



STATE OF DELAWARE
**DEPARTMENT OF NATURAL RESOURCES AND
ENVIRONMENTAL CONTROL**

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OFFICE OF THE
SECRETARY

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LETTER OF INTENT

Between

Delaware Department of Natural Resources and Environmental Control

And


US Wind, Inc.

This Letter of Intent, dated July 1, 2024, confirms the parties' intent to enter a Memorandum of Understanding concerning certain proposed mitigation measures pertaining to the effects from the construction, operation, and decommissioning of the Maryland Offshore Wind Project proposed by US Wind, Inc. ("US Wind").

1. US Wind is proposing to construct and operate a commercial-scale offshore wind energy facility located off the coast of Delmarva within OCS-A 0490 lease area on the Outer Continental Shelf. The Maryland Offshore Wind Project would add up to approximately two (2) gigawatts (GW) of generation capacity with interconnection to the onshore electric grid by up to four (4) new 230-275 kV export subsea electric transmission cables that are proposed to land at 3Rs Beach in Sussex County, Delaware, and to interconnect into a proposed substation to be constructed near the Indian River Power Plant in Sussex County, Delaware.
2. Pursuant to the federal Coastal Zone Management Act, 16 U.S.C. § 1431, *et seq.* ("CZMA"), the State of Delaware has defined its coastal zone boundaries and developed policies to be utilized in evaluating projects within and affecting the designated coastal zone as set forth in the federally approved Delaware Coastal Management Program ("DCMP").
3. DCMP governs the State's review of federal consistency certifications pursuant to Section 307 of the CZMA, 16 U.S.C. § 1456. Delaware Department of Natural

Resources and Environmental Control (“DNREC”) serves as the lead State agency that implements or coordinates the State’s federal approved DCMP and undertakes federal consistency reviews.

4. In evaluating proposed activities subject to federal consistency review, DNREC expects that all regulated entities, including US Wind, pursue development objectives responsibly, including assessing potential environmental impacts and avoiding, minimizing, and mitigating likely adverse effects upon natural resources, including fish, marine mammals, and their respective habitats.
5. In addition to avoidance, minimization, and mitigation measures otherwise specified by the federal government and/or in DNREC’s decision letters, permits, leases, and any other agreements and State and federal law pertaining to the Projects, US Wind has agreed to establish a Compensatory Mitigation Fund to compensate eligible Delaware fishermen for mitigating direct losses/impacts to commercial and for-hire (charter) fishing from and caused by the construction, operation and decommissioning of the Projects in federal waters. This agreement recognizes that the Draft Environmental Impact Statement for the Projects dated October 2023 (“DEIS”), Section 3.6.1, identifies certain potential impacts to commercial and for-hire (charter) fishing and is generally aligned with the overall framework set forth in the Draft Fisheries Mitigation Guidance (“Guidance”) from the Bureau of Ocean Energy Management (“BOEM”). Concurrently with the payment of any agreed amount related to a claim, the party asserting the claim shall execute a release of liability in favor of US Wind and any of its affiliated or related entities and their successors and assigns, from any liability or obligation relating to that particular claim. US Wind shall not require any fisherman, as a condition of filing a claim with the Compensatory Mitigation Fund, to sign a Non-Disclosure Agreement or waive any right to seek resolution of such claim.
6. By evaluating state and federal state fisheries exposure data, DNREC and US Wind will mutually work to establish agreed-upon data standards for revenue exposure, timeframe, and other factors necessary for establishing the Compensatory Mitigation Fund.
7. Since June 2021, a multi-state compensatory fisheries mitigation initiative that includes the States of New Jersey, New York, Massachusetts, Connecticut, Rhode Island, New Hampshire, Maine, Delaware, Maryland, Virginia, and North Carolina have solicited comments from the states on a framework for a Regional Fisheries Compensatory Mitigation Fund (the “Regional Fund”). The states, in turn, have encouraged and assisted BOEM in developing a standardized fisheries mitigation guidance. BOEM’s Guidance is near final, and in anticipation of it becoming final, the aforementioned states have partnered to help coordinate the Regional Fund and select a regional administrator to manage the Regional Fund.

8. US Wind supports these regional efforts and will continue to participate and cooperate fully with BOEM, DNREC, and the aforementioned multi-state compensatory mitigation initiative. With respect to the financial compensation to which US Wind has agreed in paragraph 5 for eligible Delaware fishermen, US Wind further agrees to:
 - a. Utilize and contribute to the Regional Fund outlined in paragraph 7 once it is established for mitigating direct losses/impacts to commercial and for-hire (charter) fishing as well as Regional Fund administrative costs. If the Regional Fund fails to be established at least 60 days prior to the start of the Projects' offshore construction, US Wind agrees to utilize and contribute to a compensatory mitigation fund where funds are specifically set to be available to Delaware fishermen, through which impacted State of Delaware fishermen are eligible to submit compensation claims to offset demonstrated direct impacts from the Projects.
 - b. Provide the compensatory mitigation identified in paragraph 5 above. In the event US Wind fails to receive all final assents, permits, authorizations, concurrences and approvals, then US Wind shall have no obligations hereunder. In the event the Regional Fund fails to be established according to paragraph 8(a), US Wind will recommend a Technical Assistance Provider ("TAP") for DNREC's approval, whose approval shall not be unreasonably withheld, conditioned or delayed. The TAP will oversee the administration of the fund and the ~~ease~~ ^{ease} of administrative aspects of the program for fishermen. 
 - c. Contribute to a Navigational Safety Fund (hereafter referred to as the Navigational Enhancement and Training Program [NETP]) to enable commercial fishermen and for-hire vessels to acquire navigation equipment, as defined by the NETP, through a grant or voucher system and provide training and experiential learning opportunities to those navigating within the US Wind OCS-A-0490 lease area. US Wind and DNREC will work collaboratively to determine the best mechanism for US Wind to contribute to a NETP.
 - d. Contribute to a Multi-Use Fishing Community Resilience Fund ("Resilience Fund") for projects supporting Delaware's fishing interests, that may include funds to offset unquantifiable impacts to fisheries-dependent businesses, novel gear, or other impacted uses. The Resilience Fund may not be used to support companies or projects whose primary objectives are litigation, regulatory work, or petitioning activities. US Wind and DNREC will work collaboratively to determine the best mechanism for US Wind to contribute to a Resilience Fund.
9. Neither the compensatory mitigation set forth in paragraph 5 nor the Regional Fund is intended to address or provide compensation for any claims of lost or damaged gear or related to economic loss. Any such claim should be referred to US Wind under the US

Wind Fishing Gear Loss Claim Procedure, which is publicly available through US Wind's Mariner's website at <https://uswindinc.com/mariners/>.

10. The Parties will work together to incorporate this Letter of Intent within BOEM's Record of Decision for Lease Area OCS-A-0490.
11. Additional discussion regarding terms of agreement between DNREC and US Wind may be necessary pending the final provisions of the BOEM Guidance.
12. The DNREC and US Wind hereby agree to enter a Memorandum of Understanding within one hundred and thirty (130) days after BOEM's Record of Decision to memorialize the above commitments.
13. The above timeframes may be extended by mutual written agreement of the parties.

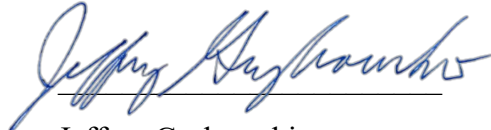
By signature below, the DNREC and US Wind mutually express their intent consistent with paragraphs 1 to 13 above.

 7/9/24

Shawn M. Garvin

Secretary

Delaware Department of Natural Resources
and Environmental Control



Jeffrey Grybowski

Chief Executive Officer

US Wind, Inc.