is reportedly preparing to submit its final report to the governor. I would suggest a recommendation that Delaware avoid getting involved in *any* offshore wind projects for three reasons (which have been brought up repeatedly during prior meetings of the Working Group):

FIRST, the above-market costs for offshore wind power would be considerable, not to mention that the power would be intermittent and therefore add nothing to grid capacity.

SECOND, the environmental benefits are debatable. And even if one buys into the manmade global warming theory, on-shore wind power or solar power would be considerably cheaper.

THIRD, the envisioned benefits from investing in an emerging technology are speculative. Why should Delawareans be asked to bear the cost of subsidizing such ventures, and who is going to make it up to them if the “bet” turns out to be a losing proposition?

It may be instructive to consider the case that was made for subsidizing the Bloom Energy venture back in 2011. Delaware attracting Bloom Energy for high-tech manufacturing hub, Sen. Tom Carper, press release, 6/10/11. <https://bit.ly/2t8MP5e> In summary:

High-tech manufacturing hub – innovative company that CNN once named “one of the 15 companies that will change the world” – hundreds of high-tech jobs – Bloom fuel cells already being used by the world’s largest companies – supply 30 megawatt power capacity over 21 years at a stable and competitive price – drastically reduce carbon emissions and virtually eliminate harmful airborne pollutants - above-market cost to Delaware residential ratepayers of “less than \$0.70 per month” – laudatory comments of all concerned including Delaware’s governor and the three members of its congressional delegation.

Everyone who counted was in favor of the Bloom Energy incentives package at the time, but in hindsight it is generally perceived as a blunder. Bloom reveals \$157M loss in '17, Karl Baker, News Journal, 6/16/18. <https://bit.ly/2LWyqA3>

Let’s hope the Working Group isn’t about to make a similar mistake.

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