

LOCAL BENEFITS MECHANISMS

Local Benefits Mechanisms ensure that clean energy projects bring direct and lasting advantages to surrounding communities. These mechanisms support local economies, create jobs, enhance education, and improve infrastructure, making clean energy a community asset rather than just a power source.



POTENTIAL LOCAL BENEFITS AT-A-GLANCE

1 Tax Revenue & Economic Growth

Increased local funding for schools, public safety, and infrastructure.

2 Education & Workforce

Renewable energy curriculum, internships, and scholarships for students.

3 Community Investment

Funding for parks, community centers, and other local initiatives.

4 Environmental Stewardship

Cleaner air, reduced emissions, and land restoration efforts.

5 Job Creation

Training and hiring local residents for temporary construction-phase employment, along with long-term operations and maintenance positions.

HOW DO I GET INVOLVED IN THE DEVELOPMENT PROCESS?

Once developers identify feasible sites and work with interested landowners, they typically begin engaging with local government officials to seek permits and approvals. This is a key stage when community members can get involved and help shape a project, including advocating for local benefits.

WAYS TO GET INVOLVED:

- **Local Governments & Community Leaders:** Work with developers to review proposals, guide the permitting process, and help design local benefit mechanisms that reflect community priorities.
- **Educators & Workforce Partners:** Partner with developers and local leaders to develop training programs, workforce pathways, and educational opportunities connected to a project.
- **Residents & Community Members:** Stay informed about proposed projects, attend public meetings or hearings, ask questions, and share feedback to help influence project decisions and community benefits.

DEFINING CHARACTERISTICS¹

Binding or Non-Binding

Some mechanisms are legally binding for developers to deliver benefits (usually indicated by the word "agreement"), while others are not (often indicated by the word "plan").

Direct or Indirect

Direct benefits are typically paid to individuals, organizations, or local governments, while indirect benefits affect the community more broadly through mechanisms such as tax revenue.

Monetary or Non-Monetary

Monetary benefits are direct financial compensation, while non-monetary benefits are goods and services (Ex., a park or local program) provided to the community.

Definition of Community

Some mechanisms may benefit only a fraction of the community, such as landowners, while others define the community and distribute benefits more broadly, such as through programs and services.

TYPES OF LOCAL BENEFITS MECHANISMS

01 COMMUNITY/LOCAL BENEFITS AGREEMENTS



Formal agreements between developers and communities to provide funding or services. (Ex. Developer funds a local scholarship program)

02 TAX REVENUE SHARING



Local governments receive revenue from energy projects. (Ex. Counties receive annual tax payments)

03 WORKFORCE DEVELOPMENT



Training and job placement for residents. (Ex. Partnering with community colleges for solar training)

04 EDUCATION PROGRAMS



Renewable energy education for K-12 and beyond. (Ex. STEM programs in local schools)

05 INFRASTRUCTURE UPGRADES



Developers support improvements to roads, broadband, and other infrastructure. (Ex. Upgrading access roads near project sites)



STRUCTURES OF LOCAL BENEFITS MECHANISMS²

Local benefits mechanisms aim to provide commitments on how a project's development will benefit the community in needed and measurable ways.



Legally binding local benefits mechanisms can be structured in several ways:

Development, Host, or Labor Agreements

A legal contract between the developer and the local government.

Good Neighbor Agreements

An agreement or legal contract between an existing business and the community.

Community/Local Benefits Agreements

A legal contract between the community and a new project's developer.

Ordinance Requiring Community/Local Benefits Agreements

A local law requiring developers to enter into community/local benefits agreements that meet certain requirements.

²Fair Shake Environmental Legal Services. (n.d.). *Community Benefits Playbook - Version 1: Community Benefits 101*. <https://static1.squarespace.com/static/52d06637e4b03daab13b67f6/t/66c4b312053ec4692e9579bb/1724166930549/Community+Benefits+101.pdf>

LOCAL BENEFITS MECHANISMS GUIDE

There is often a misconception that clean energy and storage projects appear randomly, but there is a significant process leading up to project construction that provides opportunities for community engagement. Developers must first work with interested landowners to identify sites that meet project needs and then navigate a multi-layered permitting process. This process typically begins at the local level, where local governments determine whether a project complies with zoning and land-use ordinances and where community members have opportunities to participate and provide input. Many projects must also undergo state and federal permitting and environmental review, depending on their size, location, and potential impacts. Engaging with the developer early in the process can help communities better understand the project, shape outcomes, and potentially establish a local benefits mechanism.

KEY CONSIDERATIONS

Review the following guide, as well as other counties' agreements and relationships with developers/their projects, to see what processes and benefits they have in place.

Research existing clean energy projects to understand different project types, potential community impacts, and achievable local benefits, helping determine what best fits your community's needs.

WHO DO I REACH OUT TO FIRST?

Typically, the first place a developer goes to is the local **economic development office**. This connection helps identify local businesses that can provide services such as construction labor, engineering, site preparation, materials, transportation, and other project-related needs.

When this step is overlooked, communities may miss early-stage economic opportunities and associated revenue.

Strong, ongoing communication between developers and local government helps maximize local participation and benefits throughout the project lifecycle.

KEEP IN MIND

To make the best impact, have the difficult conversations...

Before you speak to the developer, determine among yourselves in the community:

- How can we benefit? Benefits should be tailored to your community's needs and priorities. Consider if you want money or other contributions for...
 - Infrastructure?
 - Companies?
 - Fixing homes?
 - Another use?
- Do we have a neutral party to help negotiate or lead the conversations?
- Are we trying to create a legally binding mechanism between our community and a project? If you are, hiring legal counsel with relevant expertise is recommended.

KEEP IN MIND (CONT.)



- Ask the developer to provide all the information they have about their other projects (including compliance with requirements and past violations) and about the site (including environmental impact assessments). You may consider finding a technical expert to help you interpret this information.³
- What does the selling of the project look like?
- How can we require the developer to keep the local government informed about any changes to the project?

There are some common shortcomings in local benefits mechanisms. How can we avoid them?⁴

 Ambiguous goals with unclear implementation details	 Measurable targets and timelines about who delivers what benefits by when
 Unclear negotiation/benefits selection process	 Well-documented process of the negotiation and benefits selected as priorities by the community
 Poor or unclear monitoring and reporting mechanisms	 Monitoring and reporting commitments that may require a third-party or community oversight committee to evaluate progress on benefits delivery
 No clear enforcement mechanisms	 Enforcement mechanisms that outline actions to determine remedial actions and consequences, such as monetary penalties
 No provisions for agreements and renewal	 Provisions that allow renewal, amendment, or responsibility transfer of the agreement (ex., if the project changes ownership)

The community could consider additional protections if the project changes ownership, such as requiring disclosure of the new owner's name and contact information, imposing a transfer fee on the new owner or company, or tying the local benefits mechanism to the project itself rather than to the owner.

³Eisenson, M. & Webb, R. (2023). *Expert Insights on Best Practices for Community Benefits Agreements*. Sabin Center for Climate Change Law, Columbia Law School. https://scholarship.law.columbia.edu/cgi/viewcontent.cgi?article=1207&context=sabin_climate_change

⁴Riedl, D., Carlsen, W., Said, E., Saha, D., Adcox, G., & Fraser, C. (2025). *Community Benefits Frameworks: Shortcomings and Opportunities for Greater Impact*. World Resources Institute. <https://www.wri.org/technical-perspectives/community-benefits-frameworks-database-takeaways>

Representativeness, transparency, and access make for an effective process:

An effective local benefits mechanism process should involve representatives who are directly connected to the community and understand its interests and needs.

Additionally, the process should be transparent and made accessible to the community.⁵ (Ex. There are public meetings to distribute updates on the project, the community has the opportunity to provide feedback on the specific local benefits mechanism and make sure their concerns are heard, and there are clear processes to help with collaboration and avoiding conflicts of interest.)



WHAT CAN I EXPECT FROM A BINDING AGREEMENT NEGOTIATION?⁶

WHO

A smaller group of local representatives often meets with the developer first.

WHAT

Parties often agree on broad goals, but not specific details (legal counsel may be useful for navigating negotiation details).

WHEN

Negotiation timelines may vary widely from months to years, depending on meeting frequency.

WHERE

Meetings are often a mix of formal meetings with documentation & informal meetings for relationship-building.

HOW

Agreements linked to project assets are generally more resilient to unexpected events than those linked to specific companies.

REAL-WORLD EXAMPLE

In October 2025, solar developer SunEnergy1 presented a community/local benefits agreement to the Northampton County Board of Commissioners. The agreement will cumulatively provide roughly \$1.9 million in funds, including \$1.5 million towards the construction of a new emergency medical services (EMS) station in the western part of the county, \$250,000 towards the purchase of a new ambulance, a \$50,000 grant towards the renovation of the ambulance fleet, and \$100,000 to be used towards educational activities or youth programs. The county is currently renting space in Garysburg, NC, for EMS, and Commissioners noted the need for a facility on the western side of the county.⁷ Still, no benefits agreement is perfect, and some community members expressed concerns about feeling excluded from the negotiation process. Greater transparency and more collaborative negotiations are viewed as essential to addressing these concerns.⁸

⁵Community Benefits Law Center. (2016). *Common Challenges in Negotiating Community Benefits Agreements and How to Avoid Them*. Partnership for Working Families. <https://www.datocms-assets.com/64990/1657040054-effective-cbas.pdf>

⁶Schomburg, M., Dowdy, B., Cohen, M., Maduakolam, D., Jeong, M., & Zi-Ming, S. W. (2024). *Navigating the Negotiation: A Community Guide to Binding Agreements in Clean Energy*. EFI Foundation. <https://efifoundation.org/wp-content/uploads/sites/3/2024/10/Navigating-the-Negotiation-A-Guide.pdf>

⁷Northampton County Local Government. (2025, October 14). Commissioners Meeting - October 13, 2025. YouTube. <https://www.youtube.com/watch?v=itJo4UpDDfE> (1:37:01 to 1:43:43)

⁸Atwater, W. (2025, November 7). Local activists want more resident involvement in solar project negotiations. North Carolina Health News. <https://www.northcarolinahealthnews.org/2025/11/07/local-activists-seek-greater-resident-involvement-in-solar-project-decisions/>

ADDITIONAL RESOURCES



Several organizations have drafted materials that delve into the local benefits mechanism process, including best practices, how-to guides, and templates for mechanisms. Learn more below:

[Community Benefits Agreements for Solar Development Resource Guide \(Great Plains Institute\)](#)

[Community Benefits \(Fair Shake Environmental Law Services\)](#)

Note: resources page includes a template

[Expert Insights on Best Practices for Community Benefits Agreements \(Sabin Center for Climate Change Law\)](#)

[Common Challenges in Negotiating Community Benefits Agreements and How to Avoid Them \(Partnership for Working Families & Community Benefits Law Center\)](#)

[Community Benefits Agreements: Case Studies, Federal Guidelines, and Best Practices \(Clean Air Task Force\)](#)

[Navigating the Negotiation: A Guide \(ERI Foundation\)](#)

[Database of Community Benefits Frameworks Across the US \(World Resources Institute\)](#)

[Community Benefits Agreements Database \(Sabin Center for Climate Change Law\)](#)

[Wind Energy Community Benefits Database \(U.S. Department of Energy WINDExchange\)](#)

[Community Benefits Agreements Frequently Asked Questions \(U.S. Department of Energy\)](#)

[Carolinas Development Assistance and Siting Hub \(Carolinas DASH\)](#)

If you need guidance or support with the local benefits mechanism process, the [**Center for Energy Education \(C4EE\)**](#) is available to help. Learn more and connect at c4ee.org, where you will find resources, events, and engagement opportunities.

Local governments in North and South Carolina can request free technical assistance on solar, wind, and energy storage planning, siting, and permitting through the [**Carolinas Development Assistance and Siting Hub \(Carolinas DASH\)**](#). To submit a request, visit: carolinas-dash.org.



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