**Fisheries Compensation Agreements & Offshore Wind**
2024

Summary / Abstract

Several developers of offshore wind projects in the Northeast have established funds to compensate fishers impacted by reduced harvests due to loss of access to fishing grounds or damage to fish habitats. The funds are intended to offset the impacts of offshore wind and support the coexistence of both industries. Two main types of funds have emerged: one to compensate fishers for direct impacts from a particular project, and another that provides general support to fishing or coastal communities. Other funds support fishers in upgrading navigational equipment or accessing training opportunities. Due to the rapidly emerging nature of this industry, there is wide variation among the individual offshore wind developers in the types of compensation agreements they have established.

Direct compensation funds are typically held in escrow and administered by a third party selected by the developer. Some of these funds may have fixed eligibility periods. General support funds are typically administered by a third-party entity with an advisory council or held in escrow and administered by a state official.

The federal Bureau of Safety and Environmental Enforcement has the primary authority to enforce compensation agreements. State governments may also have limited enforcement authority through the Coastal Zone Management Act and contract law.

Due to the lack of consistency among the various agreements, 11 states including Connecticut have begun efforts to standardize the compensation fund process through a regional approach. These efforts include a plan to establish a Regional Fund Administrator. There is also a bill pending in Congress that would create a more uniform system for compensation.

More than 30 different compensation agreements currently available in Connecticut, Massachusetts, New Jersey, New York and Rhode Island are outlined in a table that follows the policy report.