

# Community Benefits Agreements (CBAs) for High Energy-Use Development in Alaska

Policy Framework for State and Local Governments



Prepared by the Alaska Municipal League

# Why This Matters Now



Growing interest in data centers and other high energy-use development



Alaska's unique energy constraints and infrastructure costs



Risk of local impacts without corresponding community benefits

# What is a Community Benefits Agreement?



A STRUCTURED  
FRAMEWORK ALIGNING  
PRIVATE DEVELOPMENT  
WITH PUBLIC BENEFIT



CLARIFIES EXPECTATIONS  
FOR DEVELOPERS AND  
GOVERNMENTS



FOCUSES ON LONG-TERM,  
MEASURABLE  
COMMUNITY OUTCOMES

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## Explainer:

- A clear articulation of community impacts and benefits
- Defined roles for government as convener, facilitator, or enforcer
- Measurable commitments tied to the scale and impacts of development
- Transparency and accountability mechanisms

# CBAs as a Policy Tool



Not primarily legal or adversarial instruments – negotiated terms



Most effective when guided by public policy – clarity about goals



Provide predictability and transparency for all parties, including the public

# High Energy-Use Development Impacts



Increased load on generation and transmission systems – potential for higher costs and reliability issues



Potential rate impacts for communities, or required public investment



Strain on transportation, infrastructure, housing, and public services



Limited long-term local economic benefit relative to their footprint

# Lessons from National Examples



PROPORTIONALITY TO  
PROJECT SCALE



EMPHASIS ON  
INFRASTRUCTURE AND  
UTILITIES



EARLY GOVERNMENT  
INVOLVEMENT  
IMPROVES OUTCOMES

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## Leading With Example:

- Jurisdictions that establish clear expectations early—often through policy guidance rather than legislation—achieve more consistent outcomes.
- Successful CBAs scale obligations to the size and impact of the project, avoiding one-size-fits-all requirements.
- CBAs tied to utilities, transportation, and public services are often more durable than those focused solely on short-term jobs.

# Arctic & Remote Region Insights



Infrastructure co-investment is standard practice



Lifecycle planning (build, operate, decommission)



Energy-system integration benefits host communities



Local hire, workforce development, infrastructure

# Best Practices for Alaska

## ▶ 1. Policy-Led, Not Contract-First

CBAs are most effective when guided by policy frameworks adopted by state or local governments, rather than negotiated ad hoc. This provides predictability for developers and consistency across projects.

## ▶ 2. Focus on Systems, Not Just Projects

For high energy-use developments, benefits should prioritize energy systems, infrastructure resilience, and public services that endure beyond the project's lifespan.

## ▶ 3. Clear Metrics and Accountability

Commitments should be measurable and tied to clear performance indicators, with reporting mechanisms that do not impose undue administrative burden on small governments.

## ▶ 4. Scalability and Flexibility

CBAs should scale based on energy use, infrastructure impact, or project valuation, allowing smaller communities to participate without overextending capacity.

## ▶ 5. Government as Facilitator

State and local governments should play a convening and facilitation role, helping align community priorities with developer capabilities and timelines.



# A Scalable Alaska Implementation Strategy

- ▶ **State-level policy guidance**
  - ▶ Scalability depending on project size
  - ▶ Trade-offs when revenues deferred or pre-empted
  - ▶ Public impact analysis
- ▶ **Menu of model benefit categories**
  - ▶ Energy infrastructure investment
  - ▶ Grid resilience improvements
  - ▶ Local government fiscal support – tax, fees, or PILT
  - ▶ Workforce development
  - ▶ Supporting infrastructure investments
- ▶ **Integration with existing permitting and review processes**

# Applying CBAs to Commercial Development

Energy infrastructure and  
grid upgrades



Pricing stability and  
reliability commitments



Aligning private investment  
with public benefits