RESEARCH BRIEF

The role of Community Benefit Funding in enabling public participation in the energy transition

EirGrid GROUP

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MaREI Energy · Climate · Marine

STEPS

WHAT DID WE DO?

Public and citizen participation are increasingly seen as essential to achieving the energy transition to a low-carbon future. When it comes to new energy infrastructure, such involvement takes several forms, including active participation in decision-making, having the option to invest in developer-led initiatives, and the potential to support locally owned renewable energy projects. Community benefit funding (CBF), in which there is a requirement for a local fund to be generated by the developer and transferred to communities affected by infrastructure initiatives, is another example of economic involvement. As part of the STEPS project, we have investigated community benefit funding as a method of public participation in energy infrastructure development, with particular focus on the development of the electricity transmission grid.

Within this research brief, we present insights from two separate research papers. The first of which asked the question "how do different structured approaches to community benefit funding support community development and wider sustainability goals?". In answering this question, we followed three specific CBF case studies, implemented by EirGrid in communities across Ireland. The second paper sought to better understand and improve the design, implementation and monitoring of community benefit funds by bringing together a cohort of relevant experts to explore areas of consensus and of divergence on these different aspects of community benefit funding.

In relation to the former we make policy recommendations to better enable communities to take advantage of opportunities provided by community benefit funding and the energy transition more broadly. Within the latter, we highlight where there is consensus and also divergence of opinion for the design, delivery and monitoring of CBF, which can usefully inform policy deliberations and advance knowledge. The energy transitions may led to the increased delivery of CBF both in Ireland and Internationally, for which this research provides valuable insights.

HOW DID WE DO IT?

To follow EirGrid's evolving approach to the implementation of community benefit funding we undertook research on three different funds associated with electricity grid infrastructure projects across three distinct geographic regions (Table.1): Clashavoon-Dunmanway (Case 1-CD), Laois-Kilkenny (Case 2- LK), and the Celtic Interconnector (Case 3- CI).

	Case 1- CD	Case 2- LK	Case 3- CI
Technology	110kV electricity line	400/110kV substation. 110/38kV substation. New 110kV line. Further upgrades to lines and substations	700 MW high-voltage direct current (HVDC) submarine power cable to France
Geography	West Co. Cork	Co. Kilkenny and Co. Laois	East Co. Cork
Fund Approach	One round of funding, no thematic focus	Three rounds of funding, no thematic focus	Three rounds of funding, three thematic categories
Fund amount available during phase of study	€600,000	€204,600 (of €511,500)	€960,000 (of €2.4 million)
Projects funded during phase of study	36	12	29

Table 1: Outline of case studies

The research process followed a two-phased approach. Firstly, we conducted interviews with EirGrid, the forum chairs for each case study (Irish Rural Link), and the fund administrators (SECAD and M-CO). This provided a contextual outline of the specific characteristics of each CBF. Secondly, we conducted surveys, focus groups, and fund-route analysis for each of the projects under investigation to garner 'community feedback' on the approaches taken in each case study (Table.2). We used an in-depth methodology to build these three empirical case studies across the evolution of EirGrid's CBF strategy.

	Case 1- CD	Case 2- LK	Case 3- CI
EirGrid Interviews	Community Liaison Officer Interview (I1)	Community Liaison Officer Interview (I3)	Community Liaison Officer Interview (I6)
Forum Chairs	N/A	Irish Rural Link Interview (I4)	Irish Rural Link Interview (I7)
Fund Administrators	M-CO Interview (I2)	M-CO Interview (I5)	SECAD Interview (I8)
Community	Survey, Fund- Route Mapping	Survey and Focus Group, Fund-Route Mapping	Survey and Focus Group, Fund-Route Mapping

Table. 2: Methods outline for three community cases

We used an adapted Delphi panel approach to explore expert consensus and divergence on the design, implementation, and monitoring of future CBF. The Delphi panel method uses surveys and workshops to achieve consensus among a group of experts around a specific issue or topic and can be administered as a foresight tool. Our adapted approach sought to find both points of consensus and divergent opinion to build insights which respect the nuanced and contextual nature of different communities, projects, and technologies. Our approach was conducted over a three phased approach from June to December 2024. There were 17 participants, representing public (8- including non-developer public agencies and local authorities) and private developers (5- including a consultancy and a non-commercial private association), fund administrators (3), and academic participants (1). 12 were female, and 5 were male.

The first survey round compiled individual participant responses in relation to 1)- the design, 2)- implementation, and 3)- monitoring and impact of CBF processes. We deployed an open-ended approach to generate anonymous insights, with five questions for each of the three topics. We then anonymised the contributions and clustered findings for further reflection in round 2, where we asked each participant to rate the different individual statements and options which we provided. The same rating could be applied across multiple options where relevant, although we did encourage respondents to make full use of the scale provided. A simple Likert Scale was used for round 2, i.e. ranging from Not important = 1, 2, 3, 4, 5, 6, to 7 = Extremely important. Finally, we compiled the responses from round 2 to highlight the top-rated priorities, recommendations, and suggestions. We then asked participants whether they accept or reject these emergent propositions. Participants also had the option to accept with comments due to the diverse professional basis from which their expertise was built, meaning holistic consensus may not be possible. The consensus rate we sought was 70%, in keeping with the established literature on Delphi panel approaches.

WHAT DID WE FIND?

In asking “how do different structured approaches to community benefit funding support community development and wider sustainability goals” the community response to the approach taken across all three cases was positive, with groups hoping to pursue similar opportunities moving forward. It was reflected favorably in comparison to other funding calls and grants in relation to community development.

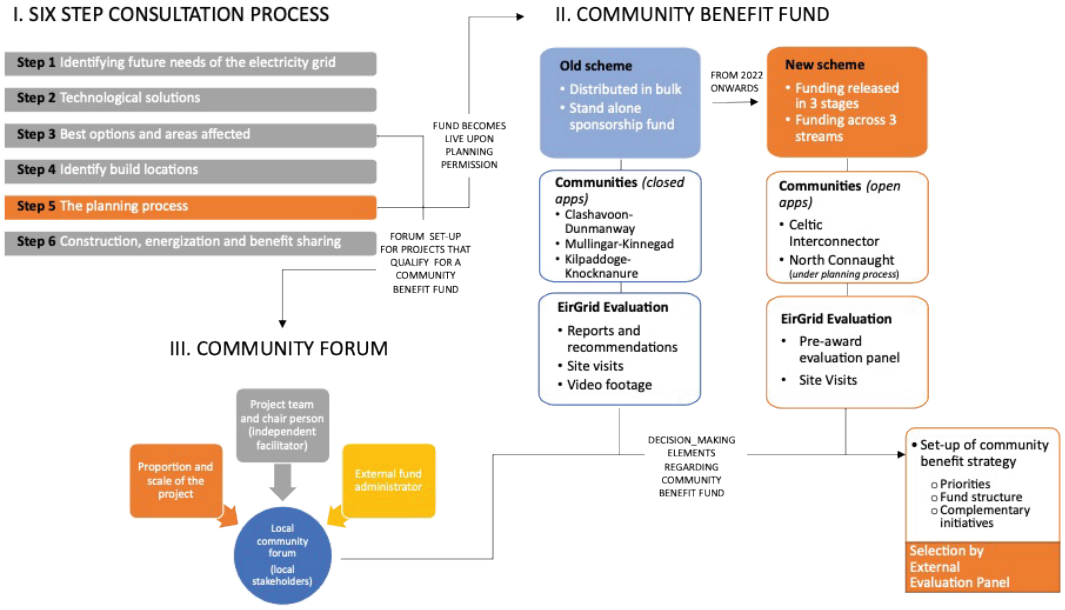


Fig.1: Outline of strategy development for EirGrid’s community benefit funding and six-step strategy.

The community feedback helped us to make policy recommendations to better enable communities to take advantage of opportunities provided by community benefit funding, namely:

- Aligning community benefit funding with wider sustainability objectives represents an opportunity for co-benefits, however, capacity building to support communities is needed which should not be led by individual developers alone.

- The establishment of long-term needs analyses for communities located close to infrastructure may support alignment of CBF and wider objectives

- The development of a network of communities at different stages of accessing and implementing funding can support capacity building

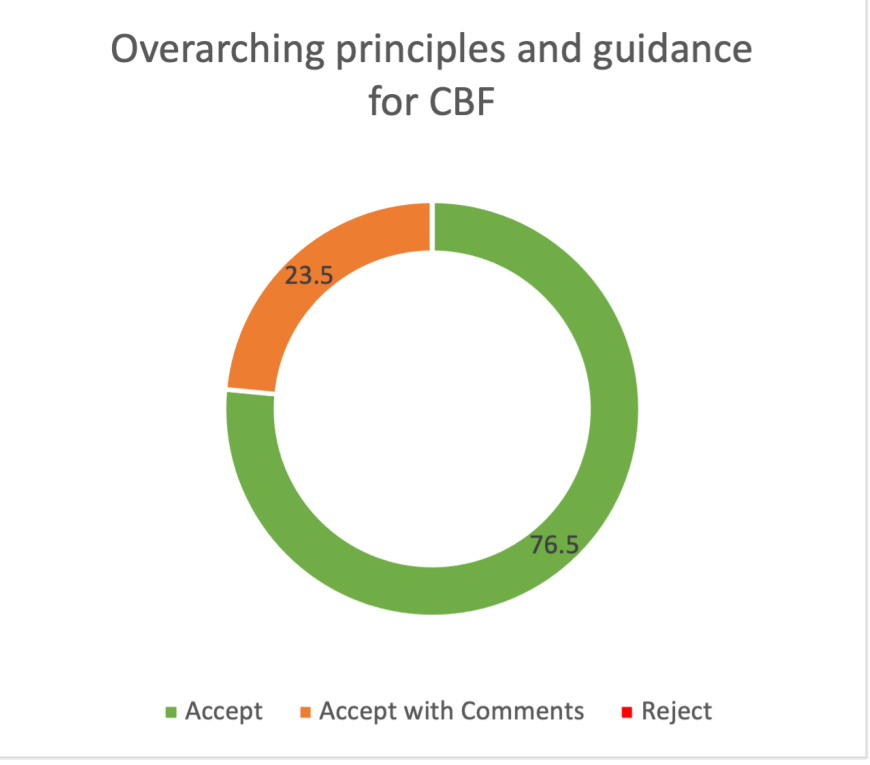
- Developers should be supported through guidance in relation to best practice on community benefit funding and encouraged to work cross-organisationally to maximise the impact of funds

- Fund administration has a major role to play in managing funds in developing infrastructure needed for the energy transition. Best practice informed approaches should be implemented and support provided to create more service providers.

- If capacity is not built in relation to sustainability and biodiversity at the community level, funding should not be ringfenced for such initiatives and instead remain open to community objectives.

In relation to the expert panel, we established consensus and divergence in relation to principles and guidance (fig.2), monitoring and impact, and measures of success, split across organisational, community, and national perspectives.

Overarching principles and guidance for CBF
1 - Strong local involvement, clear communication, and simplicity are key to community benefit funds.
2 - Trust, compliance mechanisms, and transparency are essential for a successful community benefit fund.
3 - A lasting positive impact should be felt in communities hosting infrastructure.
4 - Transparency on decision making on community benefit funds should be documented (*whilst retaining a common-sense approach to decisions*)
5 - Capacity building is needed to support communities in accessing funding opportunities.



We found through the process a sentiment that communities must be on the one hand empowered to develop and deliver projects through providing funding which is locally relevant, yet on the other there are opportunities to leverage other funding sources in relation, for example, to renewable generation, energy efficiency, and biodiversity. This relates to community capacity in responding to the energy transition. Such capacity building should not be the sole responsibility of developers and may instead require nationally coordinated approaches, with the role of fund administrators potentially expanding in this space.

Despite the wider calls for community benefit funding, the diversity of fund sizes and lengths of duration means that more consideration is required, particularly where universal non-flexible approaches are implemented. We also found that there are a number of challenges facing organisations when it comes to evaluation of community benefit funding including the complexity of different interacting factors that influence social change and social acceptance. Success can be subjective as different actors (government, industry, communities) may define success and impacts differently making evaluation complex.

CONCLUSION

Our research shows that community benefit funds can provide tangible mechanisms for moderating and compensating frontline communities impacted by the development of energy infrastructure. Due to this, there is a value in considering the relationships between a given frontline community, developers and other stakeholders. Community benefit funding can act as a catalyst for advancing sustainable community projects and climate action initiatives at the grassroots level. Yet, if this is the approach to be taken more work is needed to build community capacity in this space to align their local objectives with wider national and global objectives in relation to the ecological challenges to be faced in the years ahead.

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