

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

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Dated: December 29, 2020

**THE TRUSTEES OF THE FREEHOLDERS AND COMMONALTY OF THE  
TOWN OF EAST HAMPTON RELEASES DRAFT AGREEMENTS WITH SOUTH  
FORK WIND, LLC FOR PUBLIC REVIEW AND COMMENT**

**The Trustees are considering three draft agreements:**

***A Lease agreement would grant access for onshore underground installation of electric transmission cable under Wainscott Beach***

***A Host Community Agreement will provide for a \$28.9 million payment to benefit the community***

***An Agreement Regarding Dredged Material Transportation will govern sand dredging operations at Georgica Pond during project construction***

**These Agreements, which would go into effect if the project obtains all federal, state, and other approvals, will be the subject of a public meeting of the Trustees of the Freeholders and Commonalty of the Town of East Hampton (the “Trustees”) on January 11, 2020 at 6:00 pm; Public comments will be accepted at that time. In compliance with State COVID restrictions, the meeting will be held virtually.**

**The three separate agreements (attached) have been fully negotiated between the Trustees and South Fork Wind, LLC (in the case of the Host Community Agreement with the Town as well) with respect to a proposed offshore wind energy project (the “South Fork Wind Farm”) that is currently undergoing federal and state regulatory and environmental review. The South Fork Wind Farm, which is to be installed in federal waters over 30 miles east of Montauk Point, is to include up to 15 wind turbines and to generate up to 136 megawatts of clean, renewable power that will be transmitted, via a 138-kilovolt undersea and underground cable, to the East Hampton Long Island Power Authority substation, where such power will enter the electric grid. The transmission cable will extend approximately four miles from where it comes ashore, 30 feet beneath the public beach at the end of Beach Lane in Wainscott, and traversing underneath Town owned roads up to the East Hampton Long Island Power Authority substation.**

**A “Host Community Agreement,” between South Fork Wind, LLC, the Trustees and the Town of East Hampton, will provide for payments totaling \$28.9 million to the benefit of the East Hampton community to mitigate some of the impacts on the community and in exchange**

for the Trustees and the Town of East Hampton granting real estate rights to allow the transmission cable for the South Fork Wind Farm to be installed 30 feet below Wainscott Beach and continue underground along Beach Lane and other Town owned roads to the East Hampton Long Island Power Authority substation.

**A separate “Lease Agreement,”** between the Trustees and South Fork Wind, LLC, will provide a lease, for a term of twenty five years following the Commercial Operation Date of the South Fork Wind Farm, to allow the wind farm transmission cable to be installed and maintained at a minimum of 30 feet below the current profile of Wainscott Beach and at a depth greater than nine 9 feet in the Nearshore Surf Zone, which is defined as one hundred 100 feet into the water from the Mean Low Water of Wainscott Beach.

Through the Host Community Agreement and the Lease Agreement, the Trustees will be able to enforce the conditions of the cable permit, such as cable depth and beach restoration requirements as well as decommissioning requirements, separately from any authority granted solely to the state under its Article VII permit process

**A separate “Agreement Regarding Dredged Material Transportation”** between the Trustees and South Fork Wind, LLC will ensure that Trustees maintain the right to perform dredging work and the transition of equipment and dredged material at Georgica Pond during the term of the lease. Should this work interfere with project construction, the Trustees may postpone the work not more than once in consecutive years, and will be reimbursed by South Fork Wind, LLC for the value of its lost net revenue from the sale of the Dredged Material. Please note that this is separate from the regular opening of Georgica Pond, which is unaffected by the agreements or by any potential construction.

Negotiation of the Host Community Agreement and Lease Agreement began in 2018 when Deepwater Wind, LLC (predecessor to South Fork Wind, LLC) first offered the Trustees and Town of East Hampton a host community payment around \$3 million dollars in exchange for the real estate rights necessary for the installation of the transmission cable. Following these initial discussions, the Trustees became actively involved in the review of the South Fork Wind Farm by the New York Public Service Commission and the U.S. Department of the Interior’s Bureau of Ocean Energy Management (BOEM).

With regards to the review by the New York Public Service Commission, the Trustees participated in nearly ten months of settlement discussions during which an extensive set of conditions, referred to as the Joint Proposal, were negotiated to ensure the transmission cable is properly installed, maintained, repaired, and decommissioned in a manner that protects the environment as well as the public’s health and safety. As part of these conditions, South Fork Wind, LLC, has committed to partnering with subject matter experts to perform a comprehensive fisheries study examining any impact the project may have on the environment as well as the recreational and commercial fishing industries.

The Trustees also entered into a Memorandum of Understanding with BOEM to serve as a cooperative agency in order to provide local insight and specialized expertise during the federal environmental review of the project.

The Lease Agreement is specifically conditioned upon South Fork Wind, LLC obtaining all Public Service Commission, Federal, and other State, East Hampton Town Trustees, MTA, and other required approvals for the wind farm project.

The Lease Agreement is also conditioned upon South Fork Wind, LLC entering into the Host Community Agreement with the Trustees and the Town of East Hampton. The Host Community Agreement provides a total benefit package of \$28.9 million, which will benefit the East Hampton community.

Under the proposed Host Community Agreement, South Form Wind, LLC would make two initial “milestone payments” of \$500,000 each; the first, which will be nonrefundable, to be made within 90 days of the Host Community Agreement date of effectiveness, and the second to be made within 90 days of the start of project construction. Then, beginning within six months after the date of commercial operation of the project, the developer shall make 25 annual payments, beginning at \$870,000 the first year and increasing by 2 percent each subsequent year, for a total payment, including a \$100,000 geotechnical access/license fee already paid to the Town and Trustees, of approximately \$28.9 million.

In addition to the foregoing payments, the Host Community Agreement calls for the wind farm developer to employ a liaison to facilitate communications between the developer and the East Hampton commercial fishing community, until the project ceases commercial operation and also, to stimulate local economic development. The Host Community Agreement also calls for the developer to require its turbine maintenance contractor establish a wind farm support facility and transfer vessel base in Montauk, provided a suitable location and required permits for such a facility can be obtained.

Finally, the Agreement Regarding Dredged Material Transportation ensure that Trustees maintain the right to perform dredging work and the transition of equipment and dredged material at Georgica Pond during the term of the lease and will be reimbursed for the value of its lost net revenue from the sale of the Dredged Material should this work be postponed for a year.

Drafts of Host Community Agreement, Lease and Agreement Regarding Dredged Material Transportation have been discussed at a number of Trustee executive and work sessions. The Trustees January 11, 2021 meeting will be dedicated to hearing public comments on the agreements, which will be subject to a formal resolution of the Trustee Board for adoption at a later date.