Offshore wind is one of many renewable industries taking off in California as the state accelerates infrastructure investment and development to meet its climate targets. The California Energy Commission has adopted planning goals of 2-5 GW of offshore wind (OSW) by 2030 and 25 GW by 2045. Other state goals include reducing greenhouse gas emissions to 40 percent below 1990 levels by 2030 and to 85 percent below 1990 levels by 2045, along with statewide carbon neutrality by 2045.

To meet all of these goals, onshore communities will host new infrastructure projects and installations such as transmission lines, port expansions, and manufacturing facilities for offshore wind components. At least initially, these host communities will primarily be located adjacent to California's Wind Energy Areas, near Eureka in Humboldt County and north of Morro Bay in the Central Coast. Communities near offshore-wind-serving ports, like the Port of Long Beach, may also be impacted by factors like increased traffic. However, as the California OSW supply chain grows, additional communities may also see new factories and facilities. This renewable infrastructure boom should not construct California's green energy economy at the expense of communities. Community Benefits Agreements (CBAs) are one tool that can help ensure that offshore wind energy and infrastructure projects empower and uplift communities.

After a December 2022 auction, California's offshore wind leases were officially executed by the Bureau of Ocean Energy Management (BOEM) on June 1st, 2023, allowing California offshore wind implementation to begin in a more sustained way. The winning developers of the five lease areas do not currently have permission to begin construction but can start site assessment plans and surveying activities. Local port activity may increase, for example, as developers begin to deploy contractors to capture images of the sea floor and gain other information about their lease sites.

Community Benefits Agreements

A Community Benefits Agreement, or CBA, is a legally binding, enforceable contract signed by project developers and community groups or coalitions of groups, often employed in the context of stadium, airport, or other development projects. CBAs can help create space for residents to have a voice in the future of their communities and can expand economic opportunity and make development more equitable. CBAs can also boost coalition building and increase the transparency, clarity, and enforceability of outcomes.

Sample benefits included in past CBAs include:

- Fair or living wage guarantees
- Education and workforce training
- Affordable housing
- Infrastructure or priority project upgrades, such as construction of new local facilities (e.g., recreational centers and childcare centers)

A CBA can also provide for community development funds, with specifics about how funds will be managed and allocated. The particulars of each CBA depend on what the community negotiates and wins, as a CBA reflects the unique circumstances of each community.

Community Benefit Agreements are not a required part of the BOEM offshore wind permitting process, but developers can choose (and some have chosen) to pursue them. Participating lessees will negotiate CBAs directly with community, fishermen, Tribal governments, and additional groups in parallel with BOEM-permitted activities. However, final, signed CBAs won't emerge for some years; CBAs must be completed and submitted to BOEM by the time the developer turns in its first Facility Design Report, which occurs after the Construction and Operations Plan, or about six to seven years after the December 2022 auction.

CBA Examples

Existing and emerging east coast offshore wind CBAs could be valuable resources as California communities begin to work on their first offshore wind agreements. The Vineyard Wind CBA, seemingly the first offshore wind CBA in the country, included provisions requiring that the parties investigate job creation opportunities for local community members, discuss ways to amplify project benefits, and consult on ways to mitigate project harms.

Vineyard Wind also entered into a Host Community Agreement with Barnstable, Massachusetts, and other communities such as East Hampton, New York, and Brookhaven, New York, have signed Host Community Agreements as well. Although similar to a CBA, a Host Community Agreement is often negotiated between a municipality and a developer, rather than between the community and a developer.

In California, there is also one non-binding but potentially useful model, developed by a non-lease-winning developer, two fishermen's associations, and a municipality,

the Castle Wind Mutual Benefits Corporation agreement, which started as a CBA and is now a mutual benefits corporation. Winning offshore wind leaseholders can choose to sign on to the agreement, or they may opt to design their own CBAs in coordination with the relevant communities.

The Road Ahead

CBAs are tools that can help ensure that the state's transition to offshore wind creates economic opportunity and equitable development. While signed CBAs are still several years away, now is the time to begin to discuss how CBAs and other mechanisms can ensure equitable energy development for all Californians.

CLEE is compiling resources to assist stakeholders throughout the multi-year process and holding forums for Central Coast stakeholders on CBAs. As the offshore wind industry takes shape, CBAs could help offshore wind deliver more than just gigawatts to California's communities. You can read the CLEE policy brief here.