



STOP DIRTY DATA

A Data Center is Moving in: Now What?

There are two primary areas of mitigation addressed in this Community Benefits Agreement template. The first is **transparency and business practices**. The second is **financial investment in the host community**.

Data centers are unique in that they have immense resource needs yet contribute few jobs or localized benefits. They are also an enabling technology for a significant restructuring of how humans do work. Part of the job of negotiating is to create new standards and benchmarks for mitigating the high costs to a community from data centers, compensating for the limited local benefits. The National Caucus of Environmental Legislators [created a list](#) of bills and laws that may impact community benefit agreement negotiations in your state. This explainer is meant to be utilized along with the NAACP CBA Template and reviewed prior to any pre-negotiations for a CBA.

Form a Community Advisory Board

A community charter document will help community groups form norms and roles in their negotiations and future management of a community fund. A template charter to help communities structure themselves is provided in Attachment A as a starting point for developing a charter.

Use your leverage as a community

Community leverage rarely comes from formal authority. It comes from the ability to slow a project down, complicate it, and increase its uncertainty. Data center developers are often operating under tight timelines tied to capital deployment, tax incentives, power-purchase agreements, and internal growth targets. Community groups that organize early, ask detailed questions, demand documentation, and insist on expert review can introduce friction into that process. Being persistent, procedural, and exacting is often the only way communities gain negotiating power: developers will negotiate to end the uncertainty, which can meaningfully impact the risk of their investment and the costs of development.

In practice, communities can request studies, push back on incomplete disclosures, coordinate across jurisdictions, engage media or investors, and refuse to rush into non-opposition agreements. Developers are accustomed to managing technical risk; social and political risk is harder to price. By increasing that risk through delay, scrutiny, and public accountability, communities can shift negotiations from symbolic gestures toward enforceable commitments. Leverage is not about obstruction for its own sake, but about creating enough pressure that meaningful transparency, mitigation, and investment become the path of least resistance for the developer.



STOP DIRTY DATA

It is important to consider the Jemez Principles, the NAACP's Frontline Framework, and other organizing principles before beginning a CBA process. There is power in fostering relationships, developing clear goals, and having a shared purpose, as CBA negotiations and pre-negotiations can be time-intensive and can strain relationships. If some members of the community are willing to agree to terms that do not meet the overall community's goals, it can weaken the overarching position. Additionally, if some members of the community are having conversations without full transparency, it can weaken the community's positions. Having honest conversations regarding what these unifying principles mean early and often is a key component of community power.

Equalizing resources in negotiation

Community organizations may wish to have a cost-recovery agreement to begin negotiations. This agreement requires the developer to pay the invoices for community-selected legal counsel and technical experts. Access to these resources can help communities ensure their interests are protected, and specific mitigation payments match the harms likely to occur from the project. Cost recovery agreements are common practice with permitting, utility interconnections and other types of negotiations, and thus will not be new to an experienced developer. They are not common practice in CBA negotiations, but should be, so are worth advocating for.

There are specific areas, beyond legal expertise, where technical and sector-specific input will be critical to successful negotiations:

- 1. Energy system impacts and ratepayer exposure.**

Energy systems in the United States are structured, regulated, and resourced differently across regions. Expertise in how a proposed project will affect local generation, transmission, load growth, and ratepayer costs is essential to understanding project impacts and negotiating appropriate mitigation measures.

- 2. Water resources and hydrology.**

Expertise in water sourcing, regional hydrology, and cumulative impacts is necessary to evaluate how project water use will affect local supplies, ecosystems, and downstream users, including during drought conditions and other periods of water stress.

- 3. Data center industry practices and negotiations.**

Data center development varies significantly by developer and region. Industry expertise—including experience across multiple jurisdictions—can help communities understand typical deal structures, negotiation strategies, and precedent agreements. This knowledge can be strengthened over time as regions build institutional experience through successive negotiations.



STOP DIRTY DATA

Transparency and business practices

Article 3 in the Community Benefits Agreement template covers much of the transparency and business practices to help communities in managing and mitigating the effects of data centers. Article 3 includes disclosures on energy and water use, local hiring and project labor agreements, environmental and equity impacts, and subsidies.

Consistent requirements across regions in Article 3 will help create industry benchmarks that give host communities a meaningful understanding of project impacts. Organizations may want to collaborate across regions to negotiate common transparency and accountability standards, especially where the same set of companies (such as Amazon, Google, or other large data center corporations) are developing in multiple communities. Organizations may also coordinate messaging to investors about shared demands for transparency and community protections.

Financial Commitments

Article 4 describes financial commitments and mitigating actions, and these will be tailored to local conditions and to the size and structure of the specific data center. Specifics on the dollar amounts provided in negotiations should be shared with other community members, because negotiations happening now will set benchmarks for what is considered reasonable in future Community Benefit Agreements.

The percentage of total capital expenditures or project revenue allocated to community benefits varies widely by sector. In many types of development, contributions under 1% of total capital expenditures are common. In other cases, such as some cannabis agreements, as much as 3% of ongoing revenue has been committed to local investments. The total package of investments will be reliant on the local politics, the impact of the project, and how much leverage the community has to slow down the development. This template aims high, because data centers are uniquely harmful to energy and water resources, as well as a key component of automation and job displacement.

Having informed negotiations

Community Benefit Agreements often include provisions that the community will not oppose project approvals or permitting, which is hard to agree to without having clarity on what the project will do to the local community.

The community benefits template has transparency and accountability structures developed in Article 3 that can be universally applied to projects, and then specific harm mitigation in Article 4. Communities may wish to sequence negotiations, starting with a first stage that centers on Article 3 and provides data and information on the project in order to then negotiate the specific payments and

STOP DIRTY DATA

actions for mitigation based on specific data on the project to form Article 4. This could be broken into amendments to the contract.

Alternatively, community groups could have the negotiation include a due diligence phase, where documentation is provided to the community coalition to review and provide recommendations. This is where an expert detailed review will be beneficial for community coalitions.

Please note that any commitment not to oppose the project should be **conditioned** on completion of all stages. In practice, this can mean:

1. The initial agreement pays for legal counsel and technical support, selected by and managed by the community coalition.
2. The next phase is either: (1) an agreement to establish binding requirements for transparency, impact studies, labor standards, and equity protections, which is contained in Article 3 of the template; OR (2) a due diligence phase, which requests information provided in Article 3.
3. An amendment is negotiated after the community has access to impact information on electric, environmental, housing, and infrastructure demands, which could be an amendment specifying the exact dollar amounts and project-specific mitigation measures.
This approach allows communities to understand the scale and type of impacts before finalizing the financial structure of the Community Benefits Agreement, while maintaining leverage and ensuring that non-opposition is tied to a complete, enforceable package of commitments.

Further readings and toolkits for CBA negotiations:

- [NAACP Stop Dirty Data](#)
- [BOLD Education Fund CBA with Tallgrass](#) - Bold Alliance
- [Best Practices for Negotiating and Drafting CBAs](#) - Sabin Center for Climate Change Law
- [The Unequal Burden of Data Centers](#) - Kapor Foundation
- [Data Crunch Report](#) – Center for Biological Diversity
- [Cloudy Data, Costly Deals](#) – Good Jobs First
- [Community Benefit Resources](#) - Good Jobs First
- [Reigning in Big Tech](#) – Public Citizen
- [Data Center Resource Page](#) – Nature Forward
- [Cost of the AI Boom](#) – Union of Concerned Scientists
- [Community Benefits Resource Inventory](#) - CATF
- [CBA Toolkit](#) - Policy Link and Action Tank

STOP DIRTY DATA

Appendix A: Example Charter for a Community Advisory Board

Community Advisory Board Charter

(Draft Template: Community groups should update to maximize having a transparent process. Specifically, the CAB will have control to disperse significant amounts of funding to the local community. Ensuring no conflicts of interest, cronyism and transparency in how funding is disbursed will help reduce conflict within the community.)

I. Purpose and Authority

The Community Advisory Board (“CAB”) is established to represent the interests of the host community in connection with the development, construction, and operation of the Project, and to oversee implementation of the Community Benefits Agreement (“CBA”). The CAB exists to ensure transparency, accountability, and equitable outcomes for the community, particularly for residents and groups most impacted by the Project.

The CAB serves in an advisory and oversight capacity and does not replace the authority of elected officials or regulatory agencies. Its authority derives from the CBA and any related agreements establishing community funds, mitigation commitments, or reporting obligations.

II. Scope of Responsibilities

The CAB’s responsibilities include, but are not limited to:

1. Oversight of CBA Implementation

- Monitor compliance with CBA commitments.
- Review developer reports, data disclosures, and mitigation plans.
- Raise concerns regarding non-compliance or underperformance.

2. Community Fund Governance (if applicable)

- Provide recommendations on funding priorities aligned with community needs.
- Review proposed allocations for consistency with the CBA and governing documents.
- Monitor aggregate outcomes and equity impacts.

3. Community Representation and Engagement

- Serve as a structured forum for community input.
- Communicate CAB activities and findings to the broader community.
- Ensure affected populations have meaningful opportunities to be heard.

4. Transparency and Accountability

- Maintain clear records of meetings, decisions, and recommendations.
- Uphold ethical standards and public trust in the CAB’s work.

STOP DIRTY DATA

III. Composition and Membership

1. Definition of the Local Community

For purposes of this Charter, the “Local Community” shall be defined as:

[INSERT DEFINITION HERE — e.g., residents living within a defined geographic boundary; census tracts most directly impacted by the Project; or a combination of residency, proximity, and demonstrated community ties.]

This definition shall be adopted prior to seating the initial Community Advisory Board and may not be modified without public notice and approval consistent with this Charter.

2. Board Size and Composition

- The Community Advisory Board shall consist of **[INSERT NUMBER]** members and shall always maintain an odd number of seated members.
- At least sixty percent (60%) of CAB members must meet the definition of “Local Community” as set forth in Section III.1.
- Remaining seats may be filled by individuals with relevant expertise (e.g., public health, labor, environment, housing, utilities), provided they meet eligibility requirements and comply with conflict-of-interest provisions.
- No single organization, constituency, or interest group may hold a majority of seats on the CAB.

3. Eligibility and Qualifications

1. To be eligible for service, members must:
 - Meet the Local Community definition or qualify under the non-local expertise allowance;
 - Demonstrate independence and the ability to act in the collective interest of the community;
 - Agree in writing to comply with this Charter, including conflict-of-interest and ethics provisions.
2. Individuals deemed ineligible under this Section or under Section V (Conflict of Interest and Anti-Corruption) may not be seated.

4. Selection and Nomination Process

1. CAB members shall be selected through an open and publicly noticed nomination process.
2. Nominations may be submitted by:
 - Community members,
 - Community-based organizations,

STOP DIRTY DATA

- Self-nomination.
- 3. Applicants shall submit:
 - A statement of interest,
 - Disclosure of affiliations and potential conflicts of interest,
 - Confirmation of eligibility under this Charter.
 - Applicants can utilize audio or visual recordings to express interest in being part of the CAB.
 - Applications shall be reviewed for eligibility and completeness by an interim selection committee formed by the Community Coalition, and then by the CAB, using criteria that prioritize transparency, diversity, and equitable representation.

5. Voting and Appointment

1. CAB members shall be seated through a voting or ratification process open to the Local Community, which may include a public meeting vote with quorum requirements.
2. The specific voting mechanism shall be documented before the initial election and made publicly available.
3. Candidates must receive a majority vote of eligible voters or ratifying bodies to be seated.
4. The developer shall have no role in nominating, selecting, vetoing, or approving CAB members.

6. Terms and Term Limits

1. Members shall serve terms of **[INSERT LENGTH]**, with initial terms staggered to ensure continuity.
2. Members may serve no more than **[INSERT NUMBER]** consecutive terms.
3. Term limits are intended to prevent consolidation of influence and to promote broad and sustained community participation.

IV. Duties of CAB Members

1. CAB members are expected to:
 - Act in good faith and in the best interest of the community as a whole.
 - Exercise independent judgment and avoid favoritism.
 - Prepare for meetings and participate actively.
 - Respect confidentiality where required while prioritizing transparency.
 - Disclose potential conflicts of interest promptly and fully.

STOP DIRTY DATA

V. Conflict of Interest and Anti-Corruption Policy

1. General Principle

CAB members must avoid actual conflicts of interest, perceived conflicts of interest, and situations that could undermine public trust in the CAB's integrity.

2. Prohibition on Financial Benefit

- CAB members may not receive, directly or indirectly, any funding, grants, contracts, or other financial benefits derived from:
 - The CBA,
 - Any community fund established under the CBA, or
 - Any mitigation or benefit program overseen or influenced by the CAB.
- This prohibition applies during service on the CAB and for a defined cooling-off period after departure.

3. Disclosure Requirements

- Members must disclose any personal, professional, or organizational affiliations that could reasonably be perceived as influencing their judgment.
- Disclosures must be updated annually and whenever circumstances change.

4. Recusal

- A member with a real or perceived conflict must recuse themselves from discussion and decision-making on the affected matter.
- Recusals shall be recorded in meeting minutes.

5. Enforcement

- Failure to disclose conflicts or violations of this policy may result in removal from the CAB.

VI. Decision-Making and Procedures

1. Meetings

- The CAB shall meet on a regular schedule, with additional meetings as needed.
- Meetings should be open to the public, with advance notice provided.

2. Quorum and Voting

- A quorum consists of a majority of seated members.
- Decisions are made by majority vote unless otherwise specified.

3. Committees

- The CAB may establish subcommittees for specific functions, provided all remain subject to this Charter and conflict-of-interest rules.

VII. Transparency and Records

1. Meeting agendas, minutes, and non-confidential materials shall be made publicly available.
2. The CAB shall issue periodic public summaries of its activities and findings.



STOP DIRTY DATA

3. Records shall be maintained in accordance with applicable law and best practices.

VIII. Removal and Vacancies

1. Removal

Members may be removed for:

- Violation of this Charter or conflict-of-interest policies,
- Failure to participate meaningfully,
- Conduct that undermines the CAB's integrity or purpose.

2. Vacancies

Vacancies shall be filled using a transparent process consistent with the original selection criteria.

IX. Amendments

1. This Charter may be amended by a supermajority vote of the CAB, subject to consistency with the CBA and any governing agreements. Proposed amendments must be publicly noticed prior to adoption.

X. Ethical Commitment

CAB members acknowledge that the legitimacy of the CAB depends on independence, transparency, and trust. Members agree that safeguarding these principles is as important as any substantive outcome of the CAB's work.

XI. Principles for Granting and Stewardship of Community Funds

1. Purpose and Stewardship

Community funds established pursuant to the Community Benefits Agreement are intended to provide meaningful, long-term benefits to the host community. The Community Advisory Board ("CAB") serves as a steward of these funds, with responsibility for ensuring they are used consistently with the purposes, priorities, and equity commitments set forth in the CBA. The CAB's role is to establish clear expectations and oversight mechanisms, not to manage day-to-day expenditures or operations of funded entities.

2. Use of Funds and Alignment

- Funds shall be awarded only for purposes that:
 - Are consistent with the goals and permitted uses defined in the CBA and governing documents;
 - Address community-identified needs and impacts related to the Project; and
 - Provide a public or community-wide benefit, rather than private or individual gain.

STOP DIRTY DATA

- Funding decisions shall prioritize:
 - Communities and populations most impacted by the Project;
 - Projects that demonstrate clear community benefit and feasibility; and
 - Equitable distribution of resources over time.

3. Oversight Without Micromanagement

1. The CAB shall establish baseline requirements for funded projects, which may include:
 - A clear statement of intended use of funds;
 - A reasonable timeline for expenditure;
 - Periodic, high-level reporting on progress and outcomes.
2. Oversight shall be **proportional to the size and risk of the grant**, recognizing that smaller or community-based organizations may require lighter reporting burdens than larger or more complex awards.
3. The CAB shall not require line-item approval of expenditures or engage in routine operational oversight of funded entities, except where required to address material risk or non-compliance.

4. Avoiding Underutilization and Drift

1. To prevent prolonged non-use of funds, the CAB may establish:
 - Expected timeframes for grant deployment;
 - Procedures for revisiting or reprogramming funds that remain unallocated or unused without reasonable justification.
2. Any reallocation of funds shall be conducted transparently and in alignment with the original intent of the CBA.

5. Accountability and Corrective Action

1. Funded entities are expected to act in good faith and use funds as described in their approved proposals.
2. Where credible concerns arise regarding misuse, non-performance, or material deviation from approved purposes, the CAB may:
 - Request clarification or corrective action;
 - Adjust future funding decisions; or
 - Refer the matter to the appropriate administering entity, if applicable.
3. Corrective actions shall be graduated and proportionate, with the goal of restoring alignment rather than imposing punishment.

6. Transparency and Public Trust

1. The CAB shall ensure that aggregate information about fund allocations, general purposes, and outcomes is made publicly available on a regular basis.
2. Individual grantees shall not be required to disclose confidential or sensitive operational details beyond what is reasonably necessary to demonstrate appropriate use of funds.



STOP DIRTY DATA

7. Independence and Non-Policing Role

The CAB explicitly affirms that it is not a law enforcement or auditing body. Its role is to provide strategic oversight, ensure alignment with community priorities, and safeguard public trust while respecting the autonomy of funded organizations to carry out their work effectively.

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