



Loan Programs Office How to Get Started on Your Community Benefits Plan

BLOG

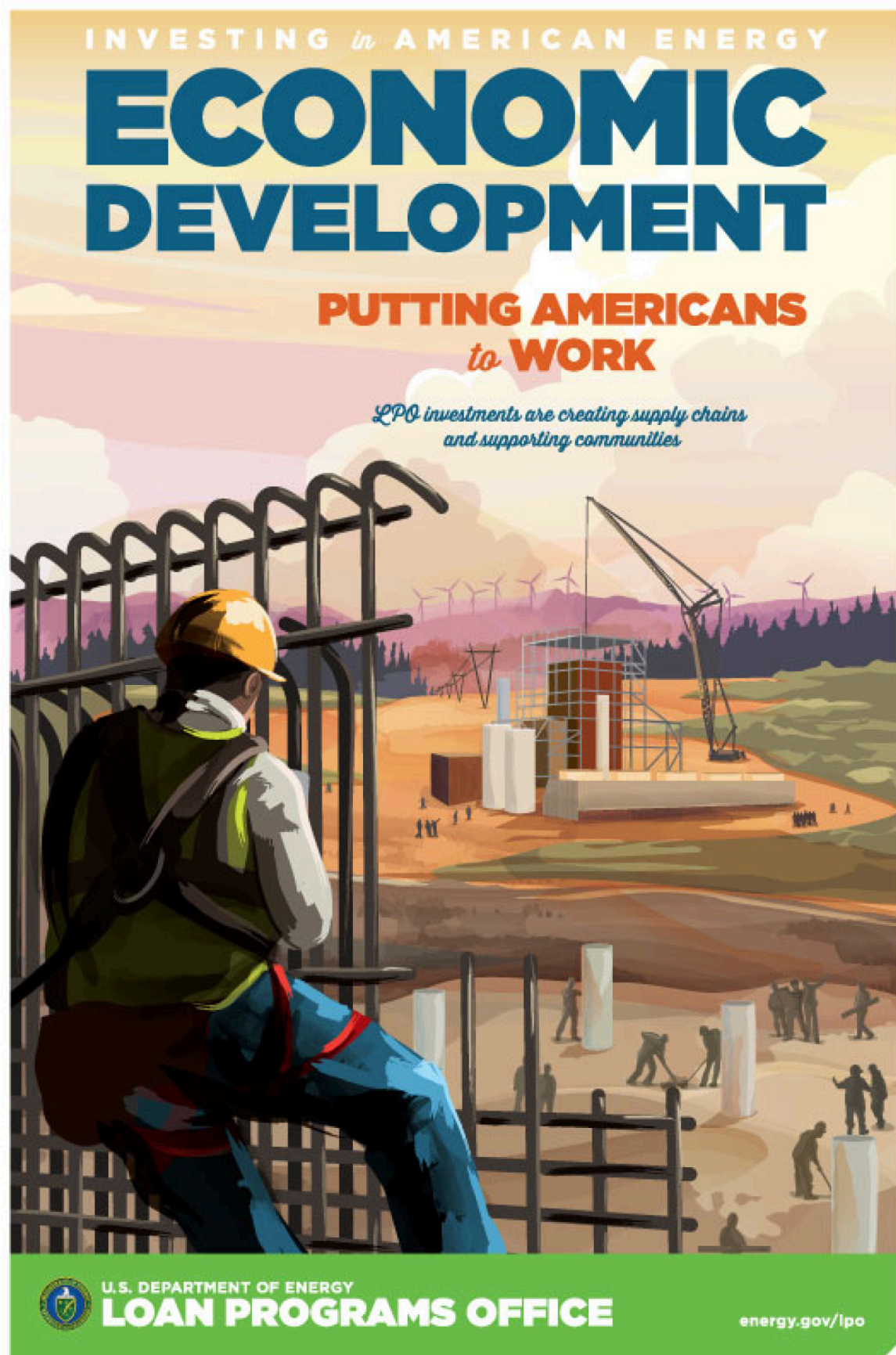
How to Get Started on Your Community Benefits Plan

A Community Benefits Plan (CBP) is an essential part of the loan application process, from early application materials to closing and throughout the life of the loan. This blog highlights the four key priorities that all CBPs must address.

[Loan Programs Office](#)

October, 27 2023

 6 min



Download LPO's [Economic Development poster](#).

At the Loan Programs Office (LPO), we are working with the private sector to support the Biden-Harris Administration's efforts to deploy clean energy across the United States and advance a more just and equitable future. This requires a sharp focus on the impact that the projects and infrastructure have on local communities. Together, we need to ensure that the work we are doing will have a positive and lasting impact on communities across the country, strengthening America's workforce and building up local economies.

President Biden's Investing in America agenda—including the [Inflation Reduction Act](#), [Bipartisan Infrastructure Law](#), and [CHIPS and Science Act](#)—is the largest energy and climate investments in U.S. history.

Through Community Benefits Plans (CBPs), at the Department of Energy (DOE) we are asking companies taking on clean energy projects to work hand in hand with community and labor stakeholders as well as Tribal and local governments to thoughtfully improve the well-being of residents and workers and ensure we deliver on the President's commitment to build the economy from the bottom up and middle out.

How a Community Benefits Plan Fits into the LPO Process

A CBP is an essential part of the loan [application process](#), from early application materials to closing and throughout the life of the loan. A well-developed CBP encapsulates how an applicant is partnering with Tribal government and local stakeholders, such as labor unions and nonprofits, to ensure residents and workers will share in the benefits of the proposed project. Below are the four key priorities that all CBPs must address.

1. Justice40

President Biden's [Justice40 Initiative](#) directs 40 percent of the benefits from certain federal investments, including all LPO loans, to flow to

disadvantaged communities (DACs). CBPs should outline how the proposed project will benefit DACs and mitigate any potential negative effects on these communities.

The first step for any project is to look at how your project relates to DACs.

- The White House Council for Environmental Quality created the [Climate and Economic Justice Screening Tool](#) (CEJST), which provides information on overburdened and underserved census tracts and a detailed definition as to how a community is identified as a DAC. This tool provides easy access to public nationwide datasets from over 30 sources on everything from energy, health, housing costs, to employment. Use the CEJEST tool to learn more about the community where your project is located.
- Explore surrounding communities where you could recruit your workforce and locate the projects' supply chain.
- Identify which surrounding communities will be impacted positively and negatively by the project.
- Understand the eight DOE [Justice40](#) initiative benefits:
 - A decrease in energy burden.
 - A decrease in environmental exposure and burdens.
 - An increase in access to low-cost capital.
 - An increase in high-quality job creation, the clean energy job pipeline, and job training for individuals.
 - Increases in clean energy enterprise creation and contracting (e.g., minority-owned or disadvantaged business enterprises).
 - Increases in energy democracy, including community ownership.
 - Increased parity in clean energy technology access and adoption.
 - An increase in energy resilience.

2. Community and Labor Engagement

Early, meaningful, and robust community and labor engagement is key to reducing risks on a project, including engagement with labor unions, Tribal governments, local governments, and community-based organizations that support or work with underserved communities.

Chances are you have already completed the first step in Community and Labor Engagement when you chose where your project will be located.

- In your CBP, explain how you chose the location for the project.
- What about the community makes it a good fit, such as the available workforce, local partners, natural resources, proximity to supply chain, available land.

- Outline whom you are already engaged with.
 - State and local economic development agencies.
 - Local elected officials.
 - Education and workforce partners.
 - Community organizations and philanthropy.
 - The appropriate labor leaders for both construction and operations.
- Discuss which partners you need to make this project successful.
- Community and labor engagement should ideally lay the groundwork for the eventual negotiation of Workforce and [Community Benefits Agreements](#) (CBAs), which could take the form of one or more kinds of negotiated agreements with communities, labor unions, or both.

3. Quality Jobs

A well-qualified, skilled, and trained workforce is necessary to ensure project stability, continuity, and success and to meet program goals. The CBP is focused on both construction and operations jobs.

A first step in considering how to ensure access to skilled workers for your construction project could be to:

- Learn about the local construction labor market by reaching out to the local [Building and Construction Trades Council](#).
- Understand how prevailing wage and apprenticeship impact your project.
 - The [Davis Bacon Act and Related Act](#) is a requirement for LPO projects and requires prevailing wages to be paid to construction workers.
 - Many of the [IRA tax incentives](#) provide a labor bonus for projects that meet prevailing wage and apprenticeship requirements.
- Explore a [Project Labor Agreement](#) (PLA) or Community Workforce Agreement

4. Diversity, Equity, Inclusion, and Accessibility

Diversity, equity, inclusion, and accessibility (DEIA) initiatives and programs seek to advance the participation of underserved and underrepresented groups.

A first step in including DEIA in your CBP is to connect with local institutions that serve to advance minority participation through business and education:

- Establish a relationship with the regional [Minority Business Development Agency](#) Business Center or a local community business diversity

- organization.
- Research and connect with [Minority Serving Institutions](#), such as Historically Black Colleges and Universities, Hispanic Serving Institutions, and Tribal Colleges and Universities.

Learn More

Developing a CBP is a recognition that choosing a community is a multi-decade commitment to a positive impact on the lives of a project's community members. Collaborating with partners, such as local governments and labor unions, can help build institutional support and secure a skilled, high-quality workforce throughout the life of a project. Agreements, such as PLAs and CBAs, can ensure that residents and workers have a voice in the project's development and benefit from its success. CBPs further illuminate what opportunities the project will create for DACs and individuals from underrepresented and underserved backgrounds.

Learn more about how LPO applicants have used CBPs to de-risk large capital projects during [U.S. Department of Energy's Justice Week 2023: Equity Empowered](#). Justice Week is a 4-day hybrid event (**from Mon., Oct. 30 through Thurs., Nov. 2**) dedicated to empowering all sectors toward a more equitable, clean, and just energy future. [Register and tune in on Thurs., Nov. 2, from 2:20 - 2:30 p.m. EST](#), when Director Jigar Shah will deliver a keynote speech entitled "Leveraging Community Benefit Plans to De-Risk Large Capital Projects."

Stay up to date on the latest LPO news

Email *

Subscribe

Tags:

[COMMUNITY BENEFIT PLANS](#)[JUSTICE 40](#)[CLEAN ENERGY](#)[INFLATION REDUCTION ACT](#)[BIPARTISAN INFRASTRUCTURE LAW](#)

Powering cutting-edge projects & scientific innovations for a safe sustainable future.

Quick Links

[Leadership & Offices](#)[Mission](#)[Newsroom](#)[Contact Us](#)[Careers](#)

Resources

[Budget & Performance](#)[Directives, Delegations, & Requirements](#)[Freedom of Information Act \(FOIA\)](#)[Inspector General](#)[Privacy Program](#)

Federal Government

[USA.gov](#)[The White House](#)[Vote.gov](#)

Subscribe To Our Newsletter

Email

Subscribe

Follow Us



[Notice of EEO Findings of Discrimination](#)

[Open Gov](#)

[Accessibility](#)

[Privacy](#)

[Information Quality](#)

[No Fear Act](#)

[Web Policies](#)

[Vulnerability Disclosure Program](#)

[Whistleblower Protection](#)