



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

LETTER OF INTENT

between

MARYLAND DEPARTMENT OF NATURAL RESOURCES

and

US WIND, INC

This Letter of Intent, dated July 8, 2024, confirms the parties' intent to enter a Memorandum of Understanding concerning certain proposed mitigation measures pertaining to effects from the construction, operation, and decommissioning of the Maryland Offshore Wind Project ("the Project") proposed by US Wind, Inc. ("US Wind").

1. US Wind is proposing to construct and operate a commercial-scale offshore wind energy facility approximately 11.5 miles east of Ocean City, Maryland within Lease Area OCS-A 0490 that would add up to approximately 2,022 megawatts ("MW") of generation capacity with interconnection into Indian River Substation, Dagsboro, Delaware.
2. Pursuant to the Coastal Zone Management Act, 16 U.S.C. § 1451 *et seq.* ("CZMA"), US Wind voluntarily submitted to the State of Maryland its consistency certification, in which US Wind certified that the proposed activities will be undertaken in a manner consistent with the enforceable policies of the Maryland Coastal Zone Management Program ("MD CZMP").
3. In evaluating proposed activities under federal consistency review, Maryland expects that all reviewed 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.
4. US Wind agrees to establish a Compensatory Mitigation Fund to provide financial compensation to eligible Maryland fishermen for mitigating direct losses/impacts to commercial and for-hire (charter) fishing from and caused by the construction, operation and decommissioning of the Project in federal waters. US Wind's financial compensation may also cover administrative costs of running the fund. This agreement recognizes that the Draft Environmental Impact Statement for the US Wind Project 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, to sign a Non-Disclosure Agreement or waive any right to seek resolution of such claim.

5. By evaluating state and federal state fisheries exposure data, the Maryland Department of Natural Resources (“MDNR”) 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. The MDNR and US Wind anticipate determining these data standards prior to the establishment of the Compensatory Mitigation Fund.
6. Since 2021, MDNR and Maryland Energy Administration (“MEA”) have been working on a multi-state compensatory mitigation initiative that includes the States of Maine, New Hampshire, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Delaware, Maryland, Virginia, and North Carolina and has solicited comments from the participating 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.
7. US Wind supports these regional efforts and will continue to participate and cooperate fully with BOEM, MDNR, and the aforementioned multi-state compensatory mitigation initiative. With respect to the financial compensation to which US Wind has agreed in paragraph 4 for eligible Maryland fishermen, US Wind further agrees to:
 - a. Utilize and contribute to the Regional Fund outlined in paragraph 6 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 Project’s offshore construction, US Wind agrees to utilize and contribute to a compensatory mitigation fund where funds are specifically set aside to be available to Maryland fishermen, through which impacted Maryland State fishermen are eligible to submit compensation claims to offset demonstrated direct impacts from the Project. Any compensatory mitigation contributed to any fund available to Maryland fishermen will be deducted prior to any contributions to the Regional Fund.
 - b. Provide the compensatory mitigation identified in paragraph 4 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 7(a), US Wind will recommend a Technical Assistance Provider (“TAP”) for MDNR’s approval, whose approval shall not be unreasonably withheld, conditioned or delayed. The TAP will oversee the administration of the fund and ease the 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 MDNR 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 Maryland’s fishing interests, that may include funds to offset unquantifiable impacts to fisheries-dependent businesses, working waterfront 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 MDNR will work collaboratively to determine the best

mechanism for US Wind to contribute to a Resilience Fund.

8. Neither the compensatory mitigation set forth in paragraph 4 nor the Regional Fund is intended to address or provide compensation for any claims of lost or damaged gear or related 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 Mariners' website at <https://uswindinc.com/mariners/>.
9. The Parties will work together to incorporate this Letter of Intent within BOEM's Record of Decision for Lease Area OCS-A-0490 and any new or renegotiated Offshore Renewable Energy Certificate ("OREC") and associated contracts between the Maryland Public Service Commission and US Wind (e.g. Case No. 9666).
10. Additional discussion regarding terms of agreement between MDNR and US Wind may be necessary pending the final provisions of the BOEM Guidance.
11. The MDNR and US Wind hereby agree to enter a Memorandum of Understanding within one hundred and thirty (130) days of BOEM's Record of Decision to memorialize the above commitments.
12. The above timeframes may be extended by mutual written agreement of the parties.

By signature below, the MDNR and US Wind mutually express their intent consistent with paragraphs 1 to 12 above.



Josh Kurtz
Secretary
Maryland Department of Natural Resources



Jeffrey Grybowski
Chief Executive Officer
US Wind, Inc.