

OCEAN

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Staff Recommendation

January 24, 2023

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Action Item:

Consideration and Approval of Disbursement of Funds to the California Fishermen's Resiliency Association

Justine Kimball, Senior Environmental Scientist

Recommended Action: Authorization to disburse up to \$45,000 to the California Fishermen's Resiliency Association to enhance industry-to-industry cooperation on offshore wind fishing community benefit agreements. This authorization will provide a minor budget augmentation to an existing grant previously approved in October 2022 through the Executive Director's delegated authority.

Location: Statewide

Strategic Plan Goals and Objectives: Goal 4: Support Ocean Health Through a Sustainable Blue Economy; Objective 4.1: Advance Sustainable Seafood and Thriving Fishing Communities; Target 4.1.2: Implement pilot projects statewide to increase fishing communities' resiliency and adaptation to climate impacts by 2025. Target 4.4.1: Work towards development of a commercial scale offshore wind project in California that minimizes impacts on marine biodiversity or habitat, currents and upwelling, fishing, cultural resources, navigation, aesthetic/visual, and military operations by 2026.

Equity and Environmental Justice Considerations: This project directly supports fishing community participation in the development of community benefit agreements that will help compensate fishermen for lost revenue while advancing offshore wind development to meet California's ambitious renewable energy goals.

Findings and Resolution:

Staff recommends that the Ocean Protection Council (OPC) adopt the following findings:

"Based on the accompanying staff report and attached exhibit(s), OPC hereby finds that:

- 1. The proposed projects are consistent with the purposes of Division 26.5 of the Public Resources Code, the California Ocean Protection Act;
- 2. The proposed projects are consistent with the Budget Act of 2021 which included a \$2 million General Fund appropriation for Offshore Wind research to improve understanding of impacts on ecosystems, fisheries, and cultural resources; and
- 3. The proposed projects are not 'legal projects' that trigger the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section, section 15378."

Staff further recommends that OPC adopt the following resolution pursuant to Sections 35500 *et seq.* of the Public Resources Code:

"OPC hereby approves the disbursement of up to \$45,000 to the California Fishermen's Resiliency Association to enhance industry-to-industry cooperation on offshore wind fishing community benefit agreements. This disbursement will provide a minor budget augmentation to an existing grant totaling \$199,603, which was approved by the Executive Director's delegated authority in October 2022.

This authorization is subject to the condition that prior to disbursement of funds, the California Fishermen's Association shall submit for the review and approval of the Executive Director of the OPC detailed work plans, schedules, staff requirements, budgets, and the names of any contractors intended to be used to complete the projects, as well as discrete deliverables that can be produced in intervals to ensure the projects are on target for successful completion. All projects will be developed under a shared understanding of process, management and delivery."

Executive Summary:

The proposed funding of \$45,000 will provide a minor budget augmentation to an existing grant with the California Fishermen's Resiliency Association (CFRA), which supports development of industry-to-industry fishing community benefit

agreements (FCBA) with offshore wind (OSW) lessees. This additional funding will support commercial and recreational fishing sector participation in a working group required by the Coastal Commission's Consistency Determinations (Condition 7c) for both the <u>Morro Bay</u> and <u>Humboldt</u> Wind Energy Areas.

CFRA was incorporated in January 2022 to establish a point of contact for California Commercial Fishermen's Port Associations in their collective efforts to coexist with offshore wind energy developments in California. The CFRA is based on the successful model of the Central California Joint Cable/Fisheries Liaison Committee which has a twenty-year history of negotiations via FCBA's with subsea cable companies to avoid and minimize disruptions and provide fishing community benefits from subsea cable impact fees.

Project Summary:

Background:

In 2022, the California Coastal Commission (Coastal Commission) adopted Consistency Determinations (CD) for both the Morro Bay and Humboldt Wind Energy Areas that included seven Conditions. Condition 7c states that the Bureau of Ocean and Energy Management (BOEM) "will work with the Commission and other state and federal agencies to develop and facilitate a working group consisting of fishing organizations and representatives from different regions/ports of the state, representing different fisheries and gear types, and in both the commercial and recreational sectors, lessees and state and federal agency staff. The working group will develop a statewide strategy for avoidance, minimization and mitigation of impacts to fishing and fisheries that prioritizes fisheries productivity, viability, and long-term resilience. The strategy should include protocols for communication, best practices for surveys and data collection, a methodology for comprehensive socioeconomic analysis of direct and indirect impacts to fishing, a framework for compensatory mitigation for unavoidable impacts, and a Fishing Agreement template that memorializes the elements of the strategy. The strategy should include specific consideration for those fisheries that are disproportionately and/or directly affected by offshore wind development."

Following the Coastal Commission CD adoptions, BOEM conducted its first-ever auction of offshore wind development areas on the west coast on December 6, 2022. The total lease sale exceeded \$750 million over the five lease areas offshore of Morro Bay and Humboldt Bay. The five winning bidders are now expected to submit a site and assessment plan to BOEM, with site assessment and characterization lasting up to five years. With the winning bidders now known, the Coastal Commission, in coordination with BOEM, California Energy Commission, California Department of Fish and Wildlife, and OPC, has been working to support the development and activities of the Condition 7c working group starting in 2023.

OPC previously approved funding (\$199,603) by delegated authority in October 2022 to fund an initial two-year phase of the CFRA to develop two FCBA templates: one for OSW power projects and one for subsea cable projects. The templates will be used as a starting point for industry-to-industry agreements between developers (the winning bidders) and the California commercial fishing industry.

Project Summary:

This project will accomplish the following objectives:

- Allow CFRA to act as a point-of-contact and coordinating entity for commercial and recreational fishing sector participation in the Condition 7c working group.
- Facilitate honoraria for fishing sector participation in the Condition 7c working group.

About the Grantee:

The CFRA was incorporated in January 2022 to establish a point of contact for California Commercial Fishermen's Port Associations in their collective efforts to coexist with offshore wind energy developments in California.

Project Timeline:

This recommended action will extend the current timeline by two months, from October 31, 2024 to December 31, 2024.

Project Financing:

Staff recommends that the Ocean Protection Council authorize encumbrance of up to \$45,000 to California Fishermen's Resilience Association to enhance industry-to-industry cooperation on offshore wind fishing community benefit agreements.

California Fishermen's Resiliency Association	\$45,000
TOTAL	\$45,000

The anticipated source of funds will be from the FY2021-2022 Offshore Wind General Fund appropriation to improve understanding of OSW impacts on ecosystems, fisheries, and cultural resources. The recommended project will directly fund the fishing community to evaluate potential impacts to fisheries from OSW development and participate in the development of community benefit agreements that will support the ability of offshore wind development and fishing activities to co-exist.

Consistency with California Ocean Protection Act:

The proposed project is consistent with the Ocean Protection Act, Division 26.5 of the Public Resources Code, because it is consistent with trust-fund allowable projects, defined in Public Resources Code Section 35650(b)(2) as projects which:

- Improve the management of fisheries and/or foster sustainable fisheries.
- Allow for increased public access to, and enjoyment of, ocean and coastal resources, consistent with sustainable, long-term protection and conservation of those resources.
- Improve management, conservation, and protection of coastal waters and ocean ecosystems.
- Provide monitoring and scientific data to improve state efforts to protect and conserve ocean resources.
- Provide funding for adaptive management, planning coordination, monitoring, research, and other necessary activities to minimize the adverse impacts of climate change on California's ocean ecosystem.

Compliance with the California Environmental Quality Act (CEQA):

The proposed project Plan is not a "legal project" that triggers the California Environmental Quality Act (CEQA) pursuant to Public Resources Code section 21068 and Title 14 of the California Code of Regulations, section 15378.