Rhode Island Energy not moving forward on sole bid received in most recent offshore wind solicitation

Bid determined to not fully meet state-mandated requirements; Company will continue to support expansion of offshore wind in Rhode Island.

PROVIDENCE, RI (*July 18, 2023*) – Rhode Island Energy has decided that it will not be moving forward on a long-term power purchase agreement (PPA) with Orsted and Eversource for the companies' joint offshore wind proposal, known as Revolution Wind 2. The decision comes after a thorough, four-month evaluation of the bid, which was completed in consultation with the Rhode Island Office of Energy Resources (OER) and the Division of Public Utilities and Carriers (Division). Rhode Island Energy said the proposal did not meet all the requirements as detailed in the Affordable Clean Energy Security (ACES) Act.

"We recognize some will be disappointed that we didn't choose to move forward on negotiating this PPA, but that doesn't mean we are abandoning our commitment to offshore wind in Rhode Island," said Dave Bonenberger, president of Rhode Island Energy. "In fact, we are already in discussions with state and regional leaders about new opportunities to bring more offshore wind to the state, which we hope to progress in the coming months."

The joint proposal from Orsted and Eversource was the only bid received by Rhode Island Energy in response to its Request for Proposals (RFP) that was issued in October 2022. The RFP looked to solicit an additional 600 to 1,000 MW of offshore wind to help meet the state's clean energy goals. In the next 60 days, the company will provide a comprehensive filing with the Rhode Island Public Utilities Commission detailing its decision. It will provide elements of why the proposal did not meet the ACES requirement "to reduce energy costs" and other factors that scored low in the evaluation. OER and the Division will also file comments, and the bidders will also have an opportunity to respond to those findings.

"The economic development benefits included in the proposal were weighted and valued appropriately by our evaluation team, but ultimately it was determined those features did not outweigh the affordability concerns and other ACES standards," Bonenberger added.

Rhode Island Energy has always maintained that affordability and reliability would be key factors in how the company evaluated responses to the RFP. Higher interest rates, increased costs of capital and supply chain expenses, as well as the uncertainty of federal tax credits, all likely contributed to higher proposed contract costs. Those costs were ultimately deemed too expensive for customers to bear and did not align with existing offshore wind PPAs.

Over the coming weeks, Rhode Island Energy will continue to work with OER, the Division and stakeholders on additional ways to bring more offshore wind opportunities to the state that could offer more affordable pricing. In the meantime, the company began transmission line upgrades this spring to support Orsted and Eversource's original Revolution Wind project. A PPA for that project was signed in 2019, with the project expected to be operational in 2025.

About Rhode Island Energy

Rhode Island Energy provides essential energy services to over 770,000 customers across Rhode Island through the delivery of electricity or natural gas. Our team of more than 1,300 employees is dedicated to helping Rhode Island customers and communities thrive, while supporting the transition to a cleaner energy future. Rhode Island Energy is part of the PPL Corporation (NYSE: PPL) family of companies addressing energy challenges head-on by building smarter, more resilient and more dynamic power grids and advancing sustainable energy solutions. For more information visit www.RIEnergy.com and stay connected on Twitter, Facebook, and Instagram.

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