MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is hereby executed by and between the State of Rhode Island and the Commonwealth of Massachusetts (collectively "the states"), by their respective Governors.

WHEREAS, Rhode Island and Massachusetts are neighboring coastal states and share an interest in securing for their citizens the benefits of preserving, protecting and enhancing the natural resources, traditional uses, and sustainable economic opportunities of coastal North Atlantic ocean waters; and

WHEREAS, Rhode Island and Massachusetts have each taken substantial steps to reduce carbon emissions that contribute to climate change through energy efficiency and renewable energy programs and recognize that offshore wind energy development is necessary to meet each state's statutory obligation to derive a significant percentage of its electric power from renewable sources; and

WHEREAS, Rhode Island and Massachusetts recognize that offshore wind is the region's largest potential source of emissions free energy and has the potential to create a new industry that will generate thousands of clean energy jobs in Rhode Island and Massachusetts; and

WHEREAS, Rhode Island has invested significant resources in the development of a Special Area Management Plan ("SAMP") to identify areas in Rhode Island and proximate federal waters, including areas immediately seaward of Massachusetts territorial waters, potentially suitable for large-scale offshore wind energy development; and

WHEREAS, Rhode Island has entered into a Joint Development Agreement ("JDA") with Deepwater Wind Rhode Island, LLC ("DWW") in which Rhode Island and DWW agree to pursue an offshore wind project in Rhode Island and proximate federal waters:

WHEREAS, Massachusetts has completed an Ocean Management Plan that designates areas in state waters for wind energy development and identifies and establishes an interest in proximate federal waters as potentially suitable for large-scale offshore wind energy development; and

WHEREAS, Rhode Island and Massachusetts have through their respective ocean planning efforts demonstrated a mutual interest in portions of Rhode Island Sound near each state as a viable location for one or more offshore wind energy projects;

WHEREAS, Rhode Island and Massachusetts recognize the benefits of collaborating in the evaluation and potential development of this area of common interest and in sharing the increased economic development and renewable energy benefits resulting from a shared wind source in this area of common interest, as well as the necessary infrastructure upgrades and

environmental review associated with developing individual projects and the offshore wind energy industry as a whole; and

WHEREAS, Rhode Island and Massachusetts seek to work constructively and expeditiously to complete the Mineral Management Service ("MMS") renewable energy leasing process and develop operating wind energy facilities,

NOW THEREFORE, for valuable consideration, the sufficiency and adequacy of which is acknowledged herein, Rhode Island and Massachusetts agree to the following binding, contractual commitments as follows:

1. AREA OF MUTUAL INTEREST

The states agree that the area of mutual interest ("AMI") shall be the area of the waters of Rhode Island Sound as those MMS lease blocks delineated on the schedule attached hereto and reflected on the map also attached hereto.

2. RIGHTS AND OBLIGATIONS

a. **Coordinated Development.** Rhode Island and Massachusetts shall coordinate and collaborate in the permitting and development of offshore wind energy projects in the AMI (but not altering current regulatory processes in place for state waters), including planning, environmental review, permitting, leasing and assessing operational impacts of such projects in the AMI. Massachusetts appoints its Secretary of the Executive Office of Energy and Environmental Affairs, or his designee, as the point of contact. Rhode Island appoints its Executive Director of the Rhode Island Economic Development Corporation, or his designee, as the point of contact.

b. **Role of the SAMP.** The Rhode Island SAMP as adopted by the Rhode Island Coastal Resources Management Council ("CRMC") shall be the governing planning and assessment document for the AMI. The Massachusetts Executive Office of Energy and Environmental Affairs shall be deemed to be a formal stakeholder on equal terms as that of Rhode Island stakeholders in the SAMP process as it affects the AMI through a format to be mutually agreed upon by the states. Rhode Island shall hereafter ensure that the participation of the Massachusetts Executive Office of Energy and Environmental Affairs is incorporated in the SAMP process as it affects the AMI. Rhode Island shall ensure that the Massachusetts Executive Office of Energy and Environmental Affairs shall have access to all SAMP and development project records through the Executive Director of the CRMC, that Rhode Island shall be responsive to inquiries from the Massachusetts Executive Office of Energy and Environmental Affairs, and that the Massachusetts Executive Office of Energy and Environmental Affairs shall have the opportunity to participate in the SAMP process as it affects the AMI, but excluding the pending so-called Block Island Project that is referred to as Phase I of the Project in the JDA. Prior to final regulatory approval by the CRMC of the SAMP, Rhode Island shall ensure that the Massachusetts Executive Office of

Energy and Environmental Affairs has the opportunity to provide comments and shall give due consideration to those comments. The states will cooperate and utilize their best efforts to neither hinder or delay the adoption of the SAMP by the CRMC which is scheduled to occur by October 12, 2010.

c. **Economic Costs and Benefits.** There shall be a fair and equitable allocation of economic costs and benefits resulting from the collaboration of the states pursuant to this Memorandum of Understanding. Economic costs and benefits include, but are not limited to, infrastructure development, jobs associated with the construction and operation of such projects, payments to the states associated with an MMS lease, taxes, payments in lieu of taxes or other costs and revenues to the states, such as direct and indirect infrastructure development, interconnection to the electric power grid, and power purchase agreements. The states shall work collaboratively to develop an economic development study that identifies the costs and benefits of offshore wind development in the AMI and shall share the costs associated with any such study as they may agree upon.

d. **Mutual Assent**. Neither state shall apply for, induce a third party to apply for, or otherwise directly or indirectly support MMS approval of a lease, or any other permit, license, or governmental approval for an offshore wind energy development in the AMI, unless both states support the proposed project, as evidenced in a writing signed by each state's respective governors; provided, however, that in the event DWW shall apply for or otherwise seek a lease, permit, license or governmental approval from the United States of America or any agency thereof for an offshore wind energy development in the AMI that is in conformance with the SAMP and the terms of this agreement, including but not limited to paragraph (c) above, Massachusetts shall not object, interfere, hinder or delay any such application.

e. **Massachusetts Stakeholder Participation.** Rhode Island shall immediately take all necessary and feasible actions to incorporate the participation of the Massachusetts Executive Office of Energy and Environmental Affairs as a stakeholder in the SAMP process. Rhode Island shall assist the Massachusetts Executive Office of Energy and Environmental Affairs in informing and taking comment from Massachusetts constituents with respect to the SAMP and the activities within the AMI. This public outreach shall include, but need not be limited to, not less than one presentation(s) to the MMS – Massachusetts Task Force, not less than two public meetings, one of which shall be on Martha's Vineyard and one of which shall be in a town adjacent to Buzzard's Bay, and a public comment period for written comments with a deadline not earlier than September 24, 2010, all of which shall be duly noticed to the public to ensure thorough public participation. Massachusetts commits to assist Rhode Island with SAMP outreach in Massachusetts so that the CRMC may adopt the SAMP by October 12, 2010.

f. **Development Outside the AMI.** Massachusetts recognizes Rhode Island's exclusive development interest in state and federal waters of Rhode Island Sound and the North Atlantic Ocean outside and west of the AMI. Rhode Island recognizes Massachusetts's exclusive development interest in state and federal waters of Rhode Island Sound and the North Atlantic Ocean outside, east and south of the most easterly boundary of the AMI as represented on the attached map. However, the states agree that they will coordinate with each other regarding development outside the AMI in both state and federal waters as may be necessary and appropriate to identify potential issues of mutual concern early in the development process. The states commit to address such issues in good faith and prior to any formal regulatory notice or action.

3. RELATIONSHIP TO JDA

The provisions in this Memorandum of Understanding shall be the guiding principles pursuant to which the states shall cooperate and collaborate toward mutually beneficial economic development resulting from offshore wind energy development in the AMI. To the extent that the provisions of the JDA , including but not limited to Sections VI, VIII and IX A. thereof, constrain the states from mutually beneficial economic development in accordance with this Memorandum of Understanding, the states shall reconcile the conflicting provisions of the JDA with the terms of this Memorandum of Understanding. Rhode Island shall be responsible for obtaining any amendments or modifications to the JDA in order to comply with the terms of this Section 3.

4. DISPUTE RESOLUTION

In the event of a dispute arising under this MOU, the parties shall meet and confer in good faith and take all feasible efforts to resolve the dispute. If the parties are unable to resolve the dispute within sixty days, they shall refer the matter to arbitration. Each state shall appoint one arbitrator, and the two selected arbitrators shall appoint a third arbitrator. The states shall each pay half of the arbitrators' fees, and shall otherwise be liable for their own expenses, including attorney's fees. The arbitrators shall have the authority to resolve the dispute, including ruling on all contested issues of law and fact, and are expressly authorized to issue injunctive relief, including specific performance of this agreement, the parties agreeing that monetary damages are not an adequate remedy. If Rhode Island is dissatisfied with arbitrators' ruling, it shall have the remedies available to it as if the arbitration were conducted under Rhode Island law. If Massachusetts is dissatisfied with arbitrators' ruling, it shall have the remedies available to it as if the arbitration were conducted under Massachusetts law.

5. NON WAIVER

Except as set forth explicitly herein and with respect to the AMI, nothing set forth in this Memorandum of Understanding shall constitute a waiver or abrogation of either state's rights, obligations, jurisdiction or authority under duly enacted state or federal law or regulations, nor shall this Memorandum of Understanding be construed to exempt any project in the AMI from any and all applicable federal, state, and local permitting laws and approvals.

6. TERM

The term of this Memorandum of Understanding shall be for ten (10) years from the date of its execution by both parties hereto.

7. TERMINATION

This MOU may be terminated by a writing signed by both states' respective governors.

Signed as a sealed instrument on the dates set forth below.

Dated: July 26, 2010

Deval Patrick, in his capacity as Governor of the Commonwealth of Massachusetts

Dated: July 18, 2010

Donald L. Carcieri, in his capacity as Governor of the State of Rhode Island

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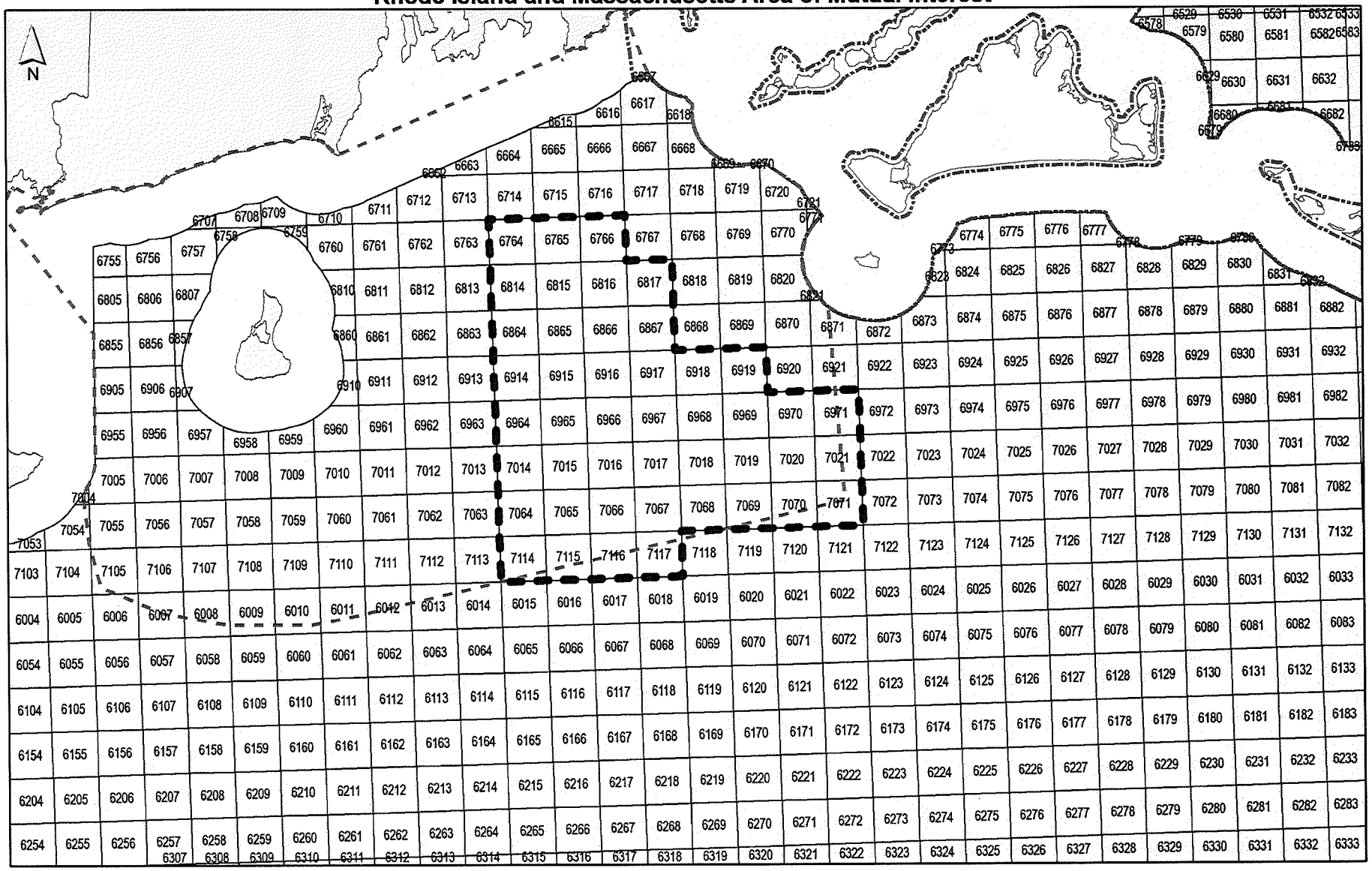
Schedule of AMI MMS lease blocks and Map of AMI

6764	6765	6766					
6814	6815	6816	6817				
6864	6865	6866	6867				
6914	6915	6916	6917	6918	6919		
6964	6965	6966	6967	6968	6969	6970	6971
7014	7015	7016	7017	7018	7019	7020	7021
7064	7065	7066	7067	7068	7069	7070	7071
7114	7115	7116	7117				

Rhode Island and Massachusetts Area of Mutual Interest



Massachusetts Ocean Management Planning Area

RI/MA Area of Mutual Interest Boundary

OCS Lease Block

RI Ocean SAMP Study Area

The datum for this map is the North American Datum 1983 (NAD83). The data are registered to the Massachusetts State Plane Coordinate System, Mainland Zone (Fipszone 2001). Units are meters.

0 5 10 20 Nautical Miles

0 10 20 40 Kilometers