# Overview of Community Benefit Agreements and Fisheries Mitigation

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# **Overview**

<u>Community Benefit Agreements</u> (CBAs) are agreements, funds, or other mechanisms voluntarily used by a developer to provide additional financial or nonfinancial benefits to a community in exchange for support of a project. These agreements are designed to ensure that local communities see tangible benefits from developments that may affect them. CBAs can come in formal agreements between developers and local governments, tribal governments, and/or community organizations; community funds established by developers; direct investment in local priorities or programs; and nonfinancial benefits. The distribution of community benefits varies significantly, including differences in the amount of financial investment, the methods and timelines for distributing benefits, and decisionmaking processes regarding who receives the benefits.

## **Community Benefit Agreements can include:**

#### Monetary benefits:

- 1. **Economic Benefits** like investment in local businesses or direct financial contributions to community projects or funds.
- 2. **Environmental Protections** for enhanced environmental monitoring programs, implementing green building practices, or funding to preserve natural habitats.
- 3. **Social Programs** like funding for education, healthcare, affordable housing, or other social services that benefit the community.
- 4. **Cultural and Heritage Preservation** such as financial contributions to protect and promote local cultural and historical sites and practices.

#### **Non-Monetary benefits:**

- 1. Community ownership of portions of a project.
- 2. **Commitments to local hiring and workforce development**, providing training and opportunities for local residents.
- 3. **Staff time and technical assistance**, where developers provide expertise to support community initiatives.
- 4. Additional local development projects that are based on the communities' needs, such as affordable housing, climate resilient infrastructure projects, or anything that a community has a need for.

## **Challenges and Trust Issues**

One of the biggest challenges in negotiating CBAs is the issue of trust with developers and community governance. Communities may have uncertainty about the decision-making process, and some groups may feel underrepresented. The success of a CBA often hinges on whether trust can be built between the developers and the community, as trust is a significant factor in project acceptance.

## **Distinction Between CBAs and Fisheries Mitigation**

While CBAs are broader agreements that cover a range of community benefits – often including fisheries needs – fisheries mitigation specifically addresses the impacts of development on local fisheries. Fisheries mitigation involves measures to reduce or compensate for the negative effects of projects on fishing activities, habitats, and the overall health of marine ecosystems. This can include compensation for proven historic fishing activity in a project or construction area or gear loss due to offshore wind construction and operation.

Fisheries mitigation can be a complex process. Eleven states, including Maine, New Hampshire, and Massachusetts, have been <u>advancing an initiative</u> to establish a regional fund administrator for fisheries compensatory mitigation, which would provide financial compensation for economic loss from offshore wind development off the Atlantic Coast. This program aims to ensure that fishermen operating in or near offshore wind projects on the Atlantic Coast are compensated fairly and consistently, without the need to navigate complex state-by-state or developer-by-developer processes. In November 2024, <u>BrownGreer in partnership with the Carbon Trust were selected</u> to be the third-party independent entity to design and develop the regional fund. These entities are now collaborating with key fishery stakeholders to launch the design and development stage for the compensation program.

### **Case Studies in New England Fishing Communities**

#### Case Study 1: Block Island Wind Farm, Rhode Island

Block Island Wind Farm, the first offshore wind farm in the United States, serves as a prominent example of how CBAs and fisheries mitigation can be implemented. The developer, Deepwater Wind, entered into agreements with local communities and fishing groups to ensure that the benefits of the project were widely shared and that the impacts on fisheries were minimized.

- **Economic Benefits**: Deepwater Wind committed to hiring local labor and contracting local businesses for the construction and maintenance of the wind farm. So far, the majority of economic benefit has been in ecotourism, educational events, and <u>300 local jobs during construction</u>.
- **Environmental Protections**: The company implemented measures to protect the local marine environment, including <u>protection measures for key species during each stage of construction</u>.
- **Fisheries Mitigation**: Deepwater Wind provided <u>financial compensation to local fishermen</u> <u>and funded research</u> to monitor the impacts of the wind farm on fish populations and habitats.

#### **Case Study 2: Vineyard Wind, Massachusetts**

Vineyard Wind, an 800 MW offshore wind project, has also incorporated CBAs and fisheries mitigation into its development plans. The project developers worked closely with local stakeholders to address their concerns and ensure that the community benefits were substantial.

• Economic Benefits: The <u>Vineyard Wind and New Bedford Ocean Cluster (NBOC) agreement</u> promotes economic development by connecting local businesses with opportunities in the offshore wind industry. Through the "Act Local" program, it breaks down major supply chain opportunities into actionable work scopes for local companies.

- Environmental Protections: Vineyard Wind has <u>committed to using advanced technologies to</u> <u>minimize the impact</u> on marine ecosystems and has funded initiatives to protect endangered species like the North Atlantic right whale. This effort is largely focused on acoustic monitoring systems and a \$3 million provision in their CBA to adopt seasonal restrictions on pile driving, geological surveys and partnerships with conservation groups to support right whales and other marine species.
- **Fisheries Mitigation**: Prior to the development of a regional fisheries mitigation initiative, Vineyard Wind established a <u>compensation fund</u> for fishermen affected by the construction and operation of the wind farm and are supporting research on the long-term impacts of offshore wind on fisheries.

# Capacity Building and Lessons Learned for Negotiating New Energy Infrastructure

Previous CBAs offer many insights into lessons learned and best practices, though each case is unique. Legal counsel is always recommended in official negotiations. Conservation Law Foundation (CLF) worked with the community in Salem, Massachusetts on their CBA with Crowley Wind Services. CLF's staff attorney, Anxhela Mile, <u>offers her reflections</u> on that recent case.

Coalition building is the first step to ensure clear communication channels, establish equitable structures, and support an inclusive process for everyone involved. Including the community from the very beginning helps to address roadblocks early, identify potentially marginalized groups, and bring everyone to the table.

Having professional legal counsel along with other industry experts helps the community understand the scope of benefits and burdens that the development can have in their location. These potential benefits and challenges are also critical to being able to advocate effectively for specific and enforceable provisions in their agreement. Without specific commitments from developers, benefits can be left to interpretation and disputed. These commitments should also have measurable and enforceable benchmarks that the community can rely on and plan for in the future.

## **Summary**

CBAs and fisheries mitigation play crucial roles in ensuring that the development of offshore wind energy projects benefits local communities and minimizes negative impacts on fisheries. By engaging stakeholders, providing economic benefits, and implementing effective mitigation measures, developers can foster sustainable and equitable growth in New England's fishing communities. However, the variation in benefits, challenges in negotiation, and equity considerations require careful attention to ensure that these agreements truly benefit all parties involved.