



Harry Lanphear, Administrative Director  
Maine Public Utilities Commission  
State House Station 18  
242 State Street  
Augusta, ME 04333

**ELECTRONICALLY FILED ON JULY 3, 2013**

Re: MAINE PUBLIC UTILITIES COMMISSION; Long-Term Contracting for  
Offshore Wind Energy and Tidal Energy Projects; Docket No. 2010-235

Dear Mr. Lanphear:

As you know, the Commission issued its RFP for Proposals for Long-term Contracts for Deep-Water Offshore Wind Energy Pilot Projects on September 1, 2010. The RFP set a deadline of May 2, 2011 for proposals. On May 2, 2011 Statoil submitted its proposal for the 12 MW Hywind Maine offshore floating wind pilot park. After several months of reviewing the proposals received, the Commission selected the Hywind Maine Project as qualifying to proceed to contract negotiations. Statoil worked with the Commission Staff for over a year to develop a Term Sheet outlining in detail the major commercial provisions of the proposed contract. On January 24, 2013 the Commission approved the Hywind Maine Term Sheet and directed Central Maine Power Company to enter into a power purchase agreement consistent with the provisions of the Term Sheet. In reliance on the Commission's approval of the Term Sheet, Statoil has actively pursued the development of the Hywind Maine project and invested significant time and financial resources into necessary preconstruction work.

Given the recent developments in Maine and changes in the legislation, Statoil finds it appropriate to update the commission on the progress of the project and way forward.

Statoil has now reviewed the language of LD 1472 as adopted last week by the Maine Legislature. The language of the bill as adopted is somewhat unclear. However, Statoil interprets it to mean that the future of any contract for the Hywind Maine Project is in doubt, and that any final approval of such a contract would not occur by this summer as anticipated.

Statoil fully respects the legislative processes in the countries where we operate and we will continue a robust dialogue with stakeholders related to the Hywind Maine project. However, Statoil is considering

several locations for building a pilot park based on the Hywind floating concept, in addition to Maine, and cannot continue to spend its resources on this project without certainty that a contract for the project output will be finalized. Given the risk and uncertainty created by LD 1472, Statoil is therefore preparing to put the Hywind Maine Project on hold, while we continue to assess the changes made to the law, the total risk picture and progress plan going forward. We will keep the option open to re-initiate project activity if a PPA can be concluded according to the term sheet, and the total risk picture in Maine is acceptable.

Yours sincerely,

/s/ Lars Johannes Nordli

Vice President  
Wind Business Development  
Statoil ASA