



US Clean Energy Projects Need Public Buy-in. Community Benefits Agreements Can Help

August 31, 2023 By Evana Said, **Devashree Saha**, Grace Adcox and Celina Scott-Buechler Cover Image by: anatoliy_gleb/Shutterstock

Explainer

Topic **Climate** Region **North America**

The United States is entering a clean energy boom thanks to once-in-a-generation investments made under the [Bipartisan Infrastructure Law](#) (BIL) and [Inflation Reduction Act](#) (IRA). In just seven months following the IRA's passage, the industry

announced over [\\$150 billion](#) in utility-scale clean energy — equivalent to five years' worth of investments made between 2017 and 2021.

But actually breaking ground on these projects can be a challenge.

Wind farms, solar parks and other large-scale projects often face pushback from nearby communities that can delay or even halt construction. Unless developers address local concerns — including economic, environmental and health impacts — this could undermine support for clean energy deployment and jeopardize the United States' ability to meet its [climate targets](#), while also hindering developers' ability to meet their own goals.

Community benefits agreements and other types of **project agreements** can help avoid these roadblocks by promoting safe, equitable clean energy development and guaranteeing local benefits (like jobs and improved infrastructure) to garner support among nearby communities.

Some states, cities and federal agencies are beginning to mandate the use of project agreements. But these are not one-size-fits-all; they must be carefully designed to respond to each community's unique needs. Here's how that can be done.

Why Are Clean Energy Projects Facing Opposition in the U.S.?

Meeting national climate goals, while critical, is not the only reason to expand U.S. clean energy infrastructure. These projects can also create [millions of good-paying jobs](#) and help address climate- and pollution-driven inequities.

However, the benefits of new development haven't always flowed to nearby people. Decades of [redlining policies](#) and structural [racial segregation](#) have historically concentrated industry and infrastructure near low-income and communities of color, leading to increased [pollution and serious health risks](#) in some areas. Fear of such outcomes can cause opposition to new development, including clean energy projects, with concerns ranging from environmental impacts to lack of public participation,

health and safety issues, impact on land and property values, and failure to respect Tribal rights.



Solar panels seen from above near a residential neighborhood. Community pushback due to concerns about potential environmental, economic and health impacts can sometimes delay or even derail plans for new clean energy development in the U.S. Photo by yorkfoto/iStock

At least [53 utility-scale](#) renewable energy projects in 28 states were delayed or blocked between 2008 and 2021, due in part to community opposition, among other factors. The projects represent nearly 9,600 megawatts of potential generation capacity — equal to [enough solar energy](#) to power over 1.5 million homes for a year.

Expanded use of project agreements could help clear some of these hurdles for developers and communities alike.

What Are Project Agreements?

Community benefits agreements are just one type of “project agreement” used to ensure that new development projects have positive outcomes for nearby people. Project agreements can be used to guarantee economic benefits such as good jobs, to reduce delays in the process, to ensure accountability and to address environmental justice concerns. Benefits can flow to various stakeholders, including community coalitions and organizations, the public sector, businesses, project developers and labor unions.

Project agreements can also help ensure that [federal investments](#) create local opportunities in underinvested economies — a [key goal](#) of the target funds created through BIL and IRA.

Examples of project agreements include:

- **Project labor agreements (PLAs):** [Project labor agreements](#) are pre-hire collective bargaining agreements between labor unions and contractors that establish the terms and conditions of employment for a specific project. PLAs typically specify wages, benefits and working conditions, and require contractors to source labor through union hiring halls which help connect workers with jobs. They also include methods of dispute resolution to ensure that projects continue without interruption and can include [no-strike and no-lockout](#) clauses.
- **Community workforce agreements (CWAs):** A community workforce agreement creates economic opportunities for residents and businesses in communities where projects are being proposed. Provisions can include hiring local residents and underrepresented workers, prioritizing the re-hiring of workers from certain local industries such as a closing coal plant, and ensuring the participation of local small business enterprises in projects.
- **Community benefits agreements (CBAs):** A [community benefits agreement](#) is a voluntary but legally binding agreement between a developer or company and nearby community organizations that directs benefits from new development projects to local people. These benefits vary based on a community's needs; they can include employment provisions, new infrastructure, and resources for the community such as affordable housing, public parks, job training programs and/or measures to protect the environment. CBAs are negotiated prior to government approval of a project. In some cases, a local or state agency may play an active role in negotiations and can act as an enforcer of an agreement.
- **Community benefits plans (CBPs):** Unlike a community benefits agreement, a community benefits plan is a non-legally binding roadmap for how a developer will engage with communities during a project. While they do not always include designated funding or enforcement

mechanisms, CBPs can help pave the way for future, legally binding community benefits agreements by laying some of the groundwork and bringing stakeholders together early on.

These kinds of agreements have been used in some sectors for decades. Project labor agreements are common in the construction industry, for example, while community benefits agreements have been used in both construction and real estate. Today, project agreements can be a valuable tool for delivering a new generation of low-carbon projects, from wind and solar installations to [electric school buses](#) and the mining of [critical minerals](#).

How Project Agreements Can Spur Clean Energy Development

The federal government will spend an [estimated \\$1.25 trillion](#) on transportation, energy, water resources and broadband infrastructure through IRA and BIL over the coming decade. This presents a unique opportunity to both overhaul U.S. infrastructure and dictate the terms of the process — especially how public and private developers engage with historically marginalized communities. These investments can be transformative, especially as they are happening alongside the [Justice40 Initiative](#), which commits to delivering 40% of the benefits from federally funded clean energy and climate projects to disadvantaged communities.



Solar panels cover a reclaimed landfill in New Jersey. Clean energy projects can provide co-benefits to nearby communities, such as revitalizing formerly contaminated Superfund and brownfield sites into renewable energy sources. Photo by Kyle Allingham/iStock

The Department of Energy (DOE) now requires developers to submit community benefits plans as part of all BIL and IRA funding opportunities and loan applications. These are evaluated based on four pillars — implementing [Justice40](#); investing in America's workforce; engaging communities and labor; and advancing diversity, equity, inclusion and accessibility — and will count for 20% of a project's overall score during the review process. If a developer is selected to receive funding, its CBP will be part of the contractual agreement. Project labor agreements are also required as part of federal construction projects of \$35 million or more due to an [executive order](#) signed by President Biden in February 2022.

Finance is flowing at the local level as well, offering further opportunities to leverage project agreements in negotiations. Earlier this year, for example, Georgia provided [\\$358 million](#) in incentives to Norwegian FREYR Battery, which is planning to invest \$2.75 billion in a battery manufacturing facility outside of Atlanta. And Ford Motor

will receive [\\$1 billion](#) in incentives to locate a \$3.5 billion electric vehicle battery plant in south-central Michigan.

As they distribute these incentives, some state and local governments are incorporating project agreements into their economic development processes. In 2016, [Detroit](#) became the first city to enact a community benefits ordinance, requiring developers who receive local public subsidies or tax breaks above a certain threshold to negotiate benefits with a local advisory council. [Cleveland, Ohio](#), [Sacramento, California](#), and [St. Petersburg, Florida](#) have adopted or are considering some form of community benefits agreement at a city-wide level, while [New Jersey](#) was the first to institutionalize CBAs at the state level.



A contracted worker cleans panels at a solar park in California. Project agreements can help ensure that employment opportunities and other benefits from clean energy projects flow to local workers and nearby communities. Photo by Dennis Schroeder/NREL

What Does a Successful Project Agreement Look Like?

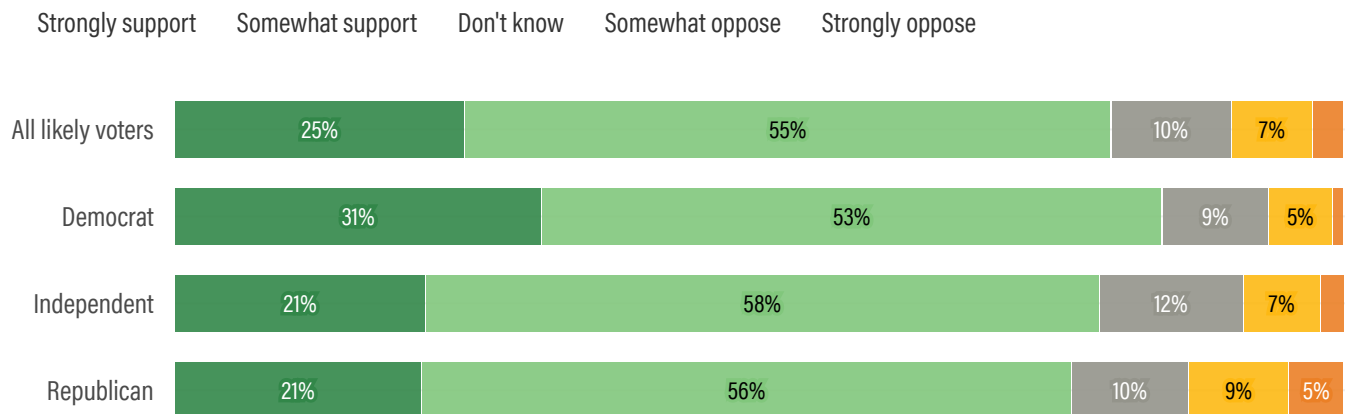
As public and private investments transform U.S. infrastructure over the coming decades, and as project agreement requirements become more common, a better understanding of how to effectively design and implement them will be key. But despite growing interest in engaging communities in climate and energy projects, there's relatively little research on the kinds of benefits people want, what they need to be able to engage with developers, and what mechanisms can ensure accountability and faithful execution of these agreements.

Data for Progress, in collaboration with World Resources Institute, recently [surveyed](#) 1,290 likely voters across the country to better understand people's awareness, understanding and expectations with regard to project agreements. Here are a few key insights about what communities want to see from the process moving forward:

1) Increased community awareness and engagement

Public awareness and understanding of project agreements are essential to their success. However, our recent polling finds that under one-quarter of respondents are at least “a little” familiar with the various types of agreements, while only about 5% have seen or heard “a lot” about them. After reading a description of community benefit agreements, the majority of respondents (80%) support using them.

Over three-fourths of voters support the use of community benefit agreements on development projects



Note: Based on a survey of 1,290 likely voters nationally from June 30-July 2, 2023. See [survey crosstabs](#) for full question text.
Source: Data for Progress.



Given these results, government agencies and NGOs should do more to familiarize the public with what project agreements can provide and how to engage in the process. This will be critical to ensuring meaningful community participation and helping government agencies, in particular, become trusted messengers for driving awareness about project agreements.

Governments and NGOs can also deploy additional resources and technical assistance to help communities navigate the process of negotiating project agreements. This could include informing residents about the types of benefits they can request; connecting community members with experienced regional or national networks; and providing financial and/or in-kind compensation, such as food and childcare, for members who attend engagement events. Establishing a fund to pay community-appointed representatives or experts to participate in negotiations can also be helpful.

When Deepwater Wind [proposed](#) a wind farm off the coast of Rhode Island, for example, the New Shoreham town council was tasked with reviewing the community's concerns and interests. However, the council did not have the technical expertise to review the project plans or explain the proposal to residents and it hired consultants to help; Deepwater agreed to reimburse the council for this expense and successfully

negotiated a CBA with the town. This resulted in the developer funding the burial of existing overhead utility lines, as well as the creation of separate funds to help transition the town to renewable energy and implement water infrastructure improvements.



Wind turbines are constructed at Block Island Wind Farm, America's first commercial offshore wind farm, near New Shoreham, Rhode Island. The project moved forward after its developer, Deepwater Wind, successfully negotiated a community benefits agreement with the city's town council. Photo by Joan Sullivan/Climate Visuals

2) Inclusive representation

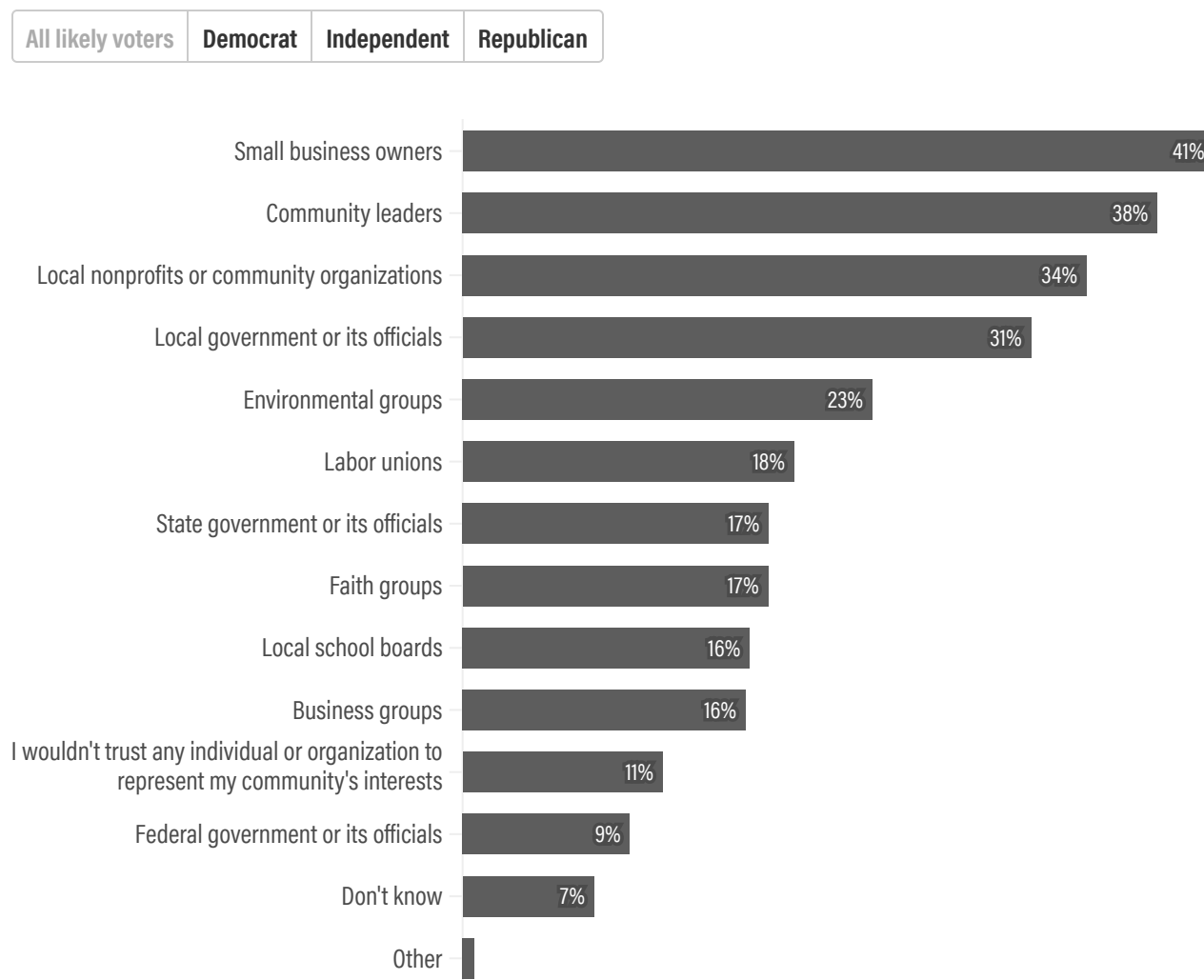
Choosing representation is a critical part of the project agreement process because whoever gets a seat at the table will have an outsized impact on outcomes. The first step should be to form a broad coalition of community-based organizations and labor unions to do extensive outreach and gauge a community's needs. Meanwhile, a relatively small negotiating team or a steering committee with relevant expertise — which reflects the community's lived experiences and knowledge base — should be selected to negotiate with the project developer's representatives.

Communities, of course, are not monoliths and will trust different types of institutions and stakeholders to work on their behalf.

Among all survey respondents, the most trusted groups to represent community interests are small businesses, community leaders, and local nonprofits or community organizations, while only 9% of respondents trust the federal government or its officials to do so. Preferences are also divided along party lines: Democrats lean toward environmental groups, non-profits and community colleges as trusted representatives, while Republicans are more likely to trust faith groups and community leaders.

Voters trust small business owners and community leaders most to negotiate on behalf of their community's interests

Share of voters that indicated they would trust each each group to represent community interests



Note: Based on a survey of 1,290 likely voters nationally from June 30-July 2, 2023. See [survey crosstabs](#) for full question text.
Source: Data for Progress.



As part of Detroit's [community benefits ordinance](#), the city's Planning and Development Department arranges negotiations between a Neighborhood Advisory Council, which includes residents from the project's impact area, and the developer. However, seven out of nine Council members are selected by the city council and the Planning and Development Department, while only two members are elected by local residents — making it difficult to authentically represent their interests. The ordinance also requires only one meeting between the Neighborhood Advisory Council and the developer, which has [created the perception](#) that the city council and the Planning and

Development Department are catering to the preferences of developers over the needs of local communities. (Although in practice, the city's planning staff have facilitated more than one meeting.)

Local governments and those involved in oversight should verify that developers create opportunities for diverse community members to engage early, widely and often. This can include ensuring that materials are translated and discussions are held in languages that are used locally, and holding meetings in public, accessible locations at various times so people with differing schedules can attend.

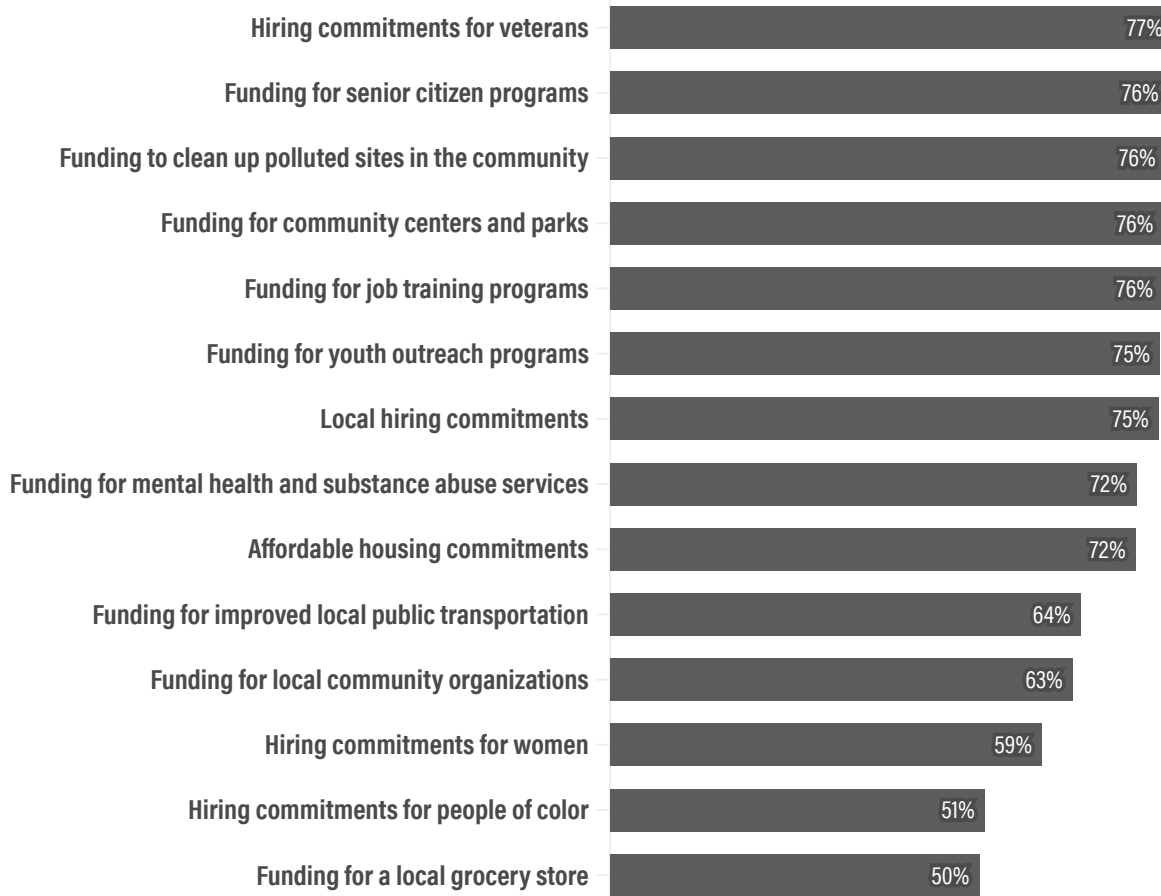
3) Focus on local concerns and priorities

Every community will bring its unique priorities to the table when negotiating community benefits agreements, meaning each CBA should be tailored to local needs. In a previous [national poll](#) conducted in January 2023, Data for Progress found that voters were most interested in CBAs being used to attain labor benefits and community services such as senior citizen programs, followed by environmental benefits and community development projects. Most respondents also believed communities should have the right to refuse projects.

Benefits for veterans, seniors, polluted sites and parks are most important to voters in proposed community benefit agreements

Share of voters that would prefer this benefit in a proposed community benefit agreement

All likely voters	Democrat	Independent	Republican
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Note: Based on a survey of 1,218 likely voters nationally from January 6-9, 2023. See [survey](#), [crosstabs](#) for full question text.
 Source: Data for Progress.



Creating workforce opportunities for underrepresented and underserved populations is also high on the list in many communities.

For example, in 2017, electric bus manufacturer [BYD signed](#) a community benefits agreement with a coalition in Lancaster, California that included Jobs to Move America and SMART Local 105. As part of the agreement, BYD committed to hiring 40% of its workers from populations facing significant barriers to employment, including people of color and veterans. When BYD [renewed its agreement](#) with the

coalition in 2020, workers of color comprised 90% of BYD's total workforce, with African Americans making up 30%. Other electric bus makers have followed suit: New Flyer, the largest electric bus manufacturer in North America, signed a [multi-state CBA](#) with Jobs to Move America in 2022, impacting its facilities in Alabama and California.

4) Effective monitoring and enforcement mechanisms

The effectiveness of project agreements hinges on robust design, diligent enforcement and thorough monitoring processes. In previous research, Data for Progress [found](#) that communities are concerned about developers delivering on their commitments.

Voters support a range of enforcement mechanisms that can ensure the delivery of benefits to communities. One-third of respondents support agreed-upon penalties for failure to deliver on promised benefits, while many also support independent compliance monitoring and dispute resolution mechanisms. In addition to penalties, project agreements could incorporate “clawback” provisions requiring companies and project developers to return funds for noncompliance. Notably, these enforcement mechanisms are not mutually exclusive and can be used in concert to address individual community needs and strengthen project agreements.

Voters largely think that project agreements should include enforcement tools, are receptive to various enforcement tool options

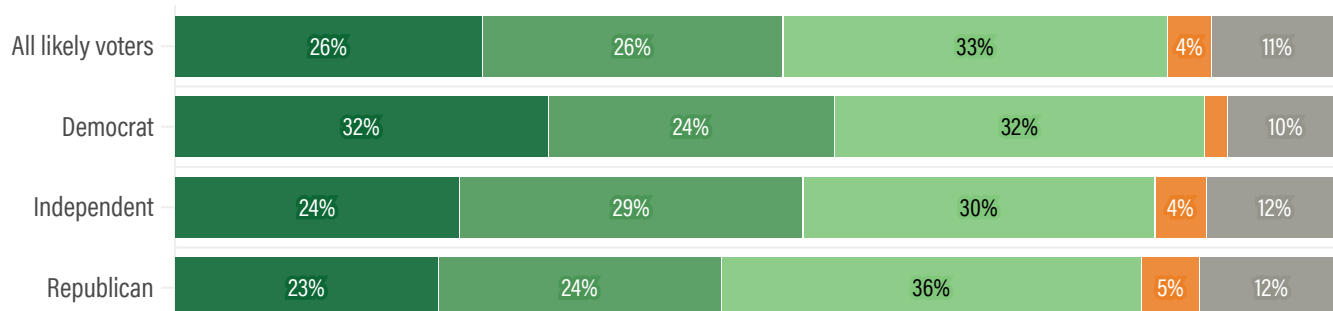
Project agreements should include an independent compliance monitor to oversee the delivery of promised benefits to communities

Project agreements should include a dispute resolution mechanism to address any conflict over the delivery of promised benefits to communities

Project agreements should include penalties agreed upon by both developers and communities if promised benefits are not delivered

It is unnecessary to specify enforcement tools in a project agreement and communities should rely on the goodwill of developers to deliver promised benefits

Don't know



Note: Based on a survey of 1,290 likely voters nationally from June 30-July 2, 2023. See [survey](#), [crosstabs](#) for full question text.

Source: Data for Progress.



WORLD RESOURCES INSTITUTE

Making a developer's commitments public can also help enable increased accountability and transparency. Community benefits agreements should include clear metrics to measure, implement and track a developer's commitments, along with public reporting requirements, and should specify who will be responsible for enforcement.

Detroit's community benefits ordinance, for example, does not authorize the city's Civil Rights, Inclusion and Opportunity Office (CRIO) to issue fines or injunctions when targets are not met, leading to [the criticism](#) that it lacks teeth. As a result, CRIO [could not](#) fine Stellantis, which negotiated an agreement specifying benefits for the local community, when it expanded its facility in East Detroit and was consistently flagged for air quality violations. CRIO's power to enforce was restricted to monitoring and compliance reports — though Michigan's Department of Environment, Great Lakes and Energy did [fine Stellantis](#) for the violation.

Effective monitoring is especially critical for community benefits plans since, unlike CBAs, these are not necessarily legally binding. DOE is planning to implement monitoring mechanisms to ensure that project developers fulfill the commitments they make in CBPs.

Building a Strong Foundation for the Clean Energy Transition

As the U.S. leverages historic investments to create good jobs and fulfill its climate commitments, it has a pivotal opportunity to build a more equitable economy through careful, adaptable and ongoing community engagement. Project agreements and frameworks can provide benefits to developers and local governments while ensuring that communities are empowered to participate and help drive this change.

Maximizing the potential of CBAs other agreements will require continuous improvement, including capacity building, transparency and development of best practices. While project agreements are still fairly novel within the clean energy space, past examples in other sectors — such as the [Staples Center](#), [Port of Oakland](#) and [New Flyer](#) — can serve as helpful models. Similarly, toolkits like those offered by the [Department of Energy](#) and [PowerSwitch Action](#) can be valuable resources for all stakeholders interested in incorporating community engagement into the development process.

This article was written in collaboration with Grace Adcox and Celina Scott-Buechler of [Data for Progress](#).

Relevant Work

CLIMATE

Community Benefits Frameworks: Shortcomings and Opportunities for Greater Impact

Technical Perspectives MARCH 26, 2025

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Community Benefits Snapshot: Stellantis Community Benefits Agreement (Negotiated under Detroit’s Community Benefits Ordinance)

Snapshots NOVEMBER 25, 2024

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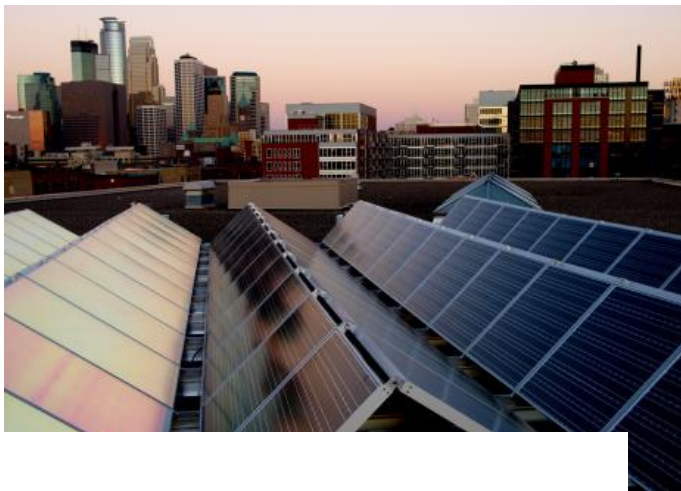
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