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DEVELOPMENT SERVICES AGENCY

Planning and Community Development
Engineering, Surveying and Permit Services
Roads Department

State of California Little Hoover Commission
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Good Morning Commissioners,

Thank you for the opportunity to discuss Kern County's experience with permitting and construction of renewable energy. Kern County has pioneered the development of new energy sources since the 1890s. Our energy sector continues to support our economy at a pace not seen in any other areas of California. Investment in Kern County is strong and reflects our commitment to innovation, modern technology and business friendly permitting.

From an updated $280 million natural gas processing plant for Occidental of Elk Hills to the Chevron Project Brightfield that is testing next-generation solar energy technologies on a former Chevron oil refinery our streamlined permitting process brings projects online for our oil and gas industry while protecting the environment and respecting neighboring land uses. Kern County is also home to many innovative projects using biomass, alternative fuels and biogas from animal waste.

Continuing our growth in renewable energy, this year construction continued on the next phase of the Southern California Edison Tehachapi Renewable Transmission Project for 4,500 MW of new capacity. Solidifying our reputation as the place to do green business, Terra-Gen Power broke ground and is in construction on the world's largest wind project – Alta Wind Energy Center within Kern County's Tehachapi Wind Resource Area completely in Kern County. When completed, the Alta Wind Energy Center will have the capacity to generate 1,500 MW of renewable energy, enough to supply over 1.1 million people. The Alta project is creating more than 3,000 construction, operation and maintance jobs and contributed more than $1.2 billion to the local economy of Kern County. Construction of wind projects by Corum/Brookfield, Iberadrola, NextEra and enXco will bring another 1,200 MW of wind on line in 2012. To see the impacts on employment from renewable energy, visitors to Kern County only have to drive through the community of Mojave to see motels full of construction professionals and millions of dollars of wind turbine components being staged at the Mojave Air and Spaceport.

The commercial solar industry moved from concept to reality this year with 1,200 MW of project approvals in both the Central Valley and West Mojave Desert. Agricultural processors added rooftop and distributed solar to their facilities, a 1 MW project now fuels the pumps for an oilfield and the County is installing panels on the County

Administration building to lower energy costs. In all, Kern County has 3,900 MW of wind and solar PV in production with 1,875 MW approved and moving into construction and another 3,000 MW in processing.

Kern County projects are scheduled to provide 10,000 MW or 10 GW of renewable energy power by 2015, a goal adopted by the Kern County Board of Supervisors. When implemented, this will drive an estimated 8,000 construction jobs, 1,500 operational jobs and up to $25 billion in investment in Kern County's future.

While oil and gas are an on-going sector, the surge in renewable energy and new technologies has been propelled by California's adoption of the Renewable Portfolio Standard (RPS), AB 32 (California Global Warming Solutions Act) goals and expansion of electrical transmission lines to Southern California load centers through the Southern California Edison Tehachapi Renewable Transmission Project. These state efforts created the certainty that companies and investors needed to begin processing permits and invest in Kern County.

Kern County has had a wind industry since the 1980's, but expansion was stopped due to lack of transmission. With the support of the wind industry, Kern County began a decade's long push for more transmission and we streamlined the permitting process. That process included:

- Adoption of a Wind Energy zone for expedited permitting and repowering of projects under the California Environmental Quality Act.
- Collaboration with the Department of Defense R-2508 Airspace Complex and wind energy developers to prepare and adopt a Red-Yellow-Green height limitation map to ensure the siting of wind turbines in no-conflict areas.
- Proactive work with the California Energy Commission, California Public Utilities Commission, Southern California Edison and our Kern County communities on the Tehachapi Renewable Transmission Project.

After construction of the TRTP began, large scale commercial solar photovoltaic applications and discussions began in Kern County. These projects totaling over 50,000 acres of land are being proposed in both the Central Valley portion of the County as well as the Desert portion. While the Kern County Zoning ordinance already allowed for a Conditional Use Permit and certain "by right" ground mounted systems, the number and size of the projects required analysis under CEQA for cumulative impacts. To the dismay of these new solar companies, we had to require full Environmental Impact Reports for the processing of the Conditional Use Permits. We created an expedited program that includes:

- Concurrent processing of all Environmental Impact Reports by two selected consultants.
- Grouping of sites in one EIR by one applicant. To date the largest is 10 sites ranging from 5 MW to 20 MW.

- Streamlining of the zoning ordinance to allow the sitting of ground mounted solar with no Conditional Use Permit if it provides power directly for a facility, regardless of number of acres.

These efforts have resulted in projects, including full Environmental Impact Reports, being brought before the Planning Commission and Board of Supervisors in 10 to 12 months. While we coordinate our efforts on these projects closely with state agencies such as California Department of Fish and Game, Water Resources Control Board and Department of Oil, Gas and Geothermal Resources, the size and statewide scope of projects coupled with state budget cutbacks have slowed the process down. It took committed work from my staff, sometimes six days a week, to facilitate communication with State agencies. Since that time the State agencies have gained experience with solar PV projects and consultation has improved.

Many issues that have resulted from the State's failure to consult adequately with local governments and its failure to consider how renewable project implementation differs from other types of power projects. The following are some general issues and comments.

ISSUES:

1. Local governments have streamlined permitting for roof-top solar and small ground mount systems to 2 months. However, investor-owned utilities often take up to six months to change out a meter for a residential and commercial connections. The state should mandate a short timeframe for utilities to provide connections.

2. Renewable energy projects need more flexibility in determining the proper place for an interconnection to the grid. CAISO (California Independent Systems Operator) does not currently allow changes to interconnection points without requiring the applicant to start the process over again.

3. Open up transmission planning to independent and private lines that can be processed faster (2 to 3 years) and be more responsive to need. Renewable energy investors will not wait 7 to 10 years for California planning processes to provide more transmission.

4. Provide California Environmental Quality Act (CEQA) exemptions for a variety of Distributed Generation projects (O to 20 MW) (wind, solar and biogas).

5. Require the CPUC to consider the implications for local governments permitting, CEQA and land use when creating programs.

6. Clarify the definition of Prime Farmland to include a clearer linkage to water availability to provide better sitting guidance for solar PV.

7. Explore the fiscal ramifications of the phase out of the property tax exemption from reassessment of solar PV that has caused a financial disincentive on local governments to site and accept ground mount systems.

8. Ensure solar PV and wind sitting decisions are kept at the local level, regardless of the amount of MW. Local resistance to solar and wind will only grow with preemption rather than local site solutions from local decision makers.

9. Require that transmission projects identify and work on an access plan for private interconnection lines to substations in consultation with local jurisdictions to avoid congestion and access blocking due to multiple renewable energy projects and limited access points.

10. Concerns are rising on the potential impacts on property values from utility scale solar PV and the industry needs to address this through an economic study. The wind industry has already completed such studies which show no impact to property values and in some areas an increase in values.

11. As utility scale solar and ground mount PV is completed, funding should be provided to California Department of Fish and Game or others for comprehensive biological monitoring of the standard mitigation to provide input for future repowering projects.

The future of renewable energy in California depends on our ability to balance the need for environmental protection with streamlined processing to meet the timelines of investors and generate jobs as well as clean electricity. Local government is experienced in permitting and construction of a large range and the CPUC and CEC, and other State agencies should pursue greater collaboration with local agencies to understand the local issues and site specific needs of a diverse California.

On behalf of the Kern County Board of Supervisors, thank you for your help in identifying opportunities to work together in fueling a sustainable future for all of our citizens.