



# TOWN OF EAST HAMPTON

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## **EAST HAMPTON TOWN RELEASES DRAFT AGREEMENTS WITH SOUTH FORK WIND, LLC FOR PUBLIC REVIEW AND COMMENT**

*Easement agreement would grant access for onshore underground installation of electric transmission cable in town highway rights-of-way*

*“Host Community Agreement” will provide for a \$28.9 million payment to benefit the community in exchange for granting of easement*

**Agreements, which would go into effect only if the project obtains all federal, state, and other approvals, will be the subject of a public meeting of the East Hampton Town Board on January 12, 2021; Public comments will be accepted**

Two separate agreements (attached) have been fully negotiated between the Town of East Hampton and South Fork Wind, LLC with respect to a proposed offshore wind energy project that is currently undergoing federal and state regulatory and environmental review. The project, 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 LIPA/PSEG-LI Cove Hollow substation in East Hampton, 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, to the Cove Hollow substation.

A “Host Community Agreement,” among South Fork Wind, LLC, the Town of East Hampton, and the East Hampton Town Trustees, will provide for payments and other benefits to the East Hampton community in exchange for the Town and the Town Trustees granting easements and a lease to allow the transmission cable for the wind energy project to come ashore beneath Wainscott Beach and to continue, underground, along several Town roads to an “interconnection” facility, where the wind energy will feed into the existing Cove Hollow substation.

A separate “Easement Agreement,” between the Town and South Fork Wind, LLC, will provide easements, for a term of years, and subject to several conditions, to allow the wind farm transmission cable to be installed and maintained under several Town roads between Wainscott Beach and the Cove Hollow substation.

The South Fork Wind Farm project, formerly called Deepwater Wind, responds to the Long Island Power Authority's call for renewable energy projects that would tie in to the existing Cove Hollow substation and help meet local energy demands.

Discussions with the wind farm developer were under way when East Hampton Town Supervisor Peter Van Scoyoc took office in early 2018, with the developer's host community payment offer, at that time, being in the \$8 million range.

Town officials and their legal representatives have since worked hand in hand with the East Hampton Town Trustees and their attorneys through multiple discussions of the Host Community Agreement, and related easement and lease agreements, with Deepwater Wind (now known as South Fork Wind) and its current ownership (Orsted and Eversource). As the wind farm project has been undergoing review by the Public Service Commission and the U.S. Department of the Interior's Bureau of Ocean Energy Management (BOEM) and the project's potential maximum output was increased from 90 to 136 megawatts.

The final Host Community Agreement provides a total benefit package of \$28.9 million, which will benefit East Hampton Town residents.

Under the proposed Host Community Agreement (**attached**), the wind farm developer 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, 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, calls for the developer to require its turbine maintenance contractor to 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.

The project developer will be required to pay Town property taxes on its onshore infrastructure, which is expected to amount to approximately an additional \$4 million over the life of the project.

The Town's proposed Easement Agreement with South Fork Wind, LLC (**also attached**) is specifically conditioned upon the transmission cable being installed, maintained, repaired, and ultimately decommissioned in accordance with numerous requirements to protect and preserve natural and historical resources, and also to ensure the public's safety and quality of life during the placement and operation of the cable.

The wind turbine project is subject to review and approval of the New York State Public Service Commission as well as review and approval of multiple federal agencies, including BOEM, and such reviews will include comprehensive assessments of the project's environmental impacts on both the federal and state levels.

The Town's easements for the transmission cable are specifically conditioned upon South Fork Wind not only entering into a Host Community Agreement with the Town and the Town Trustees, but also obtaining all Public Service Commission, federal, and other State, East Hampton Town Trustees, MTA, and other required approvals for the wind farm project, as well as complying with detailed construction, restoration, operation, and other requirements set forth in the easement agreement.

Drafts of the draft agreements have been discussed at a number of East Hampton Town Board work sessions. The Town Board's January 12, 2021 work session will be dedicated to hearing public comment on the agreements, which will be subject to a formal resolution of the Town Board for adoption.

In addition to the full draft agreement documents, **summaries of the agreements are attached.**