



The Inflation Reduction Act (IRA) allows for renewable energy developers to take advantage of additional federal incentives to develop projects in specific Energy Communities.

LANDGATE, CORP.
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Profiting from ‘Energy Communities’ in Greenfield Renewable Development in 2023

The Inflation Reduction Act (IRA) allows for renewable energy developers to take advantage of additional federal incentives to develop projects in specific Energy Communities. In this article, we will provide insight into how to find landowners in energy communities, the qualifying characteristics, potential benefits and relative geographical abundance of the three types of Energy Communities defined by the IRA to provide clarity for developers working to identify these areas.

Qualifying Characteristics of Energy Communities

Brownfield

A Brownfield Community is relatively straightforward to identify: Brownfield refers to properties with actual or suspected environmental contamination from previous use that complicates expansion or redevelopment as designated by the US Environmental Protection Agency (EPA). This designation makes them eligible for funding promoting redevelopment and cleanup. Because these parcels are typically smaller, they may be most suitable for community solar developers and BESS.

Though Brownfield sites are found across the US (see Figure 1.0 below), most densely located in former industrial and commercial hot spots, they make up only a small percentage of total land area.

You can access the Brownfield data layer by utilizing LandGate’s [PowerData tool](#).

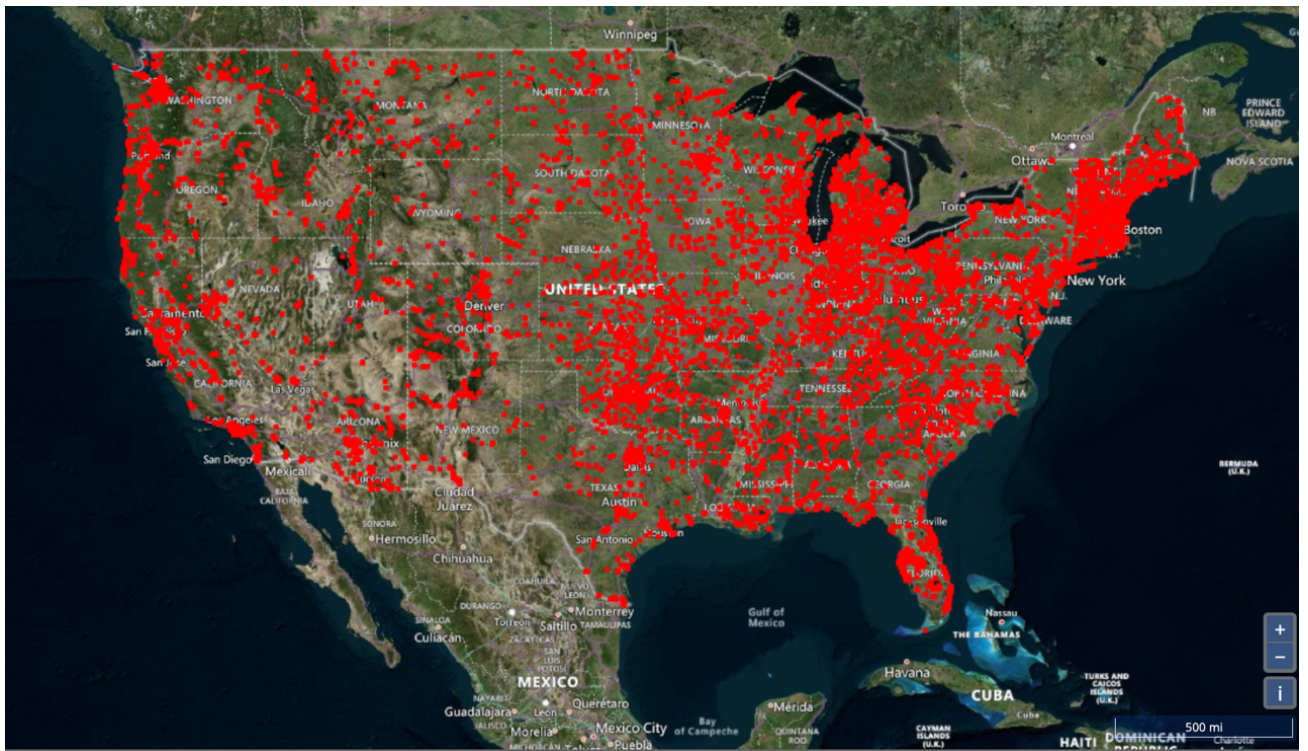


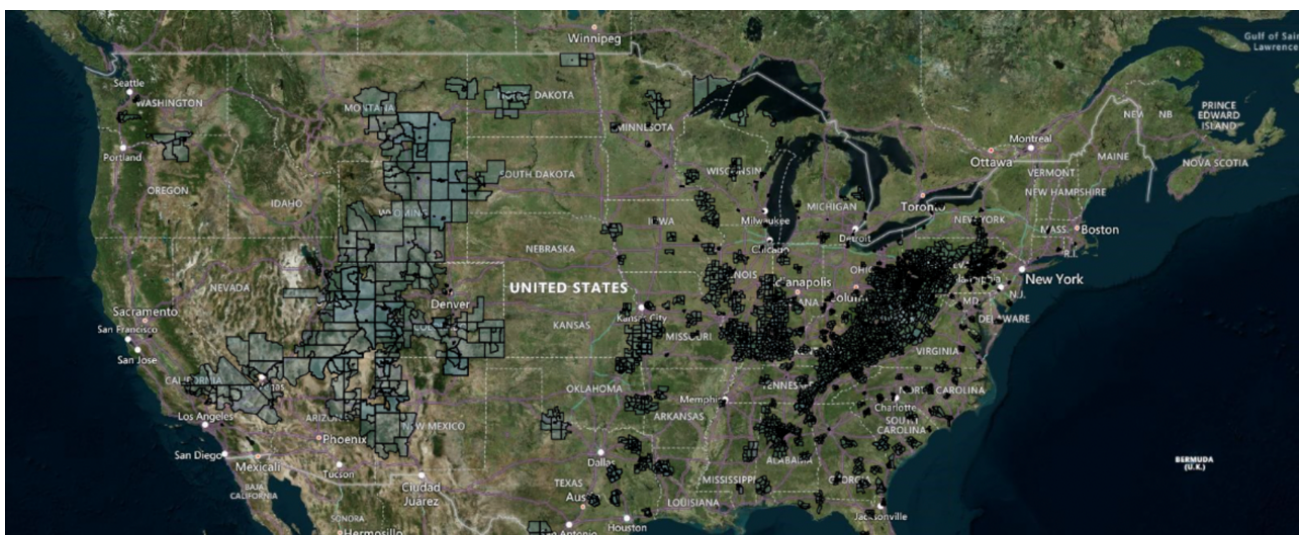
Figure 1.0. Site Locations in the US - Brownfield. Brownfield Data Layer Source: LandGate PowerData. Data source: EPA – US

Coal Communities

A Coal Community is qualified by a census tract and any adjoining tracts, with a closure of either a coal power plant after 2010 or a coal mine after 2000. These tracts can be quite large, especially in rural areas, which may make them attractive to large-scale developers.

Currently, coal plants and mine shapefiles make up about 20% of the overall area of the United States. Below, figure 2.0 shows eligible census tracts in light green

You can access the Coal Communities data layer by utilizing LandGate’s [PowerData tool](#).



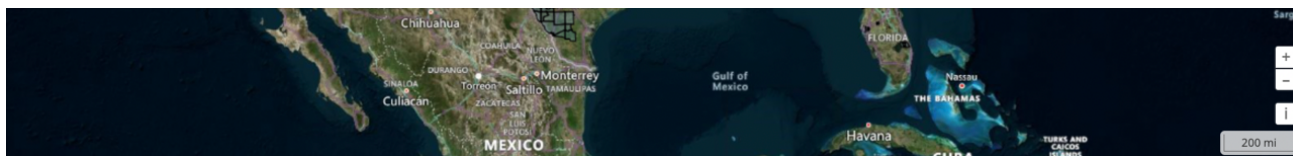


Figure 2.0. Retirement of Coal Plants between 2010-21, and Coal Mines Shut Down Between 2000-22. Brownfield Data Layer
 Source: LandGate PowerDataData Sources: United States Energy Information Administration, Form EIA-860 surveys. United States Mine Safety and Health Administration, Dataset 13: "Mines Data Set."

Tax & Job Revenue

The third Energy Community, as defined by the IRA, is a metropolitan or non-metropolitan statistical area with both of the following two criteria:

1. **"0.17 percent or greater direct employment or at least 25 percent of local tax revenues [are] related to the extraction, processing, transport, or storage of coal, oil, or natural gas".**
2. **Unemployment is equal to or greater than last year's average**

It's important to note that the statistical areas for fossil fuel employment are massive. For example non-metropolitan statistical areas with greater than 0.17% fossil fuel employment would be most of Nebraska, Nevada, Alaska, Montana, and large portions of some other states. Due to these large areas, about 82% of the total United States land area would be energy communities without the other qualifying criteria. The percentage of eligible regions reduces significantly because these areas must have an unemployment rate greater than the average. That said, eligible territories still account for 39% of the total US area.

A few details make this Energy Community difficult to identify. First, as rates of unemployment vary, it is not clear how long a community would stay valid before becoming ineligible for the tax credit as a bonus. For this reason, the Department of Treasury and Energy will likely present a logical solution in the near future.

Furthermore, most eligible regions do not map out neatly at expected locations of energy communities. They include various gas, coal, and oil-dependent communities in the following states: West Virginia, Pennsylvania, Texas, and New Mexico. However, they exclude the following regions: Oklahoma, Wyoming, and North Dakota - where the production of fossil fuel plays a significant part in stabilizing the local economies. Furthermore, it sometimes includes areas like Washington state, Oregon, and many parts of Michigan, with almost no production of fossil fuels.

Figure 3.0 shows these results below. Light green represents regions with at least .17% fossil fuel employment but less than average employment.

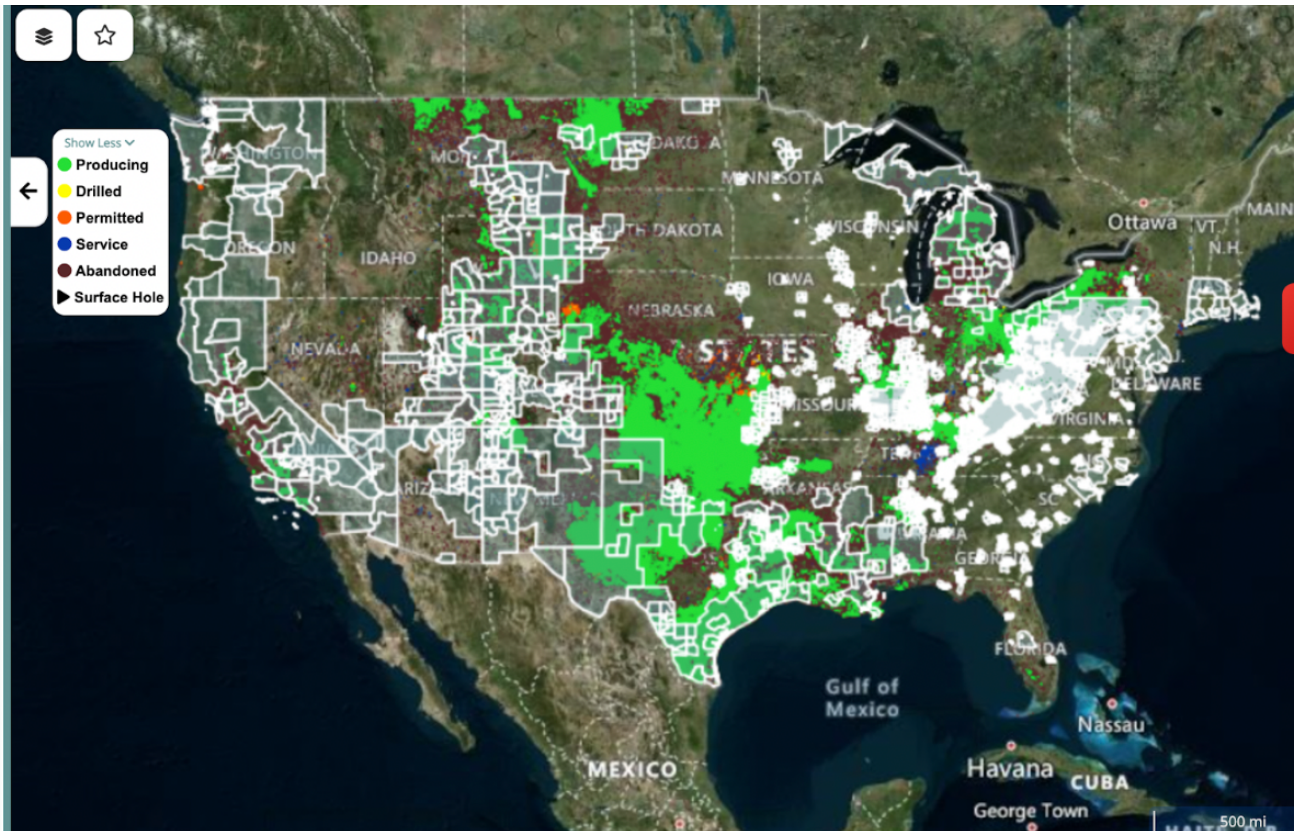


Fig. 3: Data Sources: United States Census [County Business Patterns](#) for employment. United States Bureau of Labor Statistics for [statistical area definitions](#). It includes areas with at least .17% of employment from fossil fuels between 2010-20 and unemployment more than 5.3% in 2021.

An energy community can also be defined as one where fossil fuels provide about 25% of the tax revenue locally. Nationwide, fossil fuels contribute about 138 billion USD in revenue to all of the following governments: tribal, federal, local and state. There are fossil fuel estimated revenues at a national level, but no data has been made publicly available at the local level. Also, most local governments do not publish their tax revenue line items for infrastructure or coal, natural gas, and oil-related facilities.

LandGate has extensive data for all land resources, including all local-level oil and gas-related tax data for every county in the US. We can run bankable evaluations of production that can be used to estimate the associated tax revenue required for this 25% of local tax revenue calculation. A large area of the US is in a gray zone that would require these calculations to substantiate the IRA. If you're interested in these tools and how to use them for energy communities, request a meeting with your LandGate client success representative.

Finding Landowners in Energy Communities

While we can all agree that there are myriad strategies that create a profitable development pipeline, the tax benefits of the IRA make finding projects within an energy community an easy

choice to move the needle. While you could use your traditional methods of connecting with landowners, there are tools available to help you get ahead of the competition and get a hold of the best sites first.

1. Use **PowerLeads** with a filter that searches for leads within Energy Communities. What you get is landowners hunting for you instead of you hunting for them. Powerleads predominantly come from three major sources and majorly reduces your G&A costs for getting LOIs across all land site control campaigns.
 - i. LandGate has a robust RealEstate team bringing experience from top performing prop tech companies connecting with Land Agents across the country, connecting you directly with their connections from decades of brokering land.. We calculate that we're currently in contact with 60% of the land agents in the country and are track for 90% by the end of the year.
 - ii. With over 6 years in the space the organic SEO is gaining more and more traction and is supplemented by a strong Pay Per Click Ad campaign that brings landowners to the website to find out the approximate value of all of their land resources.
 - iii. We have proprietary optimized traditional methods of advertising that bring in more leads every month at an exponential rate.
2. Use **PowerCRM** parcel search tool to optimize your traditional site acquisition campaigns searching specifically within IRA Energy Communities along with all the rest of the common criteria you would use in greenfielding. Use these strategies to effectively find those sites before your competitors.
 - i. **Increase volume of viable sites:** You can get more sites into the top of the funnel by decreasing the time it takes to analyze sites. Unless you are willing to pay six figures for a custom GIS ecosystem, take months to complete it, and the expense of maintaining the data sets, use LandGate. There is no other GIS saas tool out there that can query all parcels within the size range and buildable acreage criteria you want without doing it site by site or off of minimal data sets. With PowerCRM you can query an entire state at a time, via our extensive infrastructure data set.
 - ii. **Quality Parcel and Phone Number Data:** If the landowner doesn't get the mailer or the call, they can't respond. You get what you pay for. LandGate provides best in class parcel data at a fraction of the costs you'll find anywhere else.
 - iii. **Improve Quality of Mailers:** With PowerData and PowerCRM, you can automatically generate a 15-30 page report of all relevant land value data for a particular parcel, including their parcel highlighted on a map. This makes the landowner feel that this is not just some large marketing campaign and that you took the time to put all of this together.
 - iv. **Use AB Testing:** Because demographics vary from state to state, you can increase response rates by testing different mailers, the content and the format of your campaigns. The best way to do this within LandGate is by running multiple campaigns in PowerCRM using it to easily log response rates. This makes it easier to see which campaigns are most effective and then scale that strategy accordingly.
 - v. **Use Autodialing:** Instead of spending hundreds of hours talking to people who might be interested in development, use your high-quality numbers to automatically leave hundreds of voicemails, and only speak with people interested enough to call you back.

Locating these site types has always been a struggle, however developers can now utilize LandGate's data layers to quickly locate sites for renewable development that qualify for Energy

Community ITC benefits. You can use your own defined siting criteria including acre size and proximity to infrastructure, to search for parcels within all of the energy communities defined above.