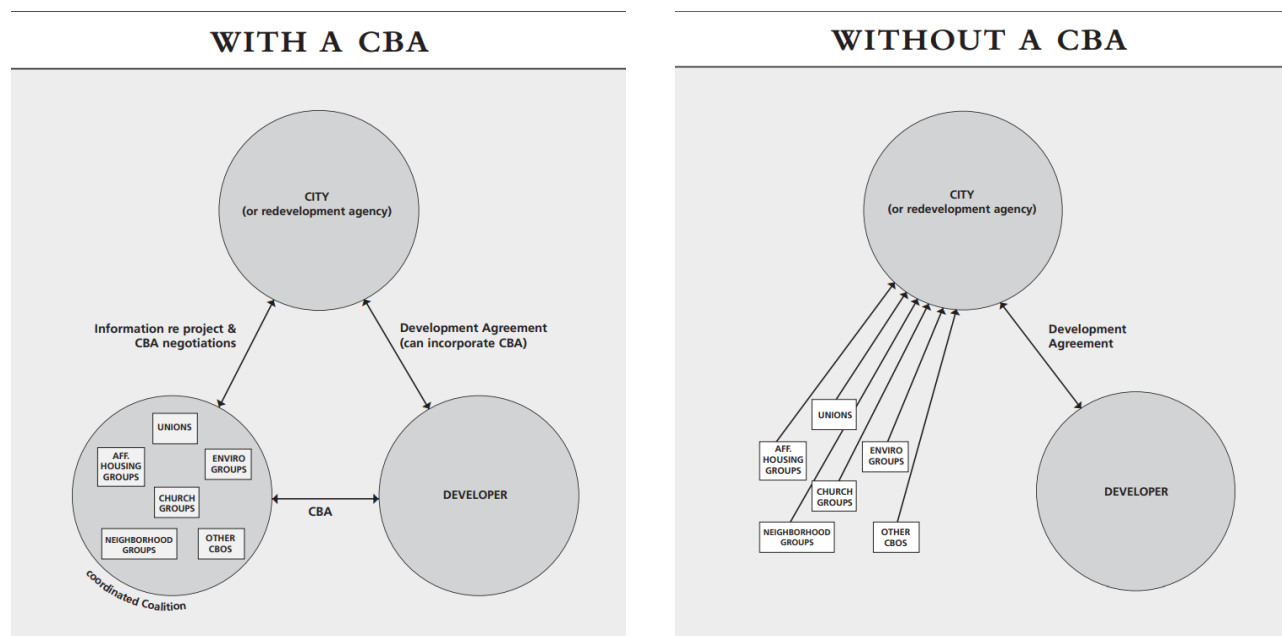


Community Benefits Plans and Agreements in Carbon Management

The benefits of carbon management projects are environmental, economic, and social. Robust partnerships between project developers and communities can lead to mutually beneficial relationships. For developers, a strong working relationship with people results in a higher likelihood that a project receives federal support and reaches completion. For community members, carbon management projects raise tax revenues, increase job opportunities, and lead to environmental benefits. Building new infrastructure can be contentious. Intentionality, cooperation, and local buy-in are crucial for a successful project.

Community Benefits Plans (CBPs) and Community Benefits Agreements (CBAs) are two ways developers can engage with communities to develop plans and agreements to ensure that project benefits accrue for impacted communities. These processes also offer community members an opportunity to have concerns about carbon management projects addressed and for project developers to have a chance to build trust.



Source: Gross, Julian, Greg LeRoy, and Madeline Janis-Aparicio. Without a CBA; With a CBA. Goodjobsfirst.Org. Accessed April 2024. <https://goodjobsfirst.org/wp-content/uploads/docs/pdf/cba2005final.pdf>.

Community Benefits Plans vs. Community Benefits Agreements

CBPs and CBAs are the most common strategies for carbon management developers to partner with local and tribal governments and community organizations. The two are similar in that they pave the way for a cleaner and more equitable energy transition, ensuring that clean energy projects deliver benefits to all affected stakeholders.

There are a few key differences between CBPs and CBAs. CBPs are plans required by the federal government as part of all funding opportunities offered through the Inflation Reduction Act and the Infrastructure and Investment and Jobs Act. CBAs are legally binding agreements signed by the community and the project developer that can result from a CBP. The infographic on the next page elaborates on these differences.

Community Benefits Agreements (CBAs):

- Legally binding agreements negotiated between community organizations and developers
- Outline specific benefits that the developer will provide to the community in exchange for the community's support of the project
- Enforceable in court, which gives communities a stronger guarantee that the developer will follow through on its commitments
- Not required as part of a CBP or for a DOE application, a CBA can be an outcome of a CBP

Community Benefits Plans (CBPs):

- Non-legally enforceable agreements by a project developer, in consultation with the affected community
- Outline a developer's commitment to the community's needs (e.g. affordable housing, job creation, etc.)
- Required as part of DOE funding applications
- Evaluated as part of the application scoring or when assessing the loan's repayment prospect

Source: Rudek, Sionainn. CBAs and CBPs. December 11, 2023. ReImagine Appalachia. <https://reimagineappalachia.org/community-benefits-plans-how-do-they-work-a-deep-dive/>.

Crafting a CBP to Secure Federal Funding

A project developer, research entity, or other grant applicant must submit a CBP as part of its carbon management project proposal to receive federal funding. The CBP accounts for 20% of the score for the technical review process from the US Department of Energy (DOE). There are strong incentives for project developers to create high-quality CBPs and engage early with communities impacted by their proposed projects. Benefits are both monetary (e.g., cash to landowners for use of their property) and non-monetary (e.g., workforce development programs for community members). Well-organized communities should be able to communicate their main priorities for the benefits they would like to see accruing to their communities.

Although not a requirement for CBPs, project developers looking to incorporate community needs in their proposals should engage communities early in the project proposal phase to collaborate on the CBP submission to DOE. If a CBA results from a CBP, it must be developed through a local and inclusive process. All stakeholders are encouraged to be creative, specific, and attentive to their specific needs when drafting CBPs and CBAs, as the needs of each community or municipality are different. Below, we outline some best practices for all stakeholders to reach a satisfying outcome.

Best Practices

In this section of the toolkit, we outline the expertise of Matthew Eisenson and Romany M. Webb from Columbia Law School's Sabin Center for Climate Change Law. Their insights map best practices to engage with communities and develop mutually beneficial plans and agreements. The full set of recommendations can be found here: [Expert Insights on Best Practices for Community Benefits Agreements \(columbia.edu\)](#).

For Developers:

- **Outreach should happen early and often starting in the form of conversations.** Developers need to build trust with community members and understand local priorities. Hiring a local outreach firm or trusted community-based organization helps with this process. It's important not to start by cutting deals.

- **Government officials need to be involved early and often.** Getting to know town officials, legislators, and council members allows for an easier navigation of bureaucracy and improves goodwill.
- **Partnerships with public entities and long-existing organizations increase the stability of a CBA and the quality of a CBP.**
- **Accept no as an answer.** The goal is not persuasion. It's honest communication and meeting people's needs. Not listening to community members' needs in the short term will lead to larger long-term costs.
- **Be transparent.** Communicate what you know for certain, and don't make promises that can't be kept. Keep people updated about the process and share visual depictions and renderings of the proposed project, or, if possible, provide tours of the construction process and facility.
- **Do the work of knocking on doors.** It may be easier to connect with organizations. Real conversations, goodwill, and support from local community members will be found on the doorstep.
- **CBAs and CBPs are one step in a much longer engagement process that requires sustained outreach, community involvement, maintenance of trust, and connecting with project opponents.**

For Communities:

- **Organize early and with clarity.** Reach a consensus about how you would like to see developers operate in your area. Think about your greatest needs and how a developer could help address them.
- **Use trusted, well-respected mediators** to facilitate community discussions.
- **Be inclusive.** Work to make sure as many people as possible can make their voices heard in an equitable decision-making process. This includes providing outreach materials and information in multiple languages and accessibility formats.
- If possible, **hire technical experts like lawyers and experienced industry players** to walk through the developer's proposal.
- **Ask the developer** to provide as much information as possible.

Best practices for writing a CBP or CBA include specificity, clear timelines, opportunities to make changes as needs shift, and strong monitoring standards. For an example of a successful CBA in Vernon Parish, Louisiana, please see the case study included in Section 4 of the toolkit.

Additional Resources:

- [About Community Benefits Plans](#) – US Department of Energy
- [How to Get Started on your Community Benefits Plan](#) – US Department of Energy
- [Community Benefits Resource Inventory](#) - Clean Air Task Force
- [Community Benefits Agreements Database](#) – Sabin Center for Climate Change Law, Columbia University Law School