



TOWN OF EAST HAMPTON

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FOR IMMEDIATE RELEASE

AGREEMENT REACHED ON “HOST COMMUNITY” PAYMENT FROM WIND FARM DEVELOPERS TO EAST HAMPTON TOWN AND EH TOWN TRUSTEES

Lengthy negotiations result in draft agreement that would yield \$28.9 million over 25 years

EH Town and Town Trustees would grant access easements to allow installation and maintenance of power export cable from 15 offshore wind turbines under town roads, trustee land, to LIPA power substation;

Easements would be effective only upon completion of NYS Public Service Commission’s full environmental review of all aspects of project, and issuance of PSC approval

East Hampton Town, the East Hampton Town Trustees, and Deepwater Wind South Fork, LLC, (now Orsted), which is developing an offshore wind farm in federal waters 30 miles east of Montauk Point, have reached agreement on the terms of a contract that would go into effect only if and when the project, known as the South Fork Wind Farm, gets state approval.

When finalized, the contract, known as a “Host Community Agreement,” would provide for payment in exchange for the granting of easements required for installation of the approximately four-mile length of the onshore portion of a 138-kilovolt electricity transmission line, from its proposed landing site at the end of Beach Lane in Wainscott 30 feet beneath the public beach, continuing below the parking lot and town roads to the LIPA substation on Cove Hollow Road in East Hampton.

A separate easement agreement, still under discussion, would impose a number of construction restrictions and conditions designed to protect the environment and insure restoration of the roadway and adjacent lands after the cable is installed and if the easement is ever terminated.

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 construction.

Provided the project obtains Public Service Commission final approval, the developer would then make 25 annual payments, beginning at \$870,000 the first year and increasing by 2 percent each subsequent year for a total payment of approximately \$28.9 million, which includes \$100,000 in geotechnical access and license fees already paid to the town.

The draft agreement was discussed during the town board's public work session on September 8, and will be further discussed by the town board at upcoming work sessions, with opportunities for the public to comment, and is subject to final approval by all three of the parties to the agreement.

Discussions with the wind farm developer had been 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 in the \$8 million range.

Town officials and legal representatives worked hand in hand with the trustees and their attorneys throughout multiple discussions of the Host Community Agreement with Deepwater Wind, then Orsted, while the project underwent Public Service Commission review, and its potential maximum output was increased from 90 to 132 megawatts. The negotiations resulted in the \$28.9 million "host community benefit" package.

In addition to the payments, the draft agreement calls for the wind farm developer to employ a liaison to facilitate communications between the company and the commercial fishing community for the life of the project. To stimulate local economic development, it also calls for the company 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.

In addition to the full draft agreement document, **a summary of the agreement is attached.**

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

"Offshore wind energy represents an important component that will help the Town of East Hampton achieve its 100-percent renewable energy goal," said East Hampton Town Supervisor Peter Van Scoyoc. "The importance of this is only underscored when, daily, we see more and more devastating impacts of carbon pollution and climate change."

"The East Hampton Town Trustees are looking forward to being able to apply the proceeds of the host community agreement to projects that will protect and restore our local environment, from maintaining the ecosystems of local waters to increasing productivity in those waters for our local fisheries," said Jim Grimes, a deputy clerk of the Trustees.

The Public Service Commission's Article VII review of the project has been ongoing since September, 2018, with administrative law judges presiding over public statement hearings and settlement negotiations among the interested parties. The project is also being reviewed by the federal Bureau of Ocean Energy Management (BOEM).