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# Wind Energy Community Benefits Guide

## Table of Contents


- Community Benefits Guide
  - Introduction and Purpose
  - What Forms Can Wind Energy Community Benefits Take?
  - What Types of Wind Energy Benefits are Not Covered in this Guide?
  - Are Community Benefits Required for Wind Energy Projects?
  - How Are Community Benefits Used for Land-Based Wind Energy?
  - How Are Community Benefits Used for Offshore Wind Energy?
  - How Are Community Benefits Established?
  - How Are Community Benefits Advantageous?
  - Local Process Examples
  - Examples of U.S. Wind Energy Community Benefits
  - More Information


*Authored by National Renewable Energy Laboratory*

***Check out our community benefit agreement database and Benefits and Burdens: Exploring the Role of Community Benefits in Wind Energy Development webinar recording to learn more!***

# Introduction and Purpose

Wind energy development can provide a variety of benefits to the communities where energy projects are located and beyond, with benefits coming in many forms— such as tax revenues, supply chain and manufacturing activities, and job creation. This guide focuses on **community benefit agreements** (CBAs) and **related funds and investments** that serve as **voluntary mechanisms** that developers may utilize to provide additional financial and/or nonfinancial benefits for communities impacted by wind energy projects.

While CBAs and related mechanisms have been utilized for several decades in the U.S. and internationally, the topic of community benefits is continuously evolving as wind energy deployment expands and can have different meanings in different contexts. The approach to establishing community benefits in the wind energy sector is not standardized, and thus, they can be delivered through **different means**, such as direct payments to a local government or the establishment of a community fund with a local nonprofit or foundation. Community benefits have been provided for both land-based wind energy and offshore wind energy projects, though there are some differences in how they have been used in these sectors.

This guide is intended to serve as an introduction to the concept of community benefits for decision-makers, local stakeholders, and developers as they seek to identify what community benefits mean for them.

Return to top

# What Forms Can Wind Energy Community Benefits Take?

Community benefits can be structured in many ways, but three of the most common structures are:

- Formal **community benefit agreements** (CBAs) signed by developers and local governments, tribal governments, and/or community organizations
- **Community benefit funds** established by developers
- **Direct investment** in local priorities or programs.

Other ways that community benefits may vary include:

- **Amount** of financial investment
- **Methods** of distributing funds (i.e., awarded in grants by developer, paid directly to local government)
- **Timelines** for distributing funds (i.e., one-time payment, annual payments over project lifetime, before and/or after operations begin, tied to project development milestones)
- **Stakeholders** who are party to agreements or receive funds (i.e., local governments, organizations, schools).

Community benefits may include nonfinancial benefits that often reflect community values or priorities, such as environmental protection, local economic and workforce development, or education. For example, developers might provide benefits like expanding Internet access in a community, sponsoring community events, building a new school playground, or providing training opportunities for local workers joining the wind energy industry.

Return to top

# What Types of Wind Energy Benefits are Not Covered in this Guide?

CBAs and related forms of community benefits may be provided alongside other agreements or economic impacts that serve different purposes, such as:

- Land lease payments to landowners that host wind turbines
- Project labor agreements for construction of wind energy projects
- Tax agreements like payment in lieu of taxes (PILOTs)
- Direct compensation to impacted stakeholders, such as commercial fishermen.

This guide does not seek to cover these other types of wind energy benefits, as they differ from CBAs and related benefit mechanisms in several key ways; namely, the community benefits explored by this guide are unrelated to taxation, are intended to provide benefits to the community as a whole rather than a specific group of people, like landowners, and are separate from impact mitigation measures required by permitting agencies.

Return to top

# Are Community Benefits Required for Wind Energy Projects?

Though community benefits are required by law in some other countries, community benefits for wind energy projects are **not currently required** by the federal government or most states in the United States.

Some states have issued support or guidance for the use of community benefits, with the state of New York being a notable example; as of 2023, New York requires host community benefits in order for developers to access a more streamlined state permitting process for renewable energy projects.

There is no federal government requirement for community benefits, though some federal agencies encourage the use of community benefits; for example, the Bureau of Ocean Energy Management used a bidding credit in the California offshore wind energy sale in 2023 to incentivize offshore wind energy developers to form community benefit agreements.

Given that most governments do not require community benefits, there is a wide range in the type of benefits that communities that host wind energy infrastructure have received. Developers have **different processes** for deciding when and where to utilize community benefits, so there is no standard or typical context in which community benefits are provided.

Return to top

# How Are Community Benefits Used for Land-Based Wind Energy?

Community benefits have not been used frequently for land-based wind energy in the U.S., as other mechanisms such as tax revenues and land lease payments have made up a majority of financial benefits.

However, in some cases, developers do provide community benefit agreements and funds for their land-based wind projects. These benefits have taken forms such as **host community payments** (often based on the size of the project), the creation of **community funds** attached to projects, and **direct donations** to community programs.

# How Are Community Benefits Used for Offshore Wind Energy?

Community benefits are becoming increasingly common in offshore wind energy development. Community benefit agreements and funds have been established for coastal and island communities impacted by offshore wind energy projects, cable landings, and port projects.

Generally, formal community benefit agreements have been used for offshore wind energy more often than the creation of funds or direct donation to community programs. Outside of these formal agreements with local governments, though, offshore wind energy developers may establish or donate to programs or causes (i.e., workforce development) that benefit a state or region as opposed to a specific community.

Community benefits for offshore wind energy have also included nonfinancial provisions, like:

- Preserving recreation access to beaches throughout construction
- Expanding Internet access for island residents
- Establishing local workforce development programs
- Reducing the local environmental impacts of the supply chain.

Return to top

# How Are Community Benefits Established?

Processes to establish community benefits can vary widely, depending on factors like community context and type of project (e.g., land-based wind project, offshore wind cable landing).

For offshore wind energy, the community benefits process can involve **extensive discussions** between representatives of impacted communities and wind energy developers. Local representatives may choose to facilitate processes to define and explore potential local impacts from wind energy development, as well as opportunities for investment in community facilities or programs. This work may leverage existing resources that detail local priorities, such as comprehensive plans.

Depending on availability of financial resources and timing, communities may choose to **enlist staff, facilitators, or others with technical expertise such as lawyers**, to bring additional capacity and perspectives that help forward local priorities. Local stakeholders may choose to initiate these processes on their own, proactively, or in response to outreach from developers which may include proposals of specific benefits.

Learn more about the processes used to develop offshore wind community benefit agreements in the Local Process Examples section.

For land-based wind energy, community benefits have not been used in a uniform manner by wind energy developers, making the process difficult to generalize. Community benefits for land-based wind energy are less commonly delivered through a formal agreement between a government and developer, so there may not always be official discussions between the developer and community about community benefits.

Rather, benefits are often delivered in the form of a **community benefit fund** or **direct payments** to local organizations determined by the developer, and the local community may have a varying amount of involvement in decisions about what form benefits take. In some cases, the developer may decide how to set up the benefit mechanism and communities decide where funds are directed; for example, local residents or organizations may decide how to distribute grants from a developer's community benefit fund.

Additional insights into the process used to develop land-based community benefit agreements can be found in the Local Process Examples section.

Return to top

# How Are Community Benefits Advantageous?

By giving communities their fair share of benefits through a community benefit agreement, developers can help ensure that host communities do not receive more burdens than benefits from wind energy projects. Community benefits mechanisms are meant to distribute benefits across the entire community, rather than benefits being concentrated with a smaller group, like landowners with turbines on their property.

In terms of procedure, the decision-making processes involved in creating community benefit mechanisms and determining where funds are directed **can be more or less fair depending on how processes are designed and carried out**. If community members have a seat at the table and significant decision-making power over how benefits are used, then the benefits are likely to be more aligned with community priorities and community members will feel that wind energy development was fair or beneficial for their community.

Return to top

# Local Process Examples

Many communities have expressed an interest in better understanding not only the content of community benefit agreements but also the process by which they were established. The following examples provide insights into the ways that local entities and developers collaborated to establish commitments to voluntary benefits within each community.

## Offshore Wind Energy Community Benefit Examples

### COMMUNITY: Monhegan Island, Maine, and New England Aqua Ventus I

To identify potential local positive and negative impacts of a nearby floating offshore wind energy demonstration project and formalize communications with the project developer, the small island community of Monhegan, Maine, established the Monhegan Energy Task Force (METF) shortly after the project was proposed in 2013.

METF was designed to include a diverse set of perspectives on the proposed project (e.g., for, against, neutral), as well as representation from key local committees and organizations. As METF began to discuss community benefits with the developer, a requirement of the State of Maine's procurement process, it **engaged a facilitator** to foster open and productive community conversations about the potential options and to support outreach activities.

After a series of discussions, the community chose to establish a formal **Community Benefits Advisory Committee** (CBAC) to aid in developing a community benefits package to recommend to town leadership.

CBAC went on to hire **legal counsel** with experience in land-based community benefit agreements and **technical experts** to guide the Committee in identifying priorities and negotiating an agreement, the expense of which was supported by the developer.

After more than a year of study, CBAC brought two options to town voters, one of which was unanimously approved. The resulting agreement included the creation of funds to support investments in priority areas identified by the community, including broadband access and on-island energy systems.

## COMMUNITY: Sunset Park, Brooklyn, New York, and South Brooklyn Marine Terminal

Following decades of local advocacy to find sustainable uses for an abandoned port facility—including offshore wind energy— the New York City Economic Development Corporation (NYCEDC) and offshore wind energy developer Equinor formed a partnership in 2022 to transform the South Brooklyn Marine Terminal into an offshore wind turbine assembly facility.

Two **community-based organizations**, the Sunset Park Task Force and UPROSE, collaborated with NYCEDC and Equinor in this effort and played key roles in ensuring that this offshore wind energy port project would **prioritize the community's vision** for sustainable infrastructure revitalization that would create jobs and economic opportunities without displacing residents from the community or creating pollution.

The project agreement features various benefits for the Sunset Park community and New York City more broadly, including the establishment of a $5 million ecosystem fund to support local workforce training, a commitment to hiring from the local community, and several efforts to support local women- and minority-owned businesses entering the offshore wind industry.

Equinor will also create an offshore wind energy learning center at its Brooklyn office, **which the community had requested** based on the success of a local recycling education center. Finally, the developers committed to making South Brooklyn Marine Terminal a low-emissions facility to reduce impacts to local air quality and health.

## Land-Based Wind Energy Community Benefit Examples

### COMMUNITY: Lewis County, New York, and Number Three Wind Energy Center

Lewis County, New York is home to several wind farms, some of which date back to the early 2000s. In the past several years, however, local leaders have been working on **new models for sharing the benefits** of wind energy among the county's residents.

Much of this effort has been led by Lewis County's Industrial Development Agency (IDA), which is tasked with supporting local economic and infrastructure development. Working through its sister organization, the Local Development Corporation, the Lewis County IDA entered a Host Community Agreement (HCA) with the developer of the Number Three Wind Energy Center, a wind energy project completed in 2023.

Under the agreement, a county-level Community Economic Development Fund will receive $150,000 per year, for a total of $6 million over the 30-year life of the Number Three Wind Energy Center.

While some local governments were already benefitting from payment-in-lieu-of-taxes (PILOT) agreements with wind developers (whereby local governments are paid a certain rate, often assessed per megawatt of energy capacity, in lieu of property taxes), the new funds will be directed to **different community uses**.

Through a series of annually allotted grants ranging from under $1,000 to $100,000, the money will support projects that help schools and small businesses, improve quality of life, and boost economic development.

## COMMUNITY: Mount Pulaski, Illinois, and Whitney Hill and HillTopper Wind Farms

For residents of the farming town of Mount Pulaski, Illinois, achieving a satisfactory community benefits agreement started with a public meeting about the proposed Whitney Hill wind energy project. Many of the several hundred community members attending the meeting realized that they would need to **get organized** to ensure that the entire community—and especially those living nearest the proposed turbines—would benefit from the development.

Together, community members raised approximately $25,000 to pay for a **lawyer and technical experts** to assist them during the project planning and approval process. Several Mount Pulaski residents took an especially active role in representing the community's interests and, over time, were able to establish trusting relationships with staff members from Swift Current Energy, the development company that eventually took over the project.

After 3 years of discussion and negotiation, community members reached a **legal agreement**with the developer that included a diverse variety of benefits. In addition to agreements negotiated separately with landowners who have turbines on their property, the community benefit agreement provides **annual payments to residents** who do not have turbines on their property but do have turbines within 3,000 feet of their homes.

The developer provided an initial economic development grant of $250,000 and will continue to provide an annual payment of $115,000 to an economic development fund for the lifetime of the project (including lifetime extension through repowering). This fund is administered by a specially created economic development board that is **independent of the city council**.

The board has distributed funds to support **community priorities and needs** like remodeling the town square, providing grants to local businesses, and creating a co-op grocery store. Swift Current Energy also makes **annual payments** in support of local schools and has provided funding to support the preservation of the town's historic courthouse.

Return to top

# Examples of U.S. Wind Energy Community Benefits

The following table includes a sample of the community benefit examples gathered by the National Renewable Energy Laboratory from 2022–2023. In 2024, this table will expand into a searchable database of a larger number of land-based and offshore wind energy community benefits examples. If you have information on local community benefits that you would like to see included, please contact ✉ Matilda.Kreider@nrel.gov.

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **Barnstable, Massachusetts** | Vineyard Wind | Offshore wind energy cable landing | Through a Host Community Agreement, Barnstable will receive $16 million in payments on top of property tax revenues. Nonfinancial provisions include:<br>• Off-season construction to minimize disruption in the town or beaches.<br>• Public beach renovations. Project design collaboration. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **Sunset Park, Brooklyn, New York** | South Brooklyn Marine Terminal | Offshore wind energy port | Through an agreement between Equinor and the New York City Economic Development Corporation, supported by community-based organizations, community benefits of this new offshore wind energy port will include:<br>• Prioritizing local hiring and business development for local and minority-owned businesses.<br>• Establishing a $5 million ecosystem fund to support local workforce development and training.<br>• Developing a Waterfront Pathways program to support local businesses in contract bidding process.<br>• Creating an offshore wind learning center.<br>• Ensuring a zero-emissions port. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **East Hampton, New York** | South Fork Wind | Offshore wind energy cable landing | Through Through a Host Community Agreement with South Fork Wind's developers, East Hampton town and trustee boards will receive approximately $29 million in addition to property taxes. This will be distributed as:<br>• $700,000 annually (with annual increases) for 25 years, starting after operations began.<br>• A $500,000 one-time payment after the agreement was signed.<br>• A $500,000 one-time payment after operations began.<br>• A $5.5 million **Wainscott Fund** with payments made when operations began and 1 year into operations.<br><br>The agreement also requires developers employ a fisheries liaison during project lifetime. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **Martha's Vineyard, Massachusetts** | Vineyard Wind | Offshore wind energy project | A Community Benefit Agreement established between Vineyard Wind and Vineyard Power (an electric cooperative on the island) includes provisions related to job creation and community engagement. In 2019, Vineyard Wind established the Resiliency and Affordability Fund, which will receive $1 million annually for 15 years and provides benefits, such as:<br>• Funding for energy storage and solar projects for public buildings in communities on the island and on the mainland.<br>• Ratepayer relief in communities hosting the Vineyard Wind project in the form of bill-credits for low-income residents.<br>The agreement also requires developers employ a fisheries liaison during project lifetime. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **New London, Connecticut** | State Pier | Offshore wind energy port | Through a Host Community Agreement with Ørsted and Eversource, the city of New London will receive:<br>• At least $750,000 per year for a 7-year period (with potential extension for up to 10 years) if the project proceeds as planned.<br>• Annual payments, which can increase up to $1.5 million if the state procures more offshore wind energy.<br>The State Pier property is managed by the state and exempt from property taxes. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **Brookhaven, New York** | Sunrise Wind | Offshore wind cable landing | Through a Host Community Agreement, Sunrise Wind offered the local community a $168.9 million benefits package. The town of Brookhaven, New York, receives $130 million of this, with the remainder going to Suffolk County and its school districts. Provisions include:<br>• 25 annual impact fees of $5 million–6 million starting when project begins producing power.<br>• $28 million in PILOT payments (with an agreement signed by Sunrise Wind and Brookhaven Industrial Agency providing $90 million in tax breaks for construction of the cable landing and operations center).<br>• $3 million in a parks payment for the improvement of town parks.<br>• $2 million toward public health services. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **Mineral County, WV** | Pinnacle Wind | Land-based wind project | The Pinnacle Community Benefit Fund has awarded more than $270,000 in grants to community organizations, including:<br>• $50,000 when operations began in 2012.<br>• $20,000 distributed annually.<br>• Extended funding when the project was repowered in 2021 |
| **Chatauqua County, New York** | Arkwright Summit | Land-based wind energy project | Through a Host Community Agreement, the town of Arkwright, New York, receives:<br>• A minimum of $3,800 per megawatt per year in Host Community payments.<br>• PILOT payments to the town, county, and school district.<br>• Increasing payments with inflation and continue over project's 30-year lifespan.<br>• A Construction Period Payment of $1,000 multiplied by the number of turbines in the project. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **Carson County, Texas** | Pattern Panhandle | Land-based wind energy project | The Panhandle Wind Community Benefits Program was established by the Amarillo Area Foundation with a $1.5 million endowment from Pattern Energy for the Panhandle Wind Education Fund and the Panhandle Wind Civic Fund wherein:<br>• The Amarillo Area Foundation administers an annual grant process for the two funds, with guidance from an advisory committee of county residents.<br>• Pattern Energy contributes an additional $150,000 annually for first 10 years of project. |
| **Navajo County and Coconino County, Arizona** | Chevelon Butte | Land-based wind energy project | AES engaged with local Indigenous communities for this project sited in proximity to three tribal reservations. AES provided benefits, such as:<br>• A contribution to the Willow Bend Education Center to support local K–12 renewable energy education<br>• Support for the Winslow Chamber of Commerce.<br>• Solar workforce training programs for area residents. |

| Community | Wind Energy Project | Type of Infrastructure | Community Benefits |
|---|---|---|---|
| **Morgan County, Illinois** | Lincoln Land Wind | Land-based wind energy project | Apex Clean Energy partnered with a local internet provider, resulting in upgraded broadband speeds for over 250 local internet subscribers. The partnership funded:<br>• The cost of upgrading equipment<br>• •Work to un fiber to a key tower in the project area. |
| **Shasta County, California** | Fountain Wind | Land-based wind energy project | ConnectGen established the Fountain Wind Community Benefit Program, which supports needs identified by communities across the county and consists of approximately $2 million in funding for:<br>• Local programs supporting education, Public safety<br>• Fire protection<br>• Workforce development. |

Return to top

# More Information

- U.S. Department of Energy Community Benefit Agreement (CBA) Toolkit
- U.S. Department of Energy CBA Resource Guide FAQs
- Columbia Law School's Community Benefit Agreements Database
- Legal Planet article on offshore wind energy community benefit agreements
- Michigan Wind Energy Stakeholder Committee: Lessons Learned
- Redwood Region Climate and Community Resilience Hub
- Timeline of Wind Energy in New York
- Data for Progress polling on voters' perceptions of community benefit agreements
- Regional Plan Association report on offshore wind transmission and communities
- Sea Grant page on community benefit agreements

Return to top

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