

OFFSHORE WIND TRANSMISSION: COMMUNITY BENEFIT AGREEMENTS

2023 MID-ATLANTIC OCEAN FORUM

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Sampling: Concerns Voiced re: Offshore Wind Transmission

- Negative Property Value Impact
 - Aesthetic Effects – Disruptive to Visual Environment
 - new transmission substations, towers, or lines
 - Impacts to tribal homelands and significant cultural resources
 - Disruption to local businesses
 - Impact to Beaches of Burying Cable/Cable Trenching
 - Beach Restoration, Sand Borrowing
 - Construction impacts
- Maintenance and repairs
 - Drinking Water Supplies
 - Alleged Health Effects from Cable EMF
 - Potential hazards from high-voltage underground cables
 - Safety (onshore and offshore)
 - Fishing Impacts

What are Community Benefit Agreements?

- ***One option*** for investments by an energy developer in a community that could be impacted by a project.
- *Funding arrangement* signed by community groups or coalitions and a project developer.
- *Outlines benefits* (monetary or otherwise) a developer can provide to the community
- **Goals:**
 - Ensure that communities have an opportunity to identify the benefits they want and their relationship to a proposed project.
 - If crafted in partnership with environmental justice communities, can be an effective tool to assist indigenous communities and stakeholders that are impacted by project decisions.
- **Examples:** investment into a revenue-sharing community benefit fund, developing support facilities, workforce training and apprenticeships, hiring, procurement requirements, investments in social needs such as housing, health care, community centers,

What Values do CBAs promote?

- **Inclusiveness** - ensures that community issues are heard and addressed in a publicly-accessible forum. Historically-underrepresented community members and Tribes are often missing in the development process.
- **Enforceability** -ensure that developer and community promises regarding community benefits are legally enforceable.
- **Transparency** - help the public, community groups, Tribes, state and local government officials, and news media monitor a project's outcome.
- **Coalition-Building** - fosters new alliances among community groups that may care about different issues or have different constituencies
- **Efficiency** - encourage early negotiation between developers and a community, could help foster a cooperative relationship between potentially-adversarial parties and avoid conflict during the approval process
- **Clarity of Outcomes**-provide local governments the information they need to illustrate successful delivery of promised benefits,

What are the Benefits of a CBA?

POTENTIAL DEVELOPER BENEFITS

- Community Coalition agrees to support the project, with *public testimony and written statements*;
- Community support *reduces risk for developers*, by uniting community groups behind a project; and
- Developers more reliably get needed *state or local subsidies or approvals*
- CBAs are instrumental in disseminating information, thereby rallying support from community members

POTENTIAL COMMUNITY BENEFITS

- Mechanism to obtain community input into project;
- Commitments that may provide *sustainable benefits* for community.
- Local and targeted *hiring commitments*;
- Living wage and benefits;
- *Educational partnerships* between developers and community schools; and
- Support for local, small business.

<https://www.energy.gov/diversity/articles/community-benefit-agreement-cba-resource-guide>

Opportunity to Begin Engagement: Developers

- *Identify stakeholders and build public trust.* should represent a diverse group of community-based organizations and individuals.
- Engage *community representatives, as well as coalitions*, and communicate project benefits with *open dialogue/transparency*.
- *Early engagement with Tribes* – NOT just formal government to government consultation
- Ensure stakeholder representatives are part of the project development team *early in the process* and align project goals and schedules with their understanding.
- *Initiate project briefings* with key state and local government officials
- *Train* company project representatives about community outreach and CBAs.
- *Educate stakeholders about the technical aspects* of the development-infrastructure, technology, impacts, mitigation opportunities
 - <https://www.energy.gov/diversity/articles/community-benefit-agreement-cba-resource-guide-faqs>
 - https://www.fhwa.dot.gov/ipd/pdfs/value_capture/fhwa_hin_21_001.pdf

Opportunity to Begin Engagement: Communities

- *Research development proposals & identify any that have the potential to bring important benefits or significant impacts to the neighborhood(s) where they will be located.*
- *Organize a broad-based coalition of community interests and recruit stakeholder organizations.*
- *Hold public meetings with assistance from identified leaders.*
- *Utilize multiple communication mechanisms to reach affected populations.*
- *Actively engage the developer(s) with sustainable community objectives, via open dialogue and transparency.*

Opportunity to Begin Engagement: States & Local Governments

- *Inform community coalitions of proposed developments.*
- *Encourage developers to enter good-faith negotiations with responsible coalitions.*
- *Inform developers of the benefits they can achieve through CBAs.*
- Respect the negotiating process and honor community coalition agreements.
- *Fold CBAs into public-private partnership (PPP) agreements – when and where appropriate – for added enforcement.*

DOE: Community Benefit Plans and Funding

- **Community Benefit Plans (CBPs) are now required** for all funding opportunities under the Infrastructure Investment and Jobs Act and IRA funding opportunity announcements.
(<https://www.energy.gov/infrastructure/about-community-benefits-plans>)
 - Based on a set of four core policy priorities: investing in America's workforce; engaging communities and labor; advancing diversity, equity, inclusion, and accessibility; and implementing Justice 40
(<https://www.whitehouse.gov/environmentaljustice/justice40/>)
 - Should include engagement with a wide range of stakeholders such as labor unions, local governments, Tribal governments, and community-based organizations that support or work with disadvantaged communities.
 - Intentionally flexible to generate the best approaches from applicants and their partners
- **Community Benefit Agreements: Outcome of meaningful community engagement**
 - Could be used for energy-related projects to establish community development funds, promote training and/or hiring of local residents, establish percentage goals to use local suppliers, and/or encourage the construction of new facilities, among other benefits (<https://www.energy.gov/diversity/articles/community-benefit-agreement-cba-resource-guide-faqs>)
 - Pivot around local and state government officials: since governments need support from their constituencies and developers need government support for items like zoning approvals, developers have clear incentives to accommodate community interests.

BOEM – One Approach to CBAs - Bidding Credits

MASSACHUSETTS LEASE AUCTION - 2015

- Bidders in the auction could receive a 10% bidding credit for an **executed** community benefit agreement.
- “Legally binding contract between a bidder and one or more community-based organizations (CBO) where the bidder has committed to provide specified community benefits and the CBO has committed in specific ways to support the project in the governmental approval process.”

CALIFORNIA LEASE AUCTION - 2022

- **Lease Area Use CBA bidding credit**
 - Could receive 5 percent of bidder cash bid in exchange for a **commitment(s) to execute** a CBA with one or more communities, stakeholder groups, or Tribal entities whose use of the geographic space of the Lease Area, or whose use of resources harvested from that geographic space, is expected to be impacted by the Lessee's potential offshore wind development.
- **General CBA bidding credit**
 - 5 percent of its cash bid in exchange for a **commitment(s) to execute a General CBA** with one or more communities, Tribes, or stakeholder groups that are expected to be affected by the potential impacts on the marine, coastal, and/or human environment (such as impacts on visual or cultural resources) from activities resulting from lease development that are not otherwise addressed by the Lease Area Use CBA.

First OSW Community Benefit Agreement: Vineyard Wind

Community Benefits Agreement with Vineyard Power Cooperative - (Jan. 2015)

- First federally recognized CBA in the U.S.
- Aims to bring value through local job creation, and the construction of an operations and maintenance facility in Vineyard Haven harbor.
- Since the signing of the CBA, Vineyard Power has been involved in the day-to-day operations, specifically leading outreach and playing an integral role in the permitting of the wind farm.

<https://www.vineyardwind.com/community-partnership>

Community Benefits Agreement Summary Vineyard Power Cooperative and Offshore MW

Vineyard Power Support Obligations

1. Advocate and support offshore wind legislation in Massachusetts
2. Support the offshore wind project through education and outreach
3. Provide advice and guidance to Offshore MW through permitting and financing process

Offshore MW Obligations

1. Provide reimbursement for operation costs in 2015 up to \$100,000

Mutual Obligations

1. Investigate local job creation opportunities and other benefits for Martha's Vineyard; such opportunities to be investigated include but are not limited to an O&M facility and on-going administrative support based on Martha's Vineyard and benefits that might be associated with transmission cable landing on Martha's Vineyard.
2. Investigate opportunities for Vineyard Power to finance, purchase, own, or take an equity position in up to 100MW of offshore wind capacity in the Lease Area so as to secure benefits to its members and residents of the Cape and Islands region, and / or investigate opportunities for Vineyard Power to otherwise secure for its members and residents of the Cape and Islands region benefits and values of offshore wind capacity.
3. The Parties will investigate opportunities for power purchase agreements (PPAs) that would enable financing of project development in the Lease Area, in particular PPAs that would benefit Vineyard Power's community or the Cape and Islands community generally. The Parties will investigate opportunities for debt financing that would facilitate development of an offshore wind projects in the Lease Area, including financing via US Department of Agriculture programs for which Vineyard Power may facilitate eligibility.
4. Consult on a regular basis with Vineyard Power with regard to other community benefits of an offshore wind project not previously identified, community relations, and project design, in particular with regard to means by which to enhance the benefits and value of the project, or mitigate detriments of the project, to the Martha's Vineyard community and stakeholders from within the Cape and Islands region.
5. Consult with Vineyard Power so as to receive input from community stakeholders with regard to the planning, permitting, construction, operation and maintenance, transmission and grid interconnection, financing, and procurement related to an offshore wind project, as well as to identify additional opportunities in which Vineyard Power and community residents could participate in project.

Host Community Agreement- Vineyard Wind

HOST COMMUNITY AGREEMENT

1. PARTIES

This agreement (the "Agreement") is entered into by the Town of Barnstable, a Massachusetts Municipal Corporation ("Barnstable" or "Town") and Vineyard Wind LLC, a Delaware limited liability company ("Vineyard Wind" or "VW").

2. THE MASSACHUSETTS PROCEEDINGS

Vineyard Wind proposes to construct a nominal 800-megawatt wind generating facility in federal waters south of Martha's Vineyard and to connect that facility via cables into state waters and eventually to an electrical sub-station in the Town in order to connect to the regional electric grid (collectively, the "Project") as more fully described as the preferred or noticed alternative route in the Supplemental Draft Environmental Impact Report dated August 31, 2018 and filed with the MEPA office of the Commonwealth. The cables consist of high voltage (115 kilovolt or greater) electric power transmission lines, along with associated appurtenances including but not limited to substation equipment, telecommunications lines, duct banks, vaults, and vault access (collectively, "Transmission Lines").

Vineyard Wind has filed for various approvals with the Commonwealth's Department of Public Utilities in D.P.U. 18-18 and 18-19, and with the Energy Facilities Siting Board in EFSB 17-05. VW also filed a Notice of Intent with the Executive Office of Energy and Environmental Affairs in case number EEA 15787 and the Secretary of EEA issued a MEPA Certificate on February 9, 2018. VW also intends to seek the approval of the Cape Cod Commission and applicable boards and committees of the Town of Barnstable and, if any portion of Transmission Lines are located in the Town of Yarmouth, the applicable boards and committees of the Town of Yarmouth.

Except as specifically identified herein, this Agreement does not relate to any matters now or hereafter filed with any Federal agencies including, without limitation, the United States Department of the Interior, the Federal Aviation Administration, or the United State Coast Guard.

3. STATEMENT OF PURPOSE

The Town wishes to support Vineyard Wind in launching this important project, which will contribute to the region's renewable energy supply and bring significant revenue to the Town of Barnstable.

The Town believes that certain components of the Project could pose environmental risks to Nantucket Sound and to the Town's public drinking water supplies if not properly designed and managed. VW acknowledges its responsibility to take every possible precaution to assure that, should the worst occur despite its best efforts, damage to the environment will be quickly, effectively, and comprehensively mitigated.

4. RECITATIONS

A. WHEREAS, Vineyard Wind is proposing to develop the Project in federal waters south of Martha's Vineyard and to connect the Project to the regional electric grid via Transmission Lines in federal

- **No new development in Nantucket Sound**
- **Robust, standard-setting water protections**
- **Off-season Construction**
- **Benefits for Beachgoers:** beach remains accessible throughout construction.
- **Underground Cables Protected:** Cables connecting Vineyard Wind to the mainland are buried deep below the seabed as well as deep below the beach
- **Financial Support for Barnstable:** Barnstable will receive tens of millions in property tax revenue over the life of the project and an additional \$16 million in host community payments for each stage of the project.
- **Collaboration on Project Design**



QUESTIONS?

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