

**AGREEMENT  
REGARDING THE ESTABLISHMENT AND FUNDING OF THE  
RHODE ISLAND FISHERIES DIRECT COMPENSATION PROGRAM,  
COASTAL COMMUNITY FUND AND  
NAVIGATIONAL ENHANCEMENT AND TRAINING PROGRAM**

This Agreement Regarding the Establishment and Funding of the Rhode Island Fisheries Direct Compensation Program, Coastal Community Fund and Navigational Enhancement and Training Program (the "**Agreement**"), dated as of \_\_\_\_\_ 2023, is made between Sunrise Wind, LLC ("**Sunrise Wind**") and the Rhode Island Coastal Resources Management Council ("**CRMC**") (together, the "**Parties**").

**Recitals**

WHEREAS, Sunrise Wind holds a federal Commercial Lease of Submerged Lands for Renewable Energy Development with the U.S. Bureau of Ocean Energy Management ("**BOEM**"), OCS-A-0487 (the "**Lease**");

WHEREAS, the Lease grants Sunrise Wind the exclusive right to submit to BOEM a Construction and Operations Plan ("**COP**") for a wind energy project and to conduct the activities described in the COP if approved by BOEM and other Federal agencies having jurisdiction over such project and/or activities;

WHEREAS, Sunrise Wind submitted a COP to BOEM proposing to construct up to ninety four (94) wind turbine generators at 102 potential positions with a nameplate capacity of 11 MW per turbine, submarine cables between the wind turbine generators, one offshore converter station, and direct current electric cable ("**Export Cable**") that will interconnect in the Town of Brookhaven, New York, to the mainland grid (collectively, the "**Project**");

WHEREAS, pursuant to the Coastal Zone Management Act, 16 U.S.C. § 1451 *et seq.* (the "**CZMA**"), CRMC established and received federal approvals for Geographic Location Description ("**GLDs**") identified as the 2011 and 2018 GLDs, the specific boundaries of which are set forth in Rhode Island's Listed Federal Actions on file with the Office for Coastal Management of the National Oceanic and Atmospheric Administration and current as of the date set forth above;

WHEREAS, a portion of the Project, specifically the wind turbine generators, offshore converter station, submarine cables, and portion of the Export Cable, falls within the boundaries of the 2011 and 2018 GLD (the "**Jurisdictional Area**");

WHEREAS, CRMC has jurisdiction to review Sunrise Wind's Project within the Jurisdictional Area for consistency with the enforceable policies of the Rhode Island Ocean Special Area Management Plan, 650 RICR-20-05-11.10 (the "**Ocean SAMP**"), pursuant to the CZMA, 16 U.S.C. § 1456, and its implementing regulations, 15 C.F.R. Part 930, Subparts D and E;

WHEREAS, CRMC received Sunrise Wind's consistency certification for the Project that certified that the proposed activities comply with the enforceable policies of the Ocean SAMP and will be conducted in a manner consistent with the Ocean SAMP enforceable policies;

WHEREAS, the Ocean SAMP requires that "[o]ffshore developments shall not have a significant adverse impact on the natural resources or existing human uses of the Rhode Island coastal zone" and requires an applicant to "modify the proposal to avoid and/or mitigate the impacts" (Ocean SAMP § 11.10.1(C));

WHEREAS, the Ocean SAMP further requires that "the potential adverse impacts of offshore developments and other uses on commercial or recreational fisheries be evaluated, considered, and mitigated" (Ocean SAMP § 11.10.1(F));

WHEREAS, the Jurisdictional Area historically has been fished by Rhode Island fishermen;

WHEREAS, Sunrise Wind has modified its Project to avoid and minimize impacts to Rhode Island fishermen, including by adopting uniform 1 nautical mile by 1 nautical mile spacing between wind turbine foundations, reducing from 102 wind turbine foundations to \_\_\_ possible turbine positions for the installation of 84 turbine foundations to meet the Project's power purchase agreement obligations plus proposing an offshore converter station, micrositing wind turbine foundations to minimize impacts to sensitive benthic habitats, and developing a gear loss claims process to compensate fishermen for lost or damaged gear and associated business interruptions costs, among other modifications;

WHEREAS, Sunrise Wind submitted to CRMC a comprehensive mitigation proposal for potential adverse impacts to Rhode Island fisheries from the Project including a Rhode Island Fisheries Direct Compensation Program Term Sheet, attached hereto as Exhibit A-1 (Exhibit A-1 referred to as the "**Direct Compensation Program Term Sheet**"), a Coastal Community Fund Term Sheet, attached hereto as Exhibit B-1 (Exhibit B-1 referred to as the "**Coastal Community Fund Term Sheet**"), a Navigational Enhancement and Training Program Term Sheet, attached hereto as Exhibit C-1 (Exhibit C-1 referred to as the "**Navigational Enhancement and Training Program Term Sheet**"), and a Sunrise Wind Study Term Sheet, attached hereto as Exhibit D-1 (Exhibit D-1 referred to as the "**Study Term Sheet**");

WHEREAS, Sunrise Wind engaged in mitigation negotiations with CRMC and its advisory Fisherman's Advisory Board ("**FAB**");

WHEREAS, during the course of these negotiations, Sunrise Wind increased its offer of compensatory mitigation to a final mitigation package of \_\_\_\_\_00/100 Dollars (\$\_\_\_\_\_) net present value in an effort to reach an agreement with CRMC and the FAB to cover any and all potential adverse impacts resulting from the Project so as to satisfy the requirements of the Ocean SAMP;

WHEREAS, CRMC recognizes and acknowledges that each proposed project that comes

before CRMC stands alone and must be evaluated on its own merits, and that this compensatory mitigation does not provide a precedent for future offshore wind projects;

WHEREAS, at a public meeting held \_\_\_\_\_, 2023, CRMC approved a motion to accept and approve the concurrence with mutually agreed conditions of the Project's consistency with the Ocean SAMP with the mitigation packages offered by Sunrise Wind including the Direct Compensation Program Term Sheet with a direct compensation fund where claims are handled by a third-party administrator, paid out of an escrow account, and duly executed releases afforded to Sunrise Wind when claims are paid, the Coastal Community Fund Term Sheet, Navigational Enhancement and Training Program in accordance with the Navigational Enhancement and Training Program Term Sheet, and funding for a study of impacts to private recreational fisheries in accordance with the Study Term Sheet ;

WHEREAS, although CRMC and Sunrise Wind acknowledge that CRMC cannot require compensation as a condition of issuing a federal consistency certification, Sunrise Wind agrees that Sunrise Wind will establish a compensation program to compensate Rhode Island fishermen for potential reasonably foreseeable adverse impacts not fully mitigated by the Project modifications within the Jurisdictional Area as outlined in the Direct Compensation Program Term Sheet, Coastal Community Fund Term Sheet, Navigational Enhancement and Training Program Term Sheet, and Study Term Sheet;

WHEREAS, pursuant to the compensation program, Sunrise Wind will establish the Direct Compensation Fund in accordance with the Direct Compensation Program Term Sheet (the direct compensation fund program established thereby referred to as the "**Direct Compensation Program**");

WHEREAS, pursuant to the compensation program, Sunrise Wind will also establish a Coastal Community Fund (the "**Coastal Community Fund**") in accordance with the Coastal Community Fund Term Sheet, a Navigational Enhancement and Training Program in accordance with the Navigational Enhancement and Training Program Term Sheet, and will fund a study of impacts to private recreational fisheries in accordance with the Study Term Sheet; and

WHEREAS, CRMC will include the terms agreed to regarding the Direct Compensation Program in its federal consistency concurrence letter.

NOW THEREFORE, the Parties agree as follows:

### **Sunrise Wind Compensatory Mitigation**

1. Sunrise Wind shall make lump sum payments as follows as part of its overall Project modifications and mitigations to achieve consistency with the enforceable policies of the Ocean SAMP: \_\_\_\_\_ Dollars (\$\_\_\_\_\_) as compensatory mitigation for Rhode Island commercial fishermen; Five Hundred Thousand 00/100 Dollars (\$\_\_\_\_\_) for Rhode Island charter/for-hire fishermen; and Three Hundred Thousand and 00/100

Dollars (\$\_\_\_\_\_) for the Coastal Community Fund. This total of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) is net present value and shall be Sunrise Wind's only financial contribution to compensatory mitigation in Rhode Island (the "**Compensatory Mitigation**").

2. A bank (the "**Financial Institution**") shall serve as custodial administrator of the Compensatory Mitigation.
3. Within thirty (30) days after the receipt of all final federal, state and local permits, authorizations, concurrences, non-objections and approvals necessary to construct and operate the Project as described in the approved COP, Sunrise Wind shall provide the Compensatory Mitigation to the Financial Institution to be held in an escrow account (the "**Escrow Account**") substantially in accordance with the terms of and in the form of the Escrow Agreement attached hereto as Exhibit A-2 (the "**Escrow Agreement**") with such changes as are requested/required by the Escrow Agent.
4. The Compensatory Mitigation shall be ear-marked as follows:
  - i. \_\_\_\_\_ for commercial and for-hire charter fishing operations for mitigation of direct losses/impacts arising from the construction and operation of the Project and unforeseen, extraordinary events that lead to later business interruption and direct losses/impacts caused by the Project. The Financial Institution shall be provided with the following or similar investment guidelines by way of example with the suggested overall investment goal of achieving an average annual rate of return of no less than 3 percent:
    - a) 30 percent U.S. Treasuries with a 30-year Treasury yield of no less than 2.0 percent;
    - b) 40 percent Municipal bonds with a bond yield of no less than 2.5 percent; and
    - c) 30 percent investment-grade Corporate bonds with a bond yield of no less than 4.0 percent;
  - ii. \_\_\_\_\_ for direct losses/impacts caused by decommissioning. The Financial Institution shall be provided with the following or similar investment guidelines by way of example with the suggested overall investment goal of achieving an average annual rate of return of no less than 4 percent:
    - a) 15 percent U.S. Treasuries with a 30-year Treasury yield of no less than 2.0 percent;
    - b) 15 percent Municipal bonds with a bond yield of no less than 2.5 percent; and

- c) 60 percent investment-grade Corporate bonds with a bond yield of no less than 4.5 percent; and
  - iii. \_\_\_\_\_ and 00/100 Dollars (\$\_00,000) for the Coastal Community Fund, which the Financial Institution shall disburse to the Fund (as defined in Paragraph 16) pursuant to the provisions below and in accordance with the Escrow Agreement. The Financial Institution shall be provided with the following or similar investment guidelines by way of example with the suggested overall investment goal of achieving an average annual rate of return of no less than 3 percent:
    - a) 30 percent U.S. Treasuries with a 30-year Treasury yield of no less than 2.0 percent;
    - b) 40 percent Municipal bonds with a bond yield of no less than 2.5 percent; and
    - c) 30 percent investment-grade Corporate bonds with a bond yield of no less than 4.0 percent.
- 5. Any Compensatory Mitigation in the Escrow Account remaining upon completion of Project decommissioning shall be transferred to the Coastal Community Fund to be used in accordance with the purposes of the Coastal Community Fund as specified in the Coastal Community Fund Term Sheet and the Fund agreement.
- 6. The Financial Institution and TAP recommended by Sunrise Wind shall be subject to the approval of CRMC, which approval shall not be unreasonably withheld, conditioned or delayed. Upon selection and final approval of the Financial Institution and TAP, Sunrise Wind shall have no further involvement whatsoever with respect to the Compensatory Mitigation, Direct Compensation Program, or Coastal Community Fund. The Compensatory Mitigation is funded at a level such that the funding would be exhausted if the fund over-paid incorrectly on the claims made.
- 7. In addition to the Compensatory Mitigation, Sunrise Wind shall make available up to Three Hundred Thirty Three Thousand, Three Hundred and Three Dollars (\$333,333.00) for the Sunrise Wind Navigational Enhancement and Training Program described in the Navigational Enhancement and Training Program Term Sheet.
- 8. Sunrise Wind also shall make available up to \_\_\_\_ Thousand Dollars (\$,000.00) to fund a study of impacts to private recreational fisheries operating within the Sunrise Wind wind farm area as described in the Study Term Sheet.

#### **Establishment of the Direct Compensation Program**

- 9. The purpose of the Direct Compensation Program is to provide financial compensation to

eligible Rhode Island 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.

10. The Direct Compensation Program will be established in accordance with the Direct Compensation Program Term Sheet. The TAP selected pursuant to the Direct Compensation Program Term Sheet shall have authority and discretion to establish such additional terms and conditions for the Direct Compensation Program as are required to fulfill its purpose so long as any such additional terms and conditions are consistent with the Direct Compensation Program Term Sheet, Eligibility Form substantially in the form attached as Exhibit A-3, Model Claims Form substantially in the form attached as Exhibit A-4, and Form of Release of Liability substantially in the form attached as Exhibit A-5. Any ambiguity between the Direct Compensation Program Term Sheet and this Agreement shall be resolved by the TAP in favor of this Agreement, which embodies the final intent of the Parties with respect to the Direct Compensation Program.
11. If deemed necessary by the TAP, applicants shall apply for eligibility for the Direct Compensation Program during an eligibility period by submitting an Eligibility Form established by the TAP in substantially the form attached as Exhibit A-3. The eligibility period, if any, will begin prior to the claims and payment period and will last for a reasonable period of time. The TAP will approve or reject eligibility submittals during any eligibility period. Eligibility will be based on historic fishing in the Project area and a direct impact or direct loss caused by the Project. For purposes of the Project construction period and years immediately following construction, historic fishing in the Jurisdictional Area refers to years of fishing prior to the start of construction. To be clear, an eligibility period is not required if the TAP deems it unnecessary. Notwithstanding whether the TAP deems an eligibility period necessary, each fisherman shall be required to fill out the eligibility form prior to submitting a claim.
12. Applicants who do not evidence eligibility either during an initial eligibility period or during Project construction or the years immediately following construction may only enter the Direct Compensation Program and evidence eligibility at the time of either decommissioning or during operations if and only if an unforeseen, extraordinary event (“**Operations Interruptions Event**”) occurs that leads to business interruptions and direct impacts/losses caused by the Project. In any such case, the TAP may in its discretion establish an eligibility period or otherwise assess eligibility within a reasonable period of time of the Operations Interruptions Event or decommissioning. New applicants identified during any such periods may seek compensation from the ear-marks set aside for such contingencies as identified in Paragraph 4 herein.
13. The TAP will establish a claims review and decision process in accordance with the Direct Compensation Program Term Sheet. Applicants shall apply for compensation from the Direct Compensation Program for one of the three payment phases of construction and operations, decommissioning, and/or Operations Interruptions Events by submitting a claims form substantially in the form of the Model Claims Form attached as Exhibit A-4. The TAP will approve or reject claims submittals. The TAP shall reject any claim arising

longer than five years after construction has been completed if the TAP determines, in its professional opinion, that the claimant did not reasonably consider all practical opportunities to adapt to operating within the Jurisdictional Area. The TAP may seek advice from the Rhode Island Fishermen's Future Viability Trust established for the Project for evaluating any claim. If a claim is rejected, an appeal process to a neutral third party may be available.

14. All confidential, non-public or proprietary information (the “**Information**”) provided by applicants to the TAP will be kept confidential unless disclosure is required by law, rule, regulation, regulatory authority or pursuant to a legal or similar process. In such an event, the TAP shall only disclose that portion of the Information that it determines it is legally required to disclose and shall request confidential treatment of any Information so disclosed.
15. In accordance with the Direct Compensation Fund Term Sheet, the amount of payment will be based on: the eligible claimant's historical activity in the Jurisdictional Area such that applicants with a higher value of historical landings in the Jurisdictional Area will receive higher payment than those that have a lower value of historical landings; the number of eligible applicants; demonstration of losses attributable to the Project; and preservation of funds in the Escrow Account for future applicants.
16. In consideration for receipt of funds from the Direct Compensation Program, applicants simultaneously shall execute a Form of Release of Liability substantially in the form attached as Exhibit A-5.
17. The Direct Compensation Program is not intended to address or provide compensation for any claims of lost or damaged gear or related economic loss. Any such claim submitted to the Direct Compensation Program shall be immediately rejected by the TAP without any right to an appeal and referred to Orsted under the Orsted Fishing Gear Conflict Prevention and Claim Procedure, which is publicly available through Orsted's Mariners' website.
18. Sunrise Wind acknowledges that a Rhode Island Fishermen's Future Viability Trust will be established to assist the TAP in the management and processing of claims under the Direct Compensation Program.

### **Establishment of the Coastal Community Fund**

19. The Coastal Community Fund shall be established for Rhode Island fishermen as an entity independent of the State of Rhode Island (the “**Fund**”) in accordance with Rhode Island law to fulfill the purposes outlined in the Coastal Community Fund Term Sheet and accompanying agreement substantially in the form attached as Exhibit B-2.
20. Sunrise Wind will provide initial funding for the Coastal Community Fund pursuant to the Compensatory Mitigation ear-mark set forth in Paragraph 4(iii).
21. The Fund shall be used only to fund projects that satisfy the Coastal Community Fund's

objectives, which include projects for support for Rhode Island companies that support Rhode Island fishing interests, and which objectives explicitly do not include funding for litigation, regulatory work, or petitioning activities, and that are approved by the Sunrise Wind Coastal Community Advisory Council or a body substantially similar thereto and established for the purpose of evaluating and approving projects proposed for Coastal Community Fund funding (“**Advisory Council**”). The composition and number of the Advisory Council will be determined by CRMC staff in consultation with the FAB or other fishermen’s association. The Advisory Council directs an escrow agent or similar agent to release funds from the Fund once a project is approved.

22. Sunrise Wind will have no rights or role with respect to the Advisory Council’s management of the Fund or approval of project funding requests as long as such approvals further the purpose of the Coastal Community Fund.

### **Payment of Expenses for the Funds**

23. The costs, expenses and fees incurred in the establishment, implementation, and operation of the Coastal Community Fund and the Direct Compensation Program, including but not limited to costs, expenses and fees for the TAP, neutral third party to review any appeals, escrow agent and any investments, shall be paid from the Fund and Escrow Account, respectively. Sunrise Wind shall have no responsibility for the payment of any costs, expenses or fees of any kind whatsoever.

### **Precedent Conditions**

24. This Agreement and the implementation of the Direct Compensation Program, Coastal Community Fund, Navigational Enhancements and Training Program, and the study of impacts to private recreational fisheries described in Paragraph 8 shall be contingent upon the occurrence of each of the following events:
  - a. On or before \_\_\_\_\_, 2023, CRMC issuing its concurrence with Sunrise Wind’s consistency certification as voted by the Council on \_\_\_\_\_, 2023; and
  - b. Sunrise Wind receiving all other final federal, state, and local permits, authorizations, concurrences, non-objections and approvals necessary to construct and operate the Project as described in the approved COP.

For the avoidance of doubt, if: (i) CRMC does not issue its concurrence with Sunrise Wind’s consistency certification on or before \_\_\_\_\_, 2023; or (ii) Sunrise Wind fails to receive all other such permits, authorizations, concurrences, non-objections and approvals, then Sunrise Wind shall have no further obligations under this Agreement.

### **Dispute Resolution**

25. If either Party alleges that there exists a dispute or disagreement regarding the matters covered by this Agreement, it shall notify in writing the other Party of such alleged dispute



or disagreement (“**Dispute Notice**”). The Parties shall attempt to resolve the alleged dispute or disagreement through good faith negotiations. If the Parties fail to resolve the alleged dispute or disagreement within sixty (60) days of the Dispute Notice, the Party alleging the dispute or disagreement may enforce this Agreement only by specific performance, injunctive relief or a declaratory judgment action pursuant to R.I.G.L. § 9-30-1 *et seq.* The remedies of specific performance, injunctive relief and declaratory judgment shall be cumulative of all other rights and remedies at law or equity of the Parties under this Agreement.

### **Governing Law**

26. This Agreement shall be construed in accordance with and all disputes hereunder shall be controlled by the laws of the State of Rhode Island without regard to its conflict of laws principles. For the purposes of this Agreement only, Rhode Island shall be the forum state for all forms of dispute resolution between the Parties, including but not limited to judicial actions to enforce the Agreement.

### **Entire Agreement**

27. This Agreement constitutes the entire agreement of the Parties as to the subject matter herein, and supersedes any and all prior oral or written agreements of the Parties. This Agreement cannot be changed or modified except in a written instrument signed by both Parties.

### **Recitals**

28. The above recitals are incorporated herein by reference.

### **Successors and Assigns**

29. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

### **No Third-Party Beneficiaries**

30. The Parties do not confer any rights or remedies upon any person other than the Parties to this Agreement and their respective successors and assigns.

### **Severability**

31. If any part of this Agreement is found to be unenforceable, the rest will remain in full force and effect and shall be interpreted so as to give full effect to the intent of the Parties.

### **Execution in Counterparts**

32. This Agreement may be executed in counterparts and by the different Parties hereto on

separate counterparts, each of which when so executed and delivered shall be an original, but all counterparts shall together constitute one and the same instrument. This Agreement may be delivered by the exchange of signed signature pages by facsimile transmission, electronic signatures, or by attaching a pdf copy to an e-mail, and any printed or copied version of any signature page so delivered shall have the same force and effect as an originally signed version of such signature page.

**Term; Termination**

- 33. The term of this Agreement shall start on the date of this Agreement. If any of the “Precedent Conditions” above cannot be fulfilled, this Agreement shall terminate upon the date in which it becomes apparent that such condition set forth in the “Precedent Conditions” cannot be fulfilled. If the “Precedent Conditions” are fulfilled, this Agreement shall expire on the date in which the all funds contributed by Sunrise Wind to the Coastal Community Fund and the Direct Compensation Program have been disbursed.

**IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the date first written above.**

**SUNRISE WIND, LLC.**

**RHODE ISLAND COASTAL RESOURCES  
MANAGEMENT COUNCIL**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:  
Title:

Name:  
Title:

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:  
Title:

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