Community Benefits Agreements and the American Energy Dividend

Bold's Energy Builders project focuses on Community Benefits Agreements and the inclusion of an American Energy Dividend as a new model to ensure energy development projects benefit local communities. Small towns and rural areas across the United States are increasingly using these agreements to secure high-paying jobs, put more money in residents' pockets, and improve overall quality of life.

What Is a Community Benefits Agreement (CBA)

A Community Benefits Agreement (CBA) is a contract signed by community groups and a real estate, energy, housing, or economic developer that requires the developer to ensure local community members benefit directly from the development activity. In exchange, the community groups agree to support the project.

Too often, economic and energy development projects receive large taxpayer subsidies with no real guarantee that local residents will benefit. Communities are frequently promised positive impacts in the form of "ripple effects" and feel misled when they never materialize. In response, the CBA model emerged in the late 1990s to give communities a meaningful role in shaping development and securing real, lasting benefits. When done right, CBAs can help ensure that a proposed development truly delivers benefits to the community.

Bold is building on that work and adding in an American Energy Dividend for those that live near energy projects.

⚠ **Other similarly named mechanisms offer fewer guarantees and often involve limited community input compared to CBAs.**

Community Benefits Plans (CBPs) are often required by the government to outline local priorities and commitments from developers seeking funding opportunities but are usually voluntary and not legally-binding.

Good Neighbor Agreements (GNAs), like CBAs, are aimed at addressing community concerns around development but vary in structure and enforceability depending on the situation.

Development Agreements (DAs) are formal agreements between a city and a developer, focused on infrastructure and public services. DAs typically follow city planning goals and timelines, with little to no added community input or benefits beyond existing regulations.

Shared Planning, Shared Prosperity

CBAs ensure communities have a seat at the table not just to raise concerns but to shape how they'll benefit over the long term.

Locally Tailored Benefits

CBAs reflect communities' unique needs and priorities.

Accountability & Fewer Delays

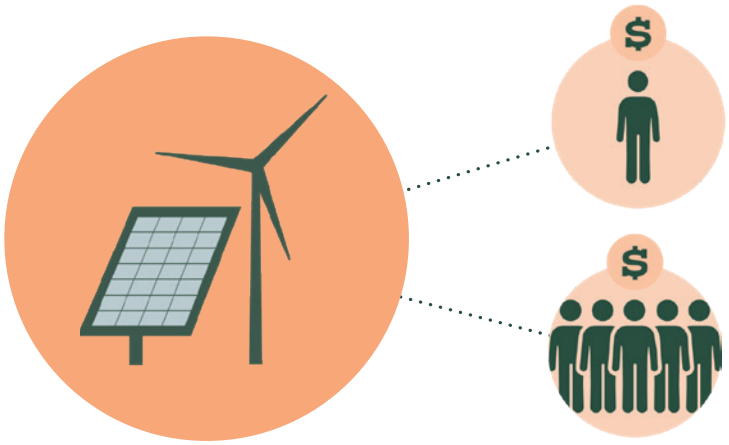
CBAs make developer promises enforceable and reduce risk of lawsuits & project setbacks.

Early Collaboration, Mutual Success

CBAs encourage early, productive conversations between developers and residents. They help deliver outcomes that benefit communities, developers, and governments alike—and have shown to lower risk of costly legal disputes.

What Is The American Energy Dividend

It is time to rethink the economic model of solar and wind. Instead of just a handful of people getting paid for a land easement and the town collecting property tax dollars, we need to ensure everyone benefits.



Traditional Model

Money goes to one person.

Each year money goes to a landowner for easements/right of way

American Energy Dividend Model

Money goes to lots of people.

Each year money goes to a landowner, those in viewshed, and anyone else the community decides.

The American Energy Dividend, similar to Alaska's dividend model for pipelines, addresses the fact that a project disproportionately impacts those who live or own property closest to the actual project site.

The American Energy Dividend sets aside a separate allocation of funding each year that is paid to all homeowners who live within a defined physical proximity to the site.

The group of included beneficiaries can be decided on a case-by-case basis by the community, though it would typically be within the project's viewshed, and some average distances are within one mile.

⚠ Note: **The American Energy Dividend** is different from payments to landowners for easements or rights of way. The Dividend would be distributed to people who do not get an easement for a wind tower or solar array, but live near those projects. It does not take away from easement payments. It adds more money to people living near the projects.

ENERGY BUILDERS

The **Energy Builders** project works with local residents to develop Community Benefits Agreements, including an **American Energy Dividend** for those living in the viewshed of wind and solar.

We believe more money in people's pockets, while adding more American-made energy on the grid, can change the game in rural America – putting those who live on the land and in our rural towns in the driver's seat.

We are looking at America's next 100 years of energy. Bold's Energy Builders wants to ensure rural America is at the table to power America.

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How to Create an Agreement for Your Community

CBA and American Energy Dividend negotiations usually begin after a project is announced but before governmental approval. They require communities to organize broad coalitions that bring multiple local priorities and community advocates into early discussions with developers and public entities.

1 Build a Coalition of Unlikely Alliances

Start with strong local coalitions that bring together folks impacted by the project who might not have ever worked together but have shared goals—farmers, ranchers, neighborhood associations, faith leaders, unions, environmental advocates. While often unincorporated, member groups may form an agreement to govern how they work together. Public hearings should be community-centered and at accessible times and places. A structured negotiation process gives residents a real forum.

2 Hold Community Meetings

Hold regular meetings with community members to generate feedback on the proposed project. During these meetings, desired elements of the CBA and American Energy Dividend should be identified. It is essential that the coalition reflects the community and takes time to ensure the residents with the greatest needs have their concerns addressed.

3 Engage Local and State Government Officials

Government officials and agencies play a key role in the process, especially for zoning approvals. Coalitions can strengthen their position by working with local and state officials to understand the project timeline and approval steps. Keeping officials informed ensures the coalition is recognized as an active partner and consulted before any final decisions are made.

4 Create and Sign a Legally Binding Contract

Once terms are negotiated, the coalition should secure legal representation to make sure the benefits are specific and enforceable, and in the community's best interest. Long-term success also depends on sustaining the coalition throughout the project to monitor progress and hold the developer accountable. While coalitions are often rooted in grassroots organizing, government agencies may also play a role in negotiations to formalize the agreement.

5 Monitor and Enforce the Agreement

Agreements that include a CBA and American Energy Dividend are an enforceable contract between the developer and a community coalition. Create an Implementation Committee to track compliance and address issues early. City or county officials can also support enforcement and help ensure commitments.

EFFECTIVE AGREEMENTS

Stay grounded in these four core principles:

- ✔ **Negotiated by a coalition that effectively represents the impacted community**
- ✔ **Built through a transparent, inclusive, and accessible process**
- ✔ **Focused on specific, concrete, meaningful benefits that meet community needs**
- ✔ **Backed by formal mechanisms to hold developers and partners accountable**

Tips and Things to Watch Out For

Agreements with CBAs and an American Energy Dividend can lead to real community gains—but only if done right. Residents may be under-represented in the process, the developer could co-opt project support while failing to honor commitments, and under-resourced coalitions may struggle to hold the developer accountable.

PRO TIPS FOR STRONGER CBAS

Know the Difference!

True community *benefits* go above and beyond, bringing added value for residents.

Covering basic project impacts, such as restoring land and natural vegetation after disruption or financially supporting enough teachers for the influx of families with childeren, is just part of doing business. These are project costs, not community benefits.

Start Organizing Early.

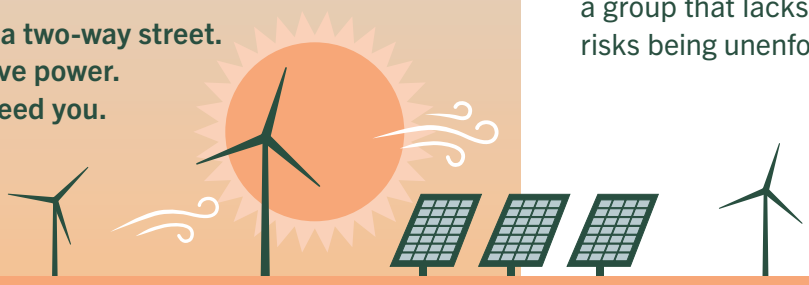
Don't wait until a project is announced to start planning.

Building a coalition takes time. Communities that anticipate energy developments and prepare in advance are better positioned to negotiate stronger, more meaningful agreements.

Go Big.

Ask the developer for everything the community needs and be prepared to negotiate.

This is a two-way street.
You have power.
They need you.



Beware of these Common Pitfalls:

⚠ Lack of Representation of Residents

The demographics of the people actively in the conversations do not match the demographics of the community itself. Relying on the people with the most experience rarely leads to good representation of community voices. The developer should not get to decide who the stakeholders are!

⚠ Lack of Transparency

Do residents know the latest in the negotiations? Closed-door and secret negotiations breed mistrust, raise questions about conflicts of interest, and leave stakeholders out.

⚠ Unenforceable Commitments

There must be a legal commitment with "teeth." If the legal language is not vetted by an expert representing the community, if the commitments are too vague (i.e., "the developer will make an effort to…") or if the agreement does not include accountability terms, promises may not be kept.

⚠ Unresourced Community Coalitions

Development projects are often multi-decade in duration, and the enforceability of an agreement depends on a community coalition's staying power to hold the developer accountable. An agreement with a group that lacks a clearly sustainable path forward risks being unenforceable.

Case Studies

The Flickertail Community Benefits Agreement and American Energy Dividend brought a substantial wind project and financial gains to North Dakota rural residents.

Flickertail North Dakota

The groundbreaking agreement, in a state traditionally more supportive of fossil energy, is more than a decade in the making, and will open doors to future deals all across rural America that bring genuine investment in the long-term health and vitality of residents. In addition to the CBA, the wind developer also entered into contracts with landowners in the vicinity who did not get the wind turbines on their property, so they also are benefiting financially.

More than 15 years ago, the people of New Rockford and Eddy County, North Dakota had a dream—to develop their own wind farm. Local community organization Rockford Area Betterment Corporation (NRABC) and the developer, PRC Wind, entered into discussions about how to approach a business deal that truly benefits those who will be impacted by the wind project. North Dakota organizers with the Dakota Resource Council were approached by Bold's Energy Builders project with the concept of a potential Community Benefits Agreement and American Energy Dividend as a solution. Together, they realized that initial dream with the largest wind project in North Dakota history, and one of the largest Community Benefits Agreement and American Energy Dividend deals to date.

Off-Shore Wind Monhegan, Maine

The **Monhegan Maine Community Benefits Agreement for offshore wind** is a significant part of the Maine Aqua Ventus project.

The community formed a "Community Benefits Advisory Committee" that developed a report of local needs, including reliable energy, affordable housing, solid waste services, job training, and recommendations based on scenarios. Early discussions included a range of possible benefits, including the possibility of mainland grid connection, reduced electricity rates, and improved local broadband internet.

HIGHLIGHTS OF THE FLICKERTAIL AGREEMENT

$22 million in total community benefits. With more than $22 million committed in direct community benefits, this agreement stands as one of the largest community-led investment arrangements in North Dakota's renewable energy history.

$400,000 per years for a community fund benefiting local community projects, with decisions made by local community members. Projects include restoring the community's historic downtown movie theatre.

Upfront payments to local communities, the economic development agency, and other institutions to fund infrastructure and projects.

American Energy Dividends to landowners in the footprint of the wind project who are not hosting wind turbines. Landowners who host the turbines still get their traditional easement payment. However, with this new agreement, landowners within a mile of the turbines also get a yearly payment.

HIGHLIGHTS OF THE DEAL

Infrastructure Investment

$2 million designated for energy and broadband upgrades on Monhegan Island.

Municipal Support

Annual payments of $40,000 for municipal support.

Future Revenue Sharing

Royalties tied to any renewable energy credits earned by the project.

This wind agreement highlights how small, remote communities can leverage CBAs to address essential infrastructure needs and secure a lasting stake in clean energy development.

CBA Case Studies Continued

The Tallgrass Trailblazer Agreement (bit.ly/tall-grass-cba) broke new ground by embedding strong, enforceable commitments to safety, community, and landowner rights into a major CO_2 pipeline project.

Tallgrass Trailblazer Pipeline
Colorado, Nebraska and Wyoming

This landmark Agreement set a new precedent for pipeline infrastructure by establishing a series of community initiatives as well as creating rigorous landowner rights protections throughout the pipeline's life cycle, from early project development through easement negotiations, operations, dividends and decommissioning.

Tallgrass's initial pipeline was built in the 1980s to transport methane gas – but when they proposed changing it to CO2, there was no process at the state or federal level for landowners and community members to seek protections or compensation for the risky burdens they would shoulder.

HIGHLIGHTS OF THE TALLGRASS AND BOLD NEBRASKA AGREEMENT:

Landowner rights
Rigorous landowner rights protections throughout the pipeline's life cycle, from early project development through easement negotiations, operations, and decommissioning.

Annual Landowner Dividends
Beyond initial pipeline easement, up to $1M per year, tied to the amount of carbon stored goes to landowners.

Community Nonprofit Support
Annual dividend to a community fund, up to $1 million per year, tied to the amount of carbon stored, and an initial $500,000 funding commitment to nonprofits in the counties associated with the project.

Public Safety
$400,000 to equip first responders, $200,000 to train them, plus ongoing investments for equipment upkeep and notification systems for families living along the right of way, reminding residents of the pipeline's presence, how to detect early signs of issues, and who to call with concerns.

Decommissioning
A requirement, at the time of decommissioning, that the easements are returned to landowners who may elect to have the pipeline abandoned in place or removed from their property.

ADDITIONAL CBA CASE STUDIES

- The Public Law Center (law.tulane.edu): Summary and Index of Community Benefit Agreements
- Sabin Center for Climate Change Law (columbia.edu): Community Benefits Agreements Database
- MIT DUSP - Issue (Pg 17-18 has examples of other CBAs) : Community Benefits Agreement Guidelines for Renewable Energy Projects on Tribal Lands in the U.S.

LEARN MORE

Visit our website to view a model **Community Benefits Agreement** and **American Energy Dividend** document that communities can use.

Find it under "Resources" at **BoldEnergyBuilders.us**