

September 15, 2016

Jennifer Cervenka, ESQ.
Partridge Snow & Hahn
40 Westminster Street, Suite 1100
Providence, RI 02903
Sent Via Email: jrc@psh.com

**RE: Phase I Environmental Site Assessment – Executive Summary
Block Island Power Company (BIPCO)
New Shoreham, Rhode Island
SAGE Project No. S2671**

Dear Ms. Cervenka,

Please consider this correspondence an Executive Summary of Phase I Environmental Site Assessment (ESA) performed of the referenced property. As you know this assessment was performed as a component of the due diligence in anticipation of the future sale of the Block Island Power Company (BIPCO). Details associated with this Executive Summary may be found in the attached Phase I ESA. The following is a summary of salient environmental conditions, observations and recommendations noted in the attached Phase I ESA.

1. The subject property is comprised of approximately 40+ acres; approximately half of which consists of wetlands and undeveloped areas and the remainder having been developed with a variety of structures used in support of the BIPCO power generation activities.
2. Approximately sixty-seven (67) petroleum storage tanks are reported to have been located and subsequently removed from the subject property over the past 60+ years. Approximately five (5) underground storage tanks (USTs) remain active at the site. These tanks are regulatorily required to be removed from the site by December 2017.
3. According to BIPCO representatives, an abandoned cast iron underground oil pipeline formerly connected from Block Island Boat Basin to the BIPCO facility. This pipeline reportedly was used to transfer oil from the harbor to the subject property. BIPCO representatives stated that this pipeline was emptied and decommissioned in place approximately 25 years ago.
4. Releases of petroleum products have occurred at the site requiring the construction, operation and maintenance of two (2) groundwater remediation systems. Some of the infrastructure associated with these remediation systems remain at the site. These remediation systems ceased operation in April 2006. Since cessation of active remedial activities, quarterly groundwater monitoring has been performed. Groundwater monitoring will cease once compliant conditions are demonstrated.
5. Residual petroleum impacts remain in some site soils and groundwater. According to BIPCO officials it is likely that impacted soils and/or impacted groundwater may be encountered during the future removal of the five (5) remaining USTs. Once these five (5) USTs are removed, it is our understanding that no petroleum tanks will remain at the site.

6. *SAGE* recommends that all active and viable groundwater monitoring wells be independently sampled and laboratory analyzed for petroleum constituents (i.e. Volatile Organic Compounds) via USEPA Method 8260C. Groundwater testing is also recommended to confirm and/or verify groundwater conditions adjacent to potential sources of petroleum impact at the property (i.e. the decommissioned pipeline, the former groundwater remediation trenches, and other historical fuel sources on site). Additionally, *SAGE* recommends that any drums or containers not currently secured be moved indoors.
7. Given the known past petroleum releases and present residual impacts in soil and groundwater, *SAGE* recommends that interested parties consider developing a Soil Management Plan (SMP) for any future site work and/or excavation to properly manage these media.

Please note that during the course of *SAGE's* assessment of the property, it was learned that a request for participation in the Rhode Island LUST clean-up reimbursement Trust Fund was submitted to the Rhode Island Department of Environmental Management (RIDEM). It is our understanding that the RIDEM considered the site to be in compliance and eligible for participation in the fund; however, it does not appear that any requests for remedial reimbursement were ever submitted to the Department. *SAGE* recommends that interested parties further evaluate whether or not past, present or future remedial expenditures may be reimbursable under the fund.

Should you have any questions in the interim or require additional information, please do not hesitate to contact Rick Mandile.

Sincerely,
SAGE Environmental, Inc.



Daniel Boynes
Project Manager



Rick Mandile
Principal

DB/RM:am