

Week 9: Decommissioning Details

Many supporters of offshore wind energy remain concerned about decommissioning, and for good reason. Once constructed, the companies, such as Ørsted, British Petroleum, and Shell, will offload the legal and financial risk of the projects by structuring the individual projects as [limited liability companies](#). Once these mostly-foreign energy companies complete the construction and collect 30% of the [costs from US taxpayers](#), they will move on to other construction projects. Entities such as Revolution Wind, LLC, and SouthCoast Wind, LLC, will have no assets other than the turbines themselves. Without other assets, any cost overrides will be transferred to the ratepayers.

As the agency responsible for approving these projects (BOEM) states, the projects will have “[no measurable influence on climate change](#).” Regardless, even if the wind turbines deliver the hoped-for electricity, their output decreases by [4.5% per year](#). Thus, after twenty years, the money generated from the reduced production no longer covers the expense of upkeep. Unfortunately, the extraordinary cost of replacement and the degradation of the structural integrity of the towers prevent wind companies from upgrading to new turbines. Decommissioning becomes the only option.

However, the expense of decommissioning can be astronomical. One study from Europe suggests that removing turbines from the sea can equal [70% of the original installation price](#), although [other studies](#) predict a lower price tag (3-4%). If each turbine costs approximately [\\$50 million](#), and all 1700-2000 turbines planned for the coastal waters of RI are built, the expense of decommissioning could reach anywhere from \$1-70 billion.

Neither the companies themselves, nor BOEM, will reveal how much money each project has set aside for the eventual decommissioning. In fact, [BOEM is changing their policy](#) so the companies need not reserve any bonds for the cost of decommissioning within the first ten years of the projects. This puts tremendous risk on the residents of Rhode Island.

As beneficiaries of the electricity, MA, CT, and NY ratepayers may need to cover a significant portion of the billions of dollars required to remove their share of the 1700-2000 turbines from RI's coastal waters. Without the turbines close to their shores, what incentive will they have to pay? The project developers have assured the residents of these states that they will not see the turbines from their shores. On the Park City website, they advertise the project's, “[silhouette will not be visible from anywhere on the CT shore](#).” Sunrise Wind declares to New Yorkers that the project will be “[At least 30 miles east of Montauk Point, virtually unnoticeable to Long Island residents and beachgoers](#),” and South Fork reassures Long Islanders that their project “[will be out of sight from East Hampton beaches](#),” but will power their homes. These ratepayers will have no incentive to remove the rusting eyesores sited just 12.9 miles from RI's shores.

In addition, the environmental cost might be prohibitive. Unfortunately, BOEM does not require an environmental impact assessment for the decommissioning prior to authorizing the installation. Eventually, they will require such an evaluation, but only after the installation is complete. Thus, a very real possibility exists that the environmental price might exceed the benefits. Will anyone, especially ratepayers not directly affected by the turbines, be willing to pay billions of dollars for decommissioning if the process will result in even more environmental damage? Our politicians have a duty to steward our public assets and think about the future, not just push to install complicated steel towers, embedded in concrete, containing millions of gallons of oils and lubricants in the water, to degrade over time, at all costs, especially when they will have [“no measurable influence on climate change.”](#)

