

Mayor Report March 7, 2022

1. Attended the ACT meetings on February 10th and March 3rd. At the February 10th meeting presentations were provided by both Orsted and US Wind regarding the proposed wind farms of the coast of Delaware. Below is a summary from the meeting minutes regarding the discussion:

Presentation by Orsted

Brady Walker and Danni Van Drew reviewed the project awarded to Orsted by the Maryland Public Service Commission in December.

Review and discussion included:

- The project will take 75% of the entire capacity of the available lease area; there has been offshore survey work for the past several months to examine conditions on the ocean floor of the lease area.
- There has been examination for export cable routes from the lease area to the shore and will continue into the Spring; no decision has been made and the public will be asked for comments and feedback through in-person, virtual public meetings, and media engagement.
- Vessels are present for the survey work and not to explore options that have been confirmed; the small vessel will operate with sonar equipment in the Indian River Bay to map the ocean floor to decide what is feasible or not; two rounds of geotechnical survey will operate from a larger vessel offshore; work will stop from Memorial Day until Fall.
- The larger vessel will be located closer to shore in the Bowers Beach area; turbines will be located beyond cargo ships in the shipping lanes.

Questions and comments from the Mayors included:

- Will Orsted contribute towards a fund to help support coastal infrastructure to give back to the Delaware communities impacted by this project.
- Will the turbines be placed in the location where the vessel is now doing the geotechnical survey; what is the ultimate height; media campaign is needed to inform the public about the purpose of the vessel at the Indian River Inlet.
- Has there been a dialog about potential benefits to the State.
- Provide the public with information on when and where the vessels will be located and the type of testing; turbines are proposed to be 9 to 17 miles off the coast of Fenwick Island which will harm commercial fishing, horseshoe crabs, migratory birds, and

tourism; other states have locations farther off the coast; how far will the turbines be from the shipping lane.

- Will there be any limitations on the height for the turbines from the stated 850 feet.

Mr. Walker's answers to questions and comments:

- Orsted wants to have conversations regarding contributing to the communities impacted when the decisions are made on the location; there are investments to be discussed that would benefit the entire coastline.
- The turbines can only be placed in the leased area; the closest turbines will be about 15 miles from shore; the vessel is operating both inside and outside of the leased area and closer to shore than the location for the turbines.
- The goal of Orsted is to be as transparent as possible regarding the purpose of the vessels and why it is necessary; the turbines will be about 860 feet tall from the waterline to the tip of the blade at the highest point and 550 feet from the waterline to the hub.
- Visual simulations will be available this Summer for each of the coastal towns to include landmarks, weather conditions, and different times of the day.
- No dialog has begun with the State regarding potential benefits.
- Updated Mayors' briefings are published every week with information on dates and times for the vessels; the lease area was determined by the Federal Government through a public approval process from 2009 to 2011, and Orsted cannot move turbines outside the lease area; additional lease areas are being considered for the East and West Coasts, but no decisions have been made.
- There is an agreement for a two-mile setback from the shipping lane for the turbines; the topic of height limitation will be discussed with the public by the Maryland Public Service Commission as part of the process; it is not possible to start with smaller turbines closest to the coast with the larger placed going further back.

Presentation by US Wind

Mike Dunmyer and Chris DiPietro gave an update on the status of the project and their award from the Maryland Public Service Commission.

Review and discussion included:

- Approved for 76 turbines and 3 offshore substations; closest turbine will be 15.4 miles from Fenwick Island, 17 miles from Bethany Beach, 25 miles from Dewey Beach, 26.2 miles from Rehoboth Beach.
- The Maryland PSC has issued all awards to fulfill the legislation for offshore energy required.
- We should have an answer this year on where to make Delaware landfall to connect to the grid after analysis is completed; survey ships will continue in the lease area during March and in the Indian River Bay area beginning in May; more information to follow.
- Working to complete the Construction and Operations Manual for approval to begin a two-year National Environmental Act process with all legislation at the Federal and

State level to include clean water and air, migratory bird and mammal protection, and fisheries.

Questions and concerns from the Mayors included:

- Concern about impact from turbines and transmission lines on beaches to the environment, tourism, and commercial fishing; can the turbines be moved further from shore as has been done in other states.
- Height of turbines; distance from the shipping channel; protection of migratory birds.
- Plans by US Wind to work with the communities impacted by landfall; have all possibilities for connecting onshore in Maryland been considered so this would not be necessary at Indian River.
- Number of turbines; have there been any conversations about compensation for use of Indian River Bay for landfall.
- Mayors are looking for more substantial contributions from the developers to the coastal communities with discussion of the possibilities; it is in the best interest of the company to be seen as a positive contributor to the Delaware coastline by giving back to the communities.
- Percentage of lease area to be used and will the lease areas be filled to capacity in the future; what is the estimated timeline.
- Any possibility Orsted and US Wind could combine to make landfall in the same substation; there will be money given to the State, and the coastal communities have no guarantee that they will receive some of these monies from the State; it is important for the developers to speak to the seven communities most impacted.

Mr. Dunmyer's answers to questions and concerns:

- Turbines will benefit recreational fishing; all precautions will be taken to protect any threat to ecosystems; the lease areas for turbine locations have been determined by the Department of the Interior; the commercial fishing is conducted to the East and West of the lease area.
- Turbine allowance for the amount of megawatts is 812 feet to 938 feet; the estimated height is 817 feet.
- Buffer zone from the shipping channel is required; in addition to studies from 2012, 2013, 2014, 2015, and 2016, US Wind conducted studies in 2017 and will be doing additional studies this year; the ocean buoy has the capacity to sense birds in the area.
- The research conducted shows there are not many marine birds in the area of the turbines, and their behavior suggests they fly below the height of the turbines and avoid the areas because they can see the turbines from a distance; monitoring will continue.
- US Wind plans to have conversations with the communities regarding the challenges and how US Wind can help to address these challenges; the grid and substations South of Sussex County do not have the capacity; money will need to be invested to strengthen the grid in Sussex County in order to handle the amount of energy.
- Number of turbines is 22; discussion to begin with Legislators and members of the Chamber of Commerce; have spoken to DNREC and Governor Carney's office regarding

Indian River Bay; there have been no discussions about compensation for use of the Indian River Bay.

- Cables will be buried from the wind farm to the coast with horizontal directional drilling used to go 60 feet under the dune and remain buried up to the substation; there is no cost to Delaware ratepayers, all will be paid by Maryland ratepayers.
- Congestion will be eased, and rates may be lowered with energy generated in this area and not all coming from Wilmington; contributions to the communities is open for discussion.
- About two-thirds of the lease area will be used; future plans will be based on advantages to Delaware with possible job creation and direct benefits to the State; timeline is for the first project to begin in 2024 and be completed by 2025; next projects to begin in 2026-2027.
- There have been conversations regarding Orsted and US Wind coming onshore at the same substation.

2. Working with the Treasurer, Finance Director and Town Manager on Town Finance analyses and receipt of funds from the American Rescue Plan (ARP). Reviewing potential uses of County funding of municipalities with excess RTT funds. The County has provided South Bethany with a grant of \$117,996.00. South Bethany is required to match \$17,996.00.
3. Attended the U.S. Senate Committee on Environment and Public Works field hearing in Bethany Beach, Delaware, entitled *“Examining Shoreline and Riverbank Restoration in the face of Climate Change.”*