

***TRUSTEES OF THE FREEHOLDERS AND COMMONALTY
OF THE TOWN OF EAST HAMPTON, LONG ISLAND, N.Y.***

MEETING OF JUNE 14, 2017

**Special session of Harbor Management Committee
East Hampton Town Trustees**

**Proposed South Fork Wind Farm
Harbor Management Meeting I
Minutes of the meeting**

Rick Drew - Moderator

Co-Chairperson Harbor Management Committee
East Hampton Town Trustee Deputy Clerk

Clint Plummer

Jennifer Garvey

Julia Prince

Deep Water Wind Farm

Also Present:

Lori Miller-Carr - Trustee Secretary

John Aldred - Interested Party

Bonnie Brady - Long Island Commercial Fisherman's Association

Gordian Raacke - Renewable Energy Long Island

Susan McGraw Keber - Interested Party

Rona Klopman - Interested party

Mike McDonald – Interested Party

Francesca Rheannon - East Hampton Sustainability

Rick Drew:

Welcome everyone. My name is Rick Drew. I am one of the East Hampton Town Trustees. I am also co-chairperson of the Harbor Management Committee. I chair with Jim Grimes from the Town Trustee Board. Jim is unable to be here tonight as he had a previous travel arrangement. I am hoping Diane McNally will be able to join us. She is one of our Republican Trustees. I am trying to do this in a bipartisan manner. Clint Plummer, who joined us at a previous Trustee meeting, is here to answer questions tonight.

There has been a lot of discussion about the Deepwater Wind Project around town. Shortly after our first meeting, when Clint spoke, there was a front page article in the East Hampton Star asking the East Hampton Town Trustees to oppose the project. At that point we

thought it would be appropriate for us to learn more about it. We then called a preliminary meeting about the project which was attended by Mike McDonald, Bonnie Brady, Mike Bottini, from the Surfrider Foundation and others. They have all been invited tonight. We had a great discussion and we gleaned some information off the internet regarding this subject. I have a binder now that has a fair amount of information. During a phone conversation with Julia Prince, she articulated to me "I have read 700 pages and I am just getting started". This is a big project. A very important one to the future of our town. What I was hoping to do is to have two meetings, one this week and one next week so that we can split the content in half. Since Beth Casoni is coming next week, and she is the fisheries liaison, I was hoping we could talk about fisheries and habitats next week. Tonight we will focus more on the project process and the construction technology. How the cable is laid and makes landfall and what that means for our communities. We want to foster a better understanding of this project and its potential impacts. At the end of these two meetings, we hope to invite the Deepwater Team to a public meeting, to share this information with our whole community through the LTV process.

Question and Answer portion

Q: As you, Clint Plummer, are probably the most knowledgeable person about this project, maybe you can give us a brief timeline about:

- 1) How this Wind Energy Area (WEA) was selected?
- 2) How this project became relevant to the South Fork and East Hampton?
- 3) What is being proposed regarding building the Turbines down the line?

A: I would be very happy to do that, but first I would like to take a step back and talk about the following two aspects:

- 1) Energy Systems and Planning
- 2) Planning for the Development of Offshore Wind

For people new to this topic, I will give a brief history of offshore wind. I first want to say thank you for inviting us here. We want to be invested in this community and to help this place stay as special as it is today. We are here to listen to your concerns and input. I think some helpful context would be to discuss how we developed the Block Island Wind Farm. That was our first project. It took 8 years. I would estimate we are in year 3 of this project now, relative to that process, with 5 more years to go. The vast majority of next 5 years will be planning and design. It will also be working with the communities to shape the project in such a way that it addresses all concerned.

We are in this business because we think offshore wind is not only the cleanest, but the most cost effective, power supply for downstate New York. We have made very serious investments of both capital and of time to solve this problem. There are very real, fundamental energy issues across Long Island, including in East Hampton, as well as the entire Northeast.

New York State faces challenges in meeting its energy demands. If you remember, 4 or 5 years ago, in Newsday, most of the discussions about energy were about repowering these massive fossil fired fuel plants that span across the island and just how expensive that would be. Literally billions and billions of dollars, just in capital costs, would need to be recovered from the ratepayers.

We know that there are fundamental energy issues across Long Island. Compared to fossil fuel, the wind farm alternative will save people money in the long run.

Let's take a look at Block Island. It is an unmitigated success story. We have a representative on Block Island who would be happy to meet with you. We have a lot of support from that community. Here is the background on that project.

The Block Island project started in 2007. At the time, electricity was costing around 60 cents per kilowatt hour. They had no viable solution to obtaining a steady, year round, source of power. Rhode Island put out a request for bids and 7 companies applied. The state spent 3 years gathering data to determine the correct site. When we started investigating the potential sites, we did shift the site based on input from the fishing communities. At the same time, Rhode Island Coastal Resource Management Consultants (CRMC) with the State of Massachusetts and BOEM started researching additional areas for possible Wind Energy Development Sites. They pulled a lot of data and through a detailed process, that took about 3 years, they identified an additional site, thus creating a Wind Energy Area (WEA). They started with a very large area and narrowed it down to this irregular shaped site.

Q: Is BOEM an oversight or consulting agency?

A: BOEM is a federal agency. Full name, 'The Bureau of Ocean Energy Management'. It leases and manages revenue from offshore energy production. BOEM was previously the Minerals Management Service (MMS). That office was divided into two agencies. The Bureau of Safety and Environmental Enforcement and BOEM.

The process of identifying this Wind Energy Area, that we have leased, began in 2009 and finished in 2013.

They started with a very large area and narrowed it down to this irregular shaped site. BOEM then held an auction in 2015. There were 3 bidders of which we were one. The bidding went 11 rounds. We eventually won the rights to develop that site. What that means is, that we have a lease with the federal government, for submerged lands, in that area. We are a tenant.

Q: Why did Rhode Island and Massachusetts get involved?

A: Those states spearheaded offshore wind development. The lease site is on federal lands. Prior to 2005, you were unable to lease underwater land. Offshore wind is very new so the states took the lead early on. When the site was auctioned, Deepwater won the bid.

Q: Is the lease a public document?

A: Yes. It can be found online. In the lease it is very clear, we may construct an energy producing windfarm subject to obtaining all project permits and approvals. We must be compliant with all permits and regulations. We may only do off shore wind with that lease. We are restricted from any other use. We are not allowed to do salvage or fishing, for example. We cannot restrict other people's activities in that area. We are a tenant farmer.

Q: What is the cost of leasing the bottomland?

A: \$2 or \$3 per acre for 164,000 acres. We are using only a small fraction of it for this project. When the turbines become operational, there will be other fees. I believe we are paying \$3 per acre.

Q: My daughter lives in Gloucester. The wind turbines there are massive. Will there be size restrictions or other restrictions regarding the scale of the construction?

A: There are no restrictions on the size that the wind farm turbines can be built. There is a restriction that we can only construct wind farms and must have all approvals and permits necessary beforehand. We do not have exclusive use of the area. Only the right to construct wind farms on the bottomlands.

Q: What was the input of Rhode Island?

A: Rhode Island developed a master plan. Every state is charged with developing a coastal consistency plan, in Rhode Island it was done by the CRMC. In New York it is handled by the Department of State. Rhode Island, as a forerunner in the field, went ahead of the federal government and created a master plan in coastal management. BOEM then adopted it and followed its suggested Wind Energy Area (WEA); and submitted it for public comment. Rhode Island also designated Deep Water Wind Farm as its preferred developer. The public noticed that. BOEM then created an auction process.

Q: How did the public comment work?

A: The state of Rhode Island public noticed their whole process. Then when BOEM, the owner of the land took over, they public noticed all filings on their federal registry.

Q: What is a federal registry?

A: A federal registry posts every day, everything that is going on.

Q: Was New York notified?

A: BOEM never contacted NY or anyone. They public noticed it.

Q: BOEM never attempted to involve NY at all?

A: No

Q: Can you talk about NEPA?

A: Any development on this site, has to go through an environmental assessment. It was done in 2013 and is publically available on the BOEM site. On Block Island, we had a strong, defined process. Under NYS public service law you will need 2 approvals in addition to the Federal government. Re: the BOEM NEPA review, BOEM can't approve a construction permit without NYS DOS providing approval that this full project is providing a positive impact, consistent with the NYS coastal zone management plan. The transmission facility must go through a second article 7 process, which includes an environmental impact process. NYS Public Service Commission (NYSPSC) is a separate agency. It is charged with reviewing the safety and the environmental impact on any transmission coming from out of state. NYSPSC will consult with the Town of East Hampton and many other agencies as part of this process.

Q: Do all the parties have to agree?

A: You need two approvals in New York according to NEPA and BOEM. In New York, NYSPSC and NYSDOS. NYSPSC will include National fisheries, East Hampton Town, the DEC, Historic Preservation, local municipalities and an Alphabet soup of different agencies. BOEM must demonstrate that they consulted and took input from all relevant agencies and were not arbitrary or capricious with their decisions. If they were, they can be sued, taken to court and the decision overturned. There is a very specific legal basis for them to decide to approve or not to approve an application. The same thing applies at the state level, which the town participates in, with many other intervenors. They are incorporated into the process and expected to make comment. But it is ultimately the NYSPSC's responsibility to make the final decision. They are also compelled to take into consideration all the comments provided and they also cannot be arbitrary or capricious. They can also be sued.

Q: I have been to the BOEM site and NEPA site. What is Special Area Management Planning? How does that apply to your area of planning?

A: Special Area Management Planning was used to determine the site and how to develop the area. The next step is to develop data to support how to proceed. We have two approvals, the lease of the site and the power purchase agreement with LIPA. Construction methodology we do not have yet.

We need to examine the seabed. The wind farm will be located as indicated, and the cables will go to the LIPA substations. The plans we are putting forward are conceptual plans. We haven't yet defined the specific foundation types, the specific wind turbines, the specific cable size, the specific cable route and the means by which any of those items will be installed.

All those decisions will be based on scientific input from the actual surveys that we gather and the feedback that we collect from all the effected communities. I can't present you with a specific plan today because I need more time to do that. We plan to have that done by the first quarter of 2018. We plan to continue this dialog with you on a regular basis so that when we come to 2018, it won't be a surprise. We will have already talked about it. We just received our approval to do offshore survey work. That survey work will include diver cores and samples of the soil. This will give us environmental and soil data. From that, we will be able to determine what type of foundations to build and what type of cable burial can be done. I know there is a lot of concern about pile driving. We may decide to go without pile driving or with pile driving, but that will be a decision that is made by us based on environmental and technical data.

Q: Is SEQRA involved in the approval process?

A: No. There are three different agencies that are involved in the approval process, two on the state level. Instead of SEQRA, NYSPSC was formed to handle approvals involving energy transmission. Article 10 deals with issues; including environmental issues; that take place during the transmission of energy within NYS boundaries. Article 7 deals with the transmission of energy from outside NYS into NYS.

Q: Does that mean the DEC is not involved?

A: The DEC is not a lead agency. Its opinions and findings are heard under the NYSPSC. The DEC is an intervenor. NYSPSC can overrule the DEC. BOEM can overrule NYSPSC.

Q: Does the DEC have power and influence?

A: The ultimate authority is BOEM.

Q: Will the Town Trustees position be heard?

A: The Town Trustees can petition for intervenor status with NYSPSC. All opinions and comments are taken into account by the NYSPSC.

A: The amount of influence the Town Trustees will have on this project will depend on if the cable makes landfall on Town Trustee owned land. Also on how a petition is written to be included in the NYSPSC process. All intervenor's positions are heard by the NYSPSC.

A: NYSPSC tends to be inclusive to intervenors. The Town of East Hampton will have special status as the local municipality. Everyone's comments must be considered, they must consider all comments. They do take local input into account.

Q: How are you making money? How much money are you investing in this project?

A: The capital cost is \$740 million. We plan to be able to deliver energy to 50,000 houses for 25 years. We only make money when we deliver electricity to the LIPA substation and they distribute it to their customers

Q: Will LIPA help you with approvals?

A: No

Q: How much energy will you produce?

A: The project will make 371,000 megawatt hours per year. The full amount needed by the Town of East Hampton.

Q: Will you be making additional money through tax cuts?

A: We stand to make money from tax cuts and we have already committed to pass those savings on to the rate payers. We are taking a big risk. We plan to be up and running by 2023. We have given a price estimate reduced by a tax credit pass on. If we don't get the tax credit, the price we gave doesn't change.

Q: What about Zero emissions coupons?

A: All Zero emissions credits will go to LIPA.

Q: So we should be seeing applications for construction permits in the first quarter of 2018?

A: Yes. Depending on the landfall location, we will be submitting an appropriate application to The East Hampton Town Trustees. We don't want what we propose to be a surprise to the residents of East Hampton. That is why we will hold as many discussions as needed. We will definitely be happy to come back to this meeting anytime to update you on our progress and listen to your concerns and input. Local input is very important to us. We are obligated to provide a summary of all our community outreach, but beyond that it is a good business practice. We originally proposed bringing the cable in at Napeague Bay and have done surveys; but because of local feedback, we are now looking at south shore landfall locations. We are listening to you and changing the design of the project. This is the first time I am making that statement in public.

Q: How can the public contribute to the process and be knowledgeable about it? How can we communicate our suggestions and questions?

A: SouthFork@dwwind.com

Q: Is this the only project proposed in that lease area?

A: In December 2014, we talked to LIPPA about other project concepts. We can do more projects in our lease area. Including a second lease line to Shinnecock.