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July 17, 2012

Commissioner Karen Douglas, Presiding Member
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

California Energy Commission

DOCKETED

11-AFC-2

TN # 66310

JUL 24 2012

RE: Comments on the Hidden Hills Solar Energy Generating System Preliminary Staff Analysis and Resolution 2012-29 of the Inyo County Board of Supervisors

Dear Commissioner Douglas:

The County of Inyo (County) appreciates the opportunity to provide comments and indicate necessary changes to the Preliminary Staff Analysis (PSA) submitted by the California Energy Commission (CEC) staff for the Hidden Hills Solar Energy Generating System (HHSEGS) in order that the proposed project be consistent with Inyo County ordinances, regulations and standards ("LORS"). The County, as an active participant in the licensing process, is grateful to the CEC staff for addressing many of our concerns and attempting to bring the proposed project into conformance with the County's LORS, specifically its land use policies and Title 21 of the Inyo County Code governing renewable energy facilities.

Notwithstanding CEC staff's efforts, the PSA falls short in a number of areas including: (1) visual impacts, (2) proposed groundwater monitoring and reporting; (3) the impacts to County roads and a mechanism to enforce travel restrictions; (4) a detailed facility closure plan; (5) the lost opportunity cost impact of the project (both with and without the inclusion of proposed mitigation lands); and, (6) the socioeconomic impacts to County services. In addition to discussing each of these areas below, the County has submitted with this letter *A Resolution Of The Board Of Supervisors Of The County Of Inyo, State Of California, Adopting The Findings And Conditions Of Certification For The Proposed Hidden Hills Solar Electric Generating Station (California Energy Commission Application For Certification No. 11-AFC-2,) ("Resolution 2012-29")* which sets out the additional or modified Conditions of

Certification, to those recommended by CEC staff in the PSA and to those contained in the Gruen, Gruen + Associates report, attached hereto. These are conditions of certification that the County would impose on the project owners but for the exclusive jurisdiction granted to the Energy Commission under the provision of the Warren-Alquist Act (Pub. Resources Code § 25500). In addition to Resolution 2012-29, and also in order to assure compliance with the County's LORS pursuant to Public Resources Code section 25525, a matrix indicating the proposed project's compliance or non-compliance with the County's General Plan is attached.

It should be noted that on July 10, 2012, the Inyo County Board of Supervisors approved an agreement with the project applicant, BrightSource Energy, Inc., LLC (BSE) to process an application for the adoption of a general plan amendment and zoning reclassification. If the application is approved by Inyo County, the project would be consistent with the County of Inyo General Plan and Zoning Ordinance; however, approval of the application will not resolve the site control requirements set forth in the proposed conditions of certification or the other land use issues previously addressed by the County and referenced in the PSA, such as the merger of the numerous lots on which the project is proposed to be built and the abandonment of public roads.

Along with project conformance to the County's land use policies, there remain several areas of the PSA that continue to promote undue uncertainty for the County's welfare. Following are the primary areas of concern which are addressed by Resolution 2012-29 through additional or modified conditions of certification in order that the proposed project is deemed consistent with County LORS, in particular Title 21.

1. VISUAL IMPACTS

A chief unresolvable concern for the County and its residents is the visual impact of the proposed project on the adjacent residential community. Although the applicant maintained during the June 14, 2012 workshop in Pahrump, Nevada that the proposed project would not create a significant visual impact, such a claim is unfathomable. If the proposed project is licensed and constructed then residents will live as close as 600 feet from a heliostat field replete with approximately 170,000 mirrors encircling two, 750-foot, towers as their neighbor.

The County concurs with CEC staff that this significant visual impact cannot be mitigated. However, the County does not believe the proposed mitigation of an interpretative center is sufficient to off-set the vast changes being imposed on these residents. Since the impacts cannot be fully mitigated, the residents should reap some benefit from the project that they will live with daily. Title 21 requires for the mitigation of impacts to the County, including by compensating for the impact by replacing or providing substitute resources or environments. (See, Title 21, Section 21.08.040.) The County believes the idea of the interpretative center is a good start, but under Title 21 additional mitigation directed at reducing or off-setting the impacts to the local residents is required. To that end, Resolution 2012-29 requires the construction of a community center, for use by the local community and service providers. In addition, in this era of high speed communication, these residents live without reliable phone service or high-speed internet. The proposed project includes in its design a telecommunications tower and that tower should be made available to cellular telecommunication operators to bring cellular and internet service to the proposed project's neighbors. Every attempt should be made to alleviate the significant impact imposed on those residents through enhanced essential service delivery and basic amenities.

2. *GROUNDWATER MONITORING AND REPORTING*

The County has a long history of monitoring and managing the use of its groundwater resources. The County is dedicated to protecting this fragile resource and has enacted a number of ordinances to achieve that goal, including Title 21. When evaluating a proposed project's request to use groundwater, the County insists that the project proponent avoid impacts to not only the groundwater basin but also to the groundwater dependent biological resources. The County's unprecedented experience in this area has led to the establishment of detailed monitoring and mitigation plans designed specific to each proposed project. Addressed as a separate memo and attached to this comment letter is a memo addressing specific comments on the Water Supply sections of the PSA by Robert Harrington, Ph.D., R.G. of the Inyo County Water Department. Therein he outlines the requirements mandated under Title 21. The Water Supply conditions of certification should include the same level of monitoring as outlined in the Air Quality, Biological Resources and Cultural Resources portions of the PSA. In order to achieve that end and comply with Title 21, Resolution 2012-29 includes such as a condition of certification, together with other conditions necessary to bring the proposed project into compliance with the County's LORS.

On a related topic, the proposed project will trigger the groundwater monitoring and reporting requirements mandated by SBX7-6, adopted by the California Legislature in 2009 and Chaptered as Water Code section 10920 et seq. As detailed in the *Responses to the May 2012 "Socioeconomic and Fiscal Impacts of the Hidden Hills Solar Electric Generating System on Inyo County"* prepared by Gruen Gruen + Associates, absent a requirement that the proposed project owners and/or their operators report groundwater activities at the project site to the County it will result in the County failing to comply with the mandates of SBX7-6. According to the statutory provisions, failure to comply with the monitoring mandates results in a loss of grant funds. The County simply cannot risk forfeiting future grant funding. Resolution 2012 requires as a condition of certification that the project owner provide the groundwater pumping information necessary for the County to comply with Water Code section 10920 et seq.

3. OLD SPANISH TRAIL AND ENFORCEMENT

The County appreciates and supports the CEC staff's inclusion as a condition of certification the prohibition on the project owner and its contractor(s) and subcontractors from allowing truck traffic to access the project site by using Highway 127 and Old Spanish Trail. However, due to the extensive damage that use by even a few errant trucks would have on that route, the County is concerned that the condition contains no process by which the project owner would be fined. Again, Title 21 mandates that the County recover any costs caused by a project. For that reason, and to bring the proposed condition into compliance with Title 21, Resolution 2012-29 establishes a penalty for any errant truck and an obligation for the project owner to either repair damage caused by any errant truck using Old Spanish Trail and Highway 127 west of the project site or to reimburse the County for the costs of such repairs.

4. FACILITY CLOSURE PLAN

Title 21 of the Inyo County Code specifically requires the project owner to submit to the County a reclamation/revegetation plan and to post an adequate financial assurance, based on estimated costs, should the project owner fail to comply with the plan upon closure. (See, Inyo County Code, Sections 21.20.030 & 21.20.040.) Resolution 2012-29 requires both the plan and the financial assurances so as to protect its citizens from bearing the costs of dismantling a large scale renewable energy project should the project be abandoned after full and/or partial construction

and for reclaiming the underlying land. Similar requirements are required by the County in both the area of mining and telecommunication towers. In addition, for the reasons noted above, the Bureau of Land Management and a number of other counties impose similar requirements for large scale renewable facilities.

Resolution 2012-29 requires the submission of the reclamation plan and its estimated costs prior to the commencement of construction, in order to establish the amount of financial assurances required under Title 21 and under proposed Condition of Certification LAND-2. The provision of financial assurance is an important guarantee; without such assurance, there can be no expectation that a project owner will have either the interest or the funds to reclaim the proposed industrial site.

5. MITIGATION LANDS

Throughout the PSA, staff recommends biological and cultural mitigation in the form of the retirement of lands from economic use in perpetuity. Most of the requirements for the retirement of lands for mitigation fall within the Biological Resources (BIO) section of the PSA. However, it was noted at the July 2, 2012 PSA workshop in Sacramento by CEC staff members that the Cultural Resources analysts may include the retirement of lands to mitigate the cultural impacts caused by the project. In some instances, it appears that mitigation lands must be located within the State of California and, in at least one condition (BIO-22) the land is required to be located in California and in the Pahrump Valley. For the reasons stated below, the County objects to using any private lands within Inyo County for mitigation purposes.

Inyo County is unique in that less than 2% of its total land is privately owned, thus severely limiting its revenue base. The project applicant holds an option for nearly 10,000 acres of private land. The project site is 3,277 acres, leaving more than 6,000 acres subject to the project applicant's option. Should the full 10,000 acres under option be utilized as the project site and as mitigation, this single proposed project would encompass nearly 10% of the total private land holdings in the County. Moreover, even the CEC's Fiscal Consultant (Consultant) concedes that the proposed project will result in few financial benefits to the County due to its remote location and close proximity to larger services in the State of Nevada. In a County with so few opportunities to encourage the use of private lands for the economic benefit of the County and its residents, removing private lands in perpetuity for mitigation will result in a significant impact.

If private land within the County must be retired from beneficial use for mitigation purposes, Title 21 requires that the economic impact resulting from the removal of those lands be accounted for and further mitigated. The Consultant acknowledged at the June 27, 2012 PSA workshop that he did not include in his analysis the lost economic opportunity costs which the County would suffer as a result of the proposed mitigation lands. That analysis is essential should any of the mitigation occur on private lands in the County. Resolution 2012-29 requires that analysis as a condition of certification in order to comply with Title 21. Furthermore, if mitigation lands are to be identified after certification of the project, the resolution imposes as a condition of certification that the analysis be conducted prior to the selection of such lands for mitigation and, if such lands are selected, that appropriate mitigation be imposed to offset any identified adverse impacts to the County or to the environment.

6. SOCIOECONOMIC ANALYSIS

The "*Socioeconomic and Fiscal Impacts of the Hidden Hills Solar Electric Generating System on Inyo County*" report prepared by the Consultant fails to accurately or adequately analyze the socioeconomic impacts the County will experience should the proposed project be approved without inclusion of additional conditions. Although a thorough discussion of the Consultant's report and methodologies is included in the attached *Responses to the May 2012 "Socioeconomic and Fiscal Impacts of the Hidden Hills Solar Electric Generating System on Inyo County"*, prepared by Gruen Gruen + Associates and submitted as part of these comments, it is important to highlight the most glaring errors and why many of the Consultant's conclusions should not be accepted.

The Consultant's report begins on a false premise – that the construction workers, totaling nearly 1,100, will commute from their homes to the project site. The project applicant has stated a number of times that the project will likely be constructed under the terms of a project labor agreement as was Ivanpah. Under such an agreement, California union employees will be given a hiring preference. That preference will most certainly result in employees commuting from Southern California or the Inland Empire for the work week as happened with Ivanpah. Although the Consultant stated during the June 27, 2012 workshop that the analysis contained in his report would apply regardless of the residence of the actual employees (California vs. Nevada), that is simply untrue. Since the most direct route to the project site from the Inland Empire is through Inyo County, employees from

the Inland Empire would likely travel through Inyo County, rather than through Nevada. As a result, and unlike the Ivanpah project where workers traveling home to the Inland Empire do so using Interstate 15, workers traveling home to the Inland Empire or other parts of California from the HHSEGS jobsite will create demands for additional County services along the way. Service demands associated with this commuting workforce are likely to include but are certainly not limited to additional unstaffed public trash receptacles to minimize illegal dumping; enforcement of sewage discharge regulations from recreational vehicles; and traffic safety enforcement and response. In addition, the towns of Shoshone and Tecopa are both much closer to the Inland Empire than Pahrump, so a higher percentage of employees are likely to stay in Inyo County, with a correspondingly higher cost of services to be provided by the County.

The Consultant's analysis does not account for employee-related housing impacts and, in fact, extrapolates from its incorrect assumption that there is no basis for the County's anticipated increased service costs caused by construction-related housing. Had the Consultant more fully reviewed the potential impacts from anticipated construction-related housing he would have learned that during the construction of the Ivanpah project, Clark County, Nevada experienced a 30% increase in calls for service in Primm, where most of the Ivanpah employees resided during the work week. Moreover, had the Consultant actually visited the HHSEGS proposed project site, he would have discovered that unlike in Ivanpah, the HHSEGS proposed site is surrounded by privately owned property and that illegal "camping" on private land has at times been a problem in the area. The County maintains that it is not unreasonable to anticipate that a number of construction employees will engage in dry camping in the vicinity of the project site, or will elect to reside in the nearby communities of Tecopa or Shoshone, thereby increasing the number of employees residing in Inyo County as opposed to the State of Nevada. As shown by Clark County, there will be an increase in the demand for County services, in particular law enforcement services.

The County has provided an extensive estimate of the additional costs that will be incurred by the County if the project is approved. The Consultant discredits nearly every one of the anticipated impact costs provided by the County, thus substituting the Consultant's judgment for that of the County and that of its elected and appointed officials. The CEC should not disregard the judgment of the very elected and appointed officials charged with providing services to the project while accepting the conclusions of the Consultant which are based upon estimates from the project

proponent. When asked why he did not question the project applicant's estimate that 5% of the construction costs (\$9.5 million) would be spent in Inyo County, in light of the remote location of the project and lack of retail establishments, the Consultant simply indicated that the number "seemed reasonable". It is disheartening to the County that the Consultant would not only substitute his judgment for the Inyo County Sheriff's, but would accept estimates from the project proponent that defy reality.

The fact is that the County is in the best position to estimate the potential impacts of the project to its provision of services. The County has experienced the ebbs and flows of mining, snowbirds and other events which have caused both temporary and seasonal growth in its most remote areas. This is not the first, nor the last, time the County will need to anticipate an increased need for services in its remote regions. For these reasons, the CEC should disregard the Consultant's analysis, and adopt the County's anticipated impact costs along with an annual inflationary escalator.

Regardless of which estimate of the impact costs of the project is utilized, the Consultant concludes that the County will be made whole through its receipt of sales and use tax derived from the project's construction. The Consultant assumes the project owner will enter into an agreement with the County to designate the project site as the point of sale for sales and use tax purposes. The Consultant states that the basis for this assumption is that the project owner entered into such an agreement with San Bernardino County on the Ivanpah project. There is no sales tax agreement regarding Ivanpah; the parties are just now negotiating that agreement and there is no reason to simply assume such an agreement between the County and applicant will be a certainty or will cover all of the County's costs. For Inyo County, realizing an increase in revenues to offset the increased costs resulting from the project is of vital importance. The people of Inyo County are not in a position to subsidize this project. In the absence of a CEC condition requiring a letter of credit or other financial assurance in the amount of \$84.5 million dollars, the Consultant's assumption that those revenues will flow to the County is nothing short of cavalier.

The Consultant expresses uncertainty as to whether the project owner might seek an exclusion from sales and use tax through the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA). However, the Consultant notes that the applicant claims that such an exclusion was not sought for

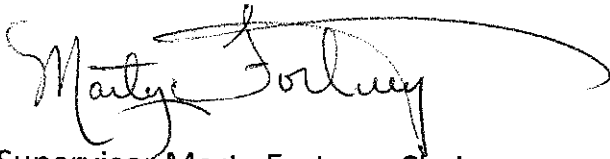
its Ivanpah project and thereby opines that such an exclusion would not be sought for HHSEGS. However, while it is true that CAEATFA's own legal analysis makes it doubtful that the project would qualify under the current criteria, as recently as February 2011 the CAEATFA Board, during a regularly scheduled meeting, discussed developing a sales and use tax exclusion program for renewable energy generation projects. BSE was in attendance and during the public comment period expressed their concern on proposed project caps of differing types and emphasized the need for such a program. Therefore it is neither inconceivable that this option would still be forthcoming through CAEATFA or that BSE's project operator(s) would be encouraged to take advantage of such a program thereby only elevating the need for a condition of certification that a form of financial assurance be provided for the direct government service costs incurred by the County during the life of the project.

It would be irresponsible for Inyo County or the CEC to assume that the costs for service impacts caused by the proposed project will be addressed by a voluntary agreement that the project owner may or may not chose to execute or that such agreement would be sufficient to cover the County's costs. Title 21 of the Inyo County Code mandates that the County recover its increased costs for providing services to the proposed project. Therefore, Resolution 2012-29 requires as a condition of certification, that the project owner must require all applicable contractors and sub-contractors to exercise their option to obtain a State Board of Equalization sub-permit to designate the project site as the point of sale for purposes of allocating all sales and use taxes to the County of Inyo, and guarantee, through the use of a consultant with expertise in the area of sales and use tax, that the project owner and its contractor(s) and subcontractors take all necessary actions to ensure that this occurs through compliance with applicable rules and regulations. It is only through such a condition that the CEC will strive to ensure that the costs of the service impacts to the County may be recovered and conform to the economic impact requirements of Title 21. Furthermore, in support of such a condition, Resolution 2012-29 imposes a condition of certification that requires the project owner to establish financial assurances of \$84.5 million that would guarantee that the County will directly receive the consultant's estimated sales and use tax during the period of construction.

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Lastly, while there were inconsistencies in the PSA, most could be resolved through adequate financial assurances, appropriate conditions of certification and proper monitoring of natural and cultural resources. We are confident that the CEC and its staff are working toward providing energy solutions that will sustain the state while balancing the need for adequate revenues for a subdivision of the state that is mandated to provide essential services.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty Fortney", with a long, sweeping horizontal line extending from the end of the signature.

Supervisor Marty Fortney, Chairperson
Inyo County Board of Supervisors

Attachments(4):

1. Resolution No. 2012-29
2. General Plan Consistency Matrix
3. Memorandum from Dr. Robert F. Harrington, Ph.D., R.G.
4. Gruen Gruen + Associates Report

RESOLUTION NO. 2012-29

**A RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF INYO,
STATE OF CALIFORNIA, ADOPTING FINDINGS AND CONDITIONS OF CERTIFICATION FOR
THE PROPOSED HIDDEN HILLS SOLAR ELECTRIC GENERATING STATION
(CALIFORNIA ENERGY COMMISSION APPLICATION FOR CERTIFICATION NO. 11-AFC-2)**

WHEREAS, Inyo County supports and encourages the responsible utilization of its natural resources, including the development of its solar and wind resources for the generation and transmission of clean, renewable electric energy; and

WHEREAS, Inyo County encourages the increased use of solar radiation and wind to generate and transmit clean, renewable electric energy as a benefit not only to the citizens of Inyo County, but also to citizens of California and the United States; and

WHEREAS, the County has been participating in a variety of renewable energy planning efforts, including, but not limited to, the Renewable Energy Transmission Initiative (RETI), the Bureau of Land Management's (BLM) Transmission Corridor, Wind, Geothermal, and Solar Environmental Impact Statements, the Desert Renewable Energy Transmission Plan, the California Transmission Planning Group, and a variety of renewable energy initiatives in the neighboring State of Nevada; and

WHEREAS, on August 17, 2010 the Inyo County Board of Supervisors adopted Ordinance No. 1158, which amended the Inyo County Code by adding Title 21, the Inyo County Renewable Energy Ordinance, to encourage and regulate the development of renewable energy resources within Inyo County; and

WHEREAS, Title 21 regulates applicants that propose to construct and operate renewable energy facilities, and requires an Applicant to obtain a permit from the County or to enter into a development agreement with the County for the project; and

WHEREAS, Title 21 requires an Applicant to identify and mitigate impacts to the ecological environment of the County as well as impacts to the social, aesthetic and economic environment, including impacts to the quality of life within the County, that will result from the renewable energy project; and

WHEREAS, Title 21 requires an Applicant to mitigate impacts on the County's water resources which may be depleted by the use of water for cooling and other operational purposes which may affect vegetation, wildlife and habitat; and

WHEREAS, Title 21 requires the County to impose upon an Applicant with such reasonable and feasible mitigation measures as it finds to be necessary to protect the health, safety and welfare of the County's citizens and the County's environment, including its public trust resources, and to ensure that the County and its citizens do not bear an undue financial burden from the project; and

WHEREAS, Title 21 mitigation encompasses the following: (1) Avoiding the impact altogether by not taking a certain action or parts of an action; (2) Minimizing impacts by limiting the degree or magnitude of the action and its implementation; (3) Rectifying the impact by repairing, rehabilitating, or restoring the impacted environment; (4) Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action, and; (5) Compensating for the impact by replacing or providing substitute resources or environments; and

WHEREAS, Title 21 requires any person who submits an application for a renewable energy permit to submit a plan for reclamation/revegetation of the site of the facility once the facility is decommissioned or otherwise ceases to be operational and to post financial assurances to ensure completion of reclamation; and

WHEREAS, the Warren-Alquist Act (Public Resources Code Section 25000 et seq.) vests the California Energy Commission (CEC) with exclusive certification jurisdiction over siting power generation plants greater than 50 megawatts (MW), amongst other powers; and

WHEREAS, on August 5, 2011, Hidden Hills Solar Holdings, LLC, submitted an Application for Certification to the CEC to construct and operate the Hidden Hills Solar Electric Generating System (HHSEGS), a solar thermal power plant greater than 50 MW, in Charleston View in Inyo County; and

WHEREAS, Inyo County would be the lead agency for the project if not for the CEC's exclusive jurisdiction; and

WHEREAS, the CEC transmitted a request for agency participation in its certification process for the proposed HHSEGS to Inyo County on August 19, 2011; and

WHEREAS, California Government Code Section 65300 et seq. indicates that the legislative body of each county shall adopt a comprehensive, long-term general plan for its physical development, including the following seven required elements: (1) land use, (2) circulation, (3) housing, (4) conservation, (5) open space, (6) noise, and (7) safety; and

WHEREAS, the proposed HHSEGS is on lands designated by the Inyo County General Plan Land Use Element as Open Space and Recreation (OSR) and Resort/Recreational (REC), and

WHEREAS, the OSR designation provides for public parks, ball fields, horse stables, greenbelts, and similar and compatible uses and the REC designation provides for a mixture of residential and recreational commercial uses, and the proposed HHSEGS is inconsistent with these designations; and

WHEREAS, General Plan GOAL GOV-10 (Energy Resources) and Policy Gov-10.1 (Development) indicate that development of energy resources on both public and private lands be encouraged with the policies of the County to develop these energy resources within the bounds of economic reason and sound environmental health, and therefore, the Board supports the following policies: (a) The sound development of any and all energy resources, including, but not limited to geothermal, wind, biomass, and solar, (b) The use of peer-reviewed science in the assessment of impacts related to energy resource development, (c) The development of adequate utility corridors necessary for the transmission of newly generated energy, (d) Maintenance of energy opportunities on state and federal lands maintaining and expanding access, (e) Treating renewable energy sources as natural resources, subject to County planning and environmental jurisdiction; (f) Considering, accounting for, and mitigating ecological, cultural, economic, and social impacts, as well as benefits, from development of renewable energy resources; and, (g) Considering development of environmental and zoning permitting processes to ensure efficient permitting of renewable energy projects while mitigating negative impacts to county services and citizens, with a goal of ensuring that citizens of the County benefit from renewable energy development in the County; and

WHEREAS, Inyo County staff, citizens, and elected officials have been participating in the CEC's certification process for the HHSEGS, including attending CEC meetings, hearings, and workshops on the following dates: September 26, 2011, October 28, 2011, November 3, 2011, November 18, 2011, January 12, 2012, January 18, 2012, January 24, 2012, February 22, 2012, April 3, 2012, April 26, 2012, May 9, 2012, June 4, 2012, June 14, 2012, June 27, 2012, July 2, 2012, and, July 9, 2012; and

WHEREAS, Inyo County representatives have provided written correspondence to the CEC and the applicant on numerous occasions providing input into the process and germane issues, including on November 29, 2011, February 16, 2012, February 23, 2012, February 27, 2012, and March 9, 2012; and

WHEREAS, the applicant attended the Inyo County Board of Supervisors meeting on March 13, 2012, presented the proposed project to the Board, and engaged in dialogue with the Board, including representing that an application for a General Plan Amendment (GPA) would be submitted; and

WHEREAS, CEC Staff issued a Preliminary Staff Assessment (PSA) on May 25, 2012 and a Supplemental PSA on June 15, 2012; and

WHEREAS, the PSA and Supplemental PSA do not adequately address the issues raised by Inyo County previously in the proceedings, or the provision of Title 21 of the Inyo County Code; and

WHEREAS, pursuant to Public Resources Code section 25523(d), following public hearing(s), the CEC must prepare a written decision which must include findings regarding the conformity of the proposed site with "...other applicable local, regional, state and federal standards, ordinances or laws"; and

WHEREAS, in this resolution, as required of it by Title 21 of the Inyo County Code, the Inyo County Board of Supervisors identifies the findings and conditions of certification (COC) that are in addition to, or supplement, those provided in the PSA and Supplemental PSA.

THEREFORE BE IT RESOLVED, that based on all of the information received to date including but not limited to the written and oral comments and input received at the March 13, 2012 and July 17, 2012 Board of Supervisors meetings, staff reports and presentations and the applicant's representations, the Inyo County Board of Supervisors makes the following findings and establishes conditions of certification upon the project, as required of it by Title 21 of the Inyo County Code, in addition to or in lieu of those provided in the PSA and Supplemental PSA.¹

BE IT FURTHER RESOLVED that this Board of Supervisors therefore provides the CEC with the following findings and COCs for the proposed HHSEGS, that are in addition to or in lieu of those findings and COCs provided in the PSA and Supplemental PSA, for inclusion in the final staff assessment and final certification.

Biological Resources – New or Revised Findings of Fact

A. Add the following new finding: Less than two percent of Inyo County remains in private ownership, and every acre restricted for the purpose of compensatory mitigation results in a significant impact. Biology-related compensatory mitigation proposed for the project exceeds 6,000 acres, including requirements to encumber private lands in Inyo County with a conservation easement in perpetuity. If private lands within Inyo County are utilized for compensatory mitigation, there will be significant impacts to the economic environment in Inyo County.

¹ Modified text is indicated with ~~strikeout~~ and underline.

Biological Resources – New or Revised Conditions of Certification

- A. Add the following new COC: The applicant and the CEC in coordination with the County shall investigate and implement means to enhance degraded public lands (including lands designated Wilderness), rather than utilizing private lands in Inyo County for biology-related compensatory mitigation, including investigating and advocating for means to quantify restoration activities on public lands in lieu of direct compensatory mitigation.
- B. Revise COC BIO-22 subparagraph 1(a)(i) to read: Selection Criteria. Compensation lands for impacts to state waters shall meet the following criteria: i. Located in California and within the Pahrump Valley. If the project owner demonstrates that suitable compensation lands are not available within Pahrump Valley, lands may be acquired in California Valley, or the California portions of Sandy (Mesquite) Valley and Stewart Valley. The applicant and the CEC shall investigate means to enhance degraded public lands, including lands designated Wilderness as an alternative to utilizing private lands in Inyo County as compensatory mitigation.
- C. Add the following new COC: If private lands within Inyo County are to be used as compensatory mitigation for impacts of the project, whether such lands are selected before or after certification of the project, prior to the selection of such lands, the CEC will conduct a study of the lost economic opportunity costs which the County would suffer as a result of the conversion of the private lands to mitigation lands and of the environmental impacts that would result from such conversion and, if any such lands are selected, the CEC will impose appropriate mitigation to fully offset any identified adverse impacts to the County and/or to the environment.
- D. Revise BIO-18, subsection 6 to read: Compensate Local Agencies for Increased Weed Monitoring and Abatement. The project owner and the Inyo/Mono Agricultural Commissioner shall coordinate with local agricultural commissioner(s) to establish an amount for a fee to be paid annually by the project owner to the local agency(ies) for increased offsite monitoring and abatement costs resulting from the construction and operation of the project.
- E. Revise BIO-23, subparagraph 2, to read: Definitions. "Less than significant effect" shall be defined as less than 20 percent change from the baseline condition or values in any of the vegetation attributes monitored that indicates a decline in the health of the mesquite and other groundwater-dependent species. The "baseline" for groundwater levels shall be as defined in WATER SUPPLY-6 and includes pre-project water levels and background trends. Baseline, or pre-project values for vegetation attributes shall be established at the GDE plots and offsite reference plots prior to the start of groundwater pumping. A "statistically significant decline" in groundwater elevation shall be defined as a drawdown that exceeds the background decline by 0.5 feet as described in WATER SUPPLY-6. "Normal seasonal variation" in vegetation attributes shall be established by comparing attributes in vegetation between the peak growing season and the hottest and driest time of year for Pahrump Valley to the baseline data.
- F. Replace BIO-23 subparagraph 3, with the following: Based on the results of inventory of groundwater-dependent and groundwater-influenced habitat and resources produced under BIO-23, subparagraph 13, an amount of water table drawdown that would cause a significant impact to GDEs shall be identified. Using drawdown curves calculated using representative aquifer parameters applied to the Theis method, determine the maximum pumping rate that will not exceed the threshold of significant drawdown at GDEs over the life of the project. Using this pumping rate and these aquifer parameters, determine the maximum drawdown that could occur within each monitoring well located between the project and the GDEs without exceeding the threshold of significant drawdown for any GDE. If drawdown in any monitoring well exceeds the drawdown that corresponds to a threshold of significant drawdown for any GDE, the project owner shall have 90 days to provide evidence to the CPM that the drawdown is not a result of groundwater pumping by the project. If after reviewing the evidence provided by the project

owner and other relevant evidence, the CPM, in consultation with BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department concludes that the drawdown is due to groundwater pumping by the project, the CPM shall notify the project owner that its groundwater pumping is to cease.

Subsequently, the project owner may resume pumping if the CPM, in consultation with BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department concludes that the exceedance of the drawdown trigger(s) was due to factors other than the project's pumping, and that the project's groundwater pumping did not contribute to the trigger exceedance, or the water table recovers to baseline levels.

G. Revise BIO-23, Subparagraph 13 to read: The Vegetation Monitoring Plan shall include an inventory of groundwater-dependent or groundwater-influenced habitat and resources that may be potentially affected by the Project. The inventory should identify and describe habitat and resources that are dependent on or influenced by groundwater, including spring flow, base flow to streams and rivers, phreatophytic meadows, phreatophytic scrub, and riparian areas. At a minimum, baseline data shall be collected at all monitoring sites and reference sites twice annually between project approval and the start of pumping. Vegetation data collected at the GDE plots within the first two years following the start of pumping may also be used to improve the baseline dataset if corresponding monitoring wells detect no statistically significant water table drawdown at those sites. Subject to approval by the CPM, in consultation with BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, and the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department, if groundwater pumping ceases or is replaced by other water sources, vegetation monitoring shall continue until groundwater levels have returned to baseline levels.

H. Revise the first two paragraphs of BIO-24 to read: Thresholds for remedial action, as defined in BIO-23 and WATER SUPPLY-6, are designed to avoid impacts to the mesquite woodlands and other groundwater-dependent ecosystems (GDEs) near the project before they result in a loss of resources, or a significant impact to habitat functions and value. If monitoring detects project-related impacts to any groundwater dependent ecosystems (GDEs) that meet or exceed the thresholds, the project owner shall determine which project well(s) are the source of the impact and stop pumping, modify or reduce pumping at that well(s) as necessary to restore the groundwater elevation to pre-threshold levels. As provided in BIO-23, if drawdown in any monitoring well exceeds the drawdown that corresponds to threshold of significant drawdown for any GDE, the project owner shall have 90 days to provide evidence to the CPM that the drawdown is not a result of groundwater pumping by the project. If after reviewing the evidence provided by the project owner and other relevant evidence, the CPM, in consultation with BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department concludes that the drawdown is due to groundwater pumping by the project, the CPM shall notify the project owner that its groundwater pumping is to cease. Pumping shall cease until the project owner has provided evidence, subject to approval by the CPM in consultation with the BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, and the BLM Southern Nevada District Hydrologist and Botanist, that a reduction or modification in pumping would restore the groundwater elevation to pre-threshold levels, as demonstrated by a statistical trend analysis, refined by the most recent annual monitoring data as described in WATER SUPPLY-6, that compares actual to predicted water level declines due to project pumping. This provision is not a replacement for the acquisition and retirement of water rights prescribed in WATER SUPPLY-2 to offset the project's contribution to the basin imbalance.

Subsequently, the project owner may resume pumping if the CPM, in consultation with BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department concludes that the exceedence of the drawdown trigger(s) was due to factors other than the project's pumping, and that the project's groundwater pumping did not contribute to the trigger exceedence or that modifying or reducing pumping will restore the groundwater elevation to pre-threshold levels.

I. Revise the first two paragraphs of BIO-24, Verification to read: ~~If monitoring data demonstrate that the threshold for remedial action is met or exceeded, the project owner shall stop pumping and notify the CPM within 48 hours of detection.~~

The project owner may resume pumping only if the CPM has reviewed and approved evidence, in consultation with the BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, and the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department, that modifying or reducing pumping will restore the groundwater elevation to pre-threshold levels.

J. Revise BIO-26, Verification to read: At least 120 days prior to the start of any project-related site disturbance activities, the project owner shall submit to the CPM and to the Inyo County Planning Department a preliminary draft plan for review and approval. The project owner shall incorporate all required revisions and submit a final preliminary plan to the CPM no less than 60 days prior to the start of ground disturbing activities. At least 30 days prior to the start of ground disturbing activities, the project owner shall submit to the CPM and to Inyo County for review and approval evidence of a financial assurance mechanism (i.e. bond, letters of credit, trust funds, etc.) to ensure sufficient financial assurances are in place to fully restore the project site to pre-project conditions in accordance with the final preliminary plan.

At least one year prior to planned closure and decommissioning, the project owner shall submit to the CPM and to the Inyo County Planning Department for review and approval, in consultation with the Inyo County Planning Department, a draft final closure plan. The project owner shall incorporate all required revisions and submit a final plan to the CPM no less than 90 days prior to the start of ground disturbing activities associated with project closure and decommissioning activities. At least 90 days prior to the start of ground disturbing activities associated with project closure activities, the project owner shall submit to the CPM and to Inyo County for review and approval, evidence of a financial assurance mechanism (i.e. bond, letters of credit, trust funds, etc.) to ensure sufficient financial assurances are in place to fully restore the project site to pre-project conditions in accordance with the final plan.

Any modifications to the plan shall be made only after consultation and approval of the CPM and with the Inyo County Planning Department. The project owner shall notify the CPM and the Inyo County Planning Department no less than 90 days before implementing any proposed modifications to the plan.

Within 30 days after completion of project construction for each phase of development, the project owner shall provide to the CPM and the Inyo County Planning Department a written report identifying which items of the Closure, Revegetation and Reclamation Plan have been completed, a summary of all modifications to mitigation measures made during the project's construction phase, and which items are still outstanding.

Land Use – Revised Conclusions and Recommendations

A. Revise the last paragraph of the Conclusions and Recommendations section to read: The applicant has responded to staff's data requests regarding land use inconsistencies by stating that they would work with Inyo County to determine appropriate land use entitlements. On July 10, 2012, the applicant submitted an application for a general plan amendment and

zoning reclassification. If the application is approved by Inyo County, the project would be consistent with the County of Inyo General Plan and Zoning Ordinance; however, approval of the application will not resolve the issue of placing of project structures on public roads nor will it resolve the placing of project structures across lot lines or provide the required To date the applicant has not submitted applications to the county in order for the county to provide input to staff for development of appropriate conditions of certification. Staff has recommended two conditions of certification related to the Subdivision Map Act and financial assurances under Title 21, the Renewable Energy Ordinance.

Land Use – New or Revised Findings of Fact

- A. Add the following new finding: The HHSEGS proposes placing structures within public roads, which are property rights held by the public, and across property lines.
- B. Add the following new finding: The HHSEGS would not be consistent with the Inyo County Subdivision ordinance or California statutes without the proposed COCs.
- C. Add the following new finding: The Inyo County Board of Supervisors holds exclusive authority to abandon public roads and the take land use actions, such as merging lots or reverting acreage.

Land Use – New or Revised Conditions of Certification

- A. Revise LAND-2 to read: At least 30 days prior to the start of any project-related site disturbance activities, the project owner shall submit evidence of a financial assurance mechanism or proposal-agreement to the CPM and Inyo County for review and approval (i.e. bond, letters of credit, trust funds, etc.) to ensure sufficient financial assurances are in place to fully restore the project site to pre-project conditions. in accordance with the preliminary plan required by BIO-26. Additionally, at least 90 days prior to the start of ground disturbing activities associated with planned project closure activities in accordance with the final closure plan required by BIO-26, the project owner shall submit to the CPM and to Inyo County for review and approval, evidence of a financial assurance agreement (i.e. bond, letters of credit, trust funds, etc. to ensure sufficient financial assurances are in place to fully restore the project site to pre-project conditions in accordance with the final plan.

The agreement shall allow the CEC Energy Commission to use the decommissioning fund to restore the property to pre-project conditions in the event that the project owner, or its successors or assigns, do not properly decommission the project or restore the property to pre-project conditions within a reasonable time following the cessation of business operations or the abandonment of the project or property for whatever reason.

The agreement shall provide that the amount of the decommissioning fund shall be calculated to fully implement the decommissioning activities as described in the preliminary and the final closure plans for the HHSEGS project and the property. The project owner shall pay for the County to retain a third party expert to review the preliminary and final closure plans and confirm about the adequacy of the decommissioning fund. The decommissioning fund shall be adjusted for inflation (every three years) and for any updates to the final closure plans.

With regards to the inflationary adjustment, the agreement shall specify either a process or the most appropriate inflationary index(es) to capture the actual costs to perform the necessary decommissioning work. The agreement also shall provide that, in the event that the decommissioning fund is inadequate to fully decommission the project or restore the property, the project owner, its successors or assigns, shall be liable for any amount expended by the CEC or by the County over the decommissioning fund balance and shall provide for termination of the decommissioning fund upon the completion of implementation of the final closure plan.

Verification: At least 30 days prior to the start of construction and prior to any Notice to Proceed with construction issued by the CPM, the project owner shall provide the CPM with documentation of an approved financial assurance or agreement satisfactory to Inyo County and CPM, and at least 90 days prior to the start of ground disturbing activities associated with planned project closure activities in accordance with the final closure plan required by BIO-26, the project owner shall provide the CPM with documentation of an approved financial assurance or agreement satisfactory to Inyo County and CPM.

B. Add the following new COC: The project owner shall comply with the provisions of Title 16, Subdivisions, Inyo County Code of Ordinances and Streets and Highway Code Section 8310 et seq. to ensure that public roads within the project site have been abandoned by the Inyo County Board of Supervisors.

Verification: At least 30 days prior to construction of the HHSEGS project, the project owner shall submit evidence to the CPM, indicating that the Inyo County Board of Supervisors has abandoned such public roads on the project site as necessary to allow construction of project facilities in the former public roads.

Socioeconomics – New or Revised Findings of Fact

Insert the following language and findings of fact: Staff concludes that HHSEGS would cause a significant adverse, direct, indirect, or cumulative socioeconomic impact to the County of Inyo as a result of the increased need to provide County services directly relating to the construction and operation of the proposed project, specifically the increased services necessary from the following County departments: Sheriff's Department, Health and Human Services, Integrated Waste Management, Motor Pool, Inyo/Mono Agriculture Commissioner, Water Department, Information Services, and Assessor, based on the following proposed findings of fact:

1. The HHSEGS is located more than 200 miles from the Owens Valley, the population center of the County and is expected to be constructed on approximately 3,200 acres of privately owned land in the Charleston View area of the County. The project applicant holds an option to lease the HHSEGS site and other privately owned lands adjacent to the site, which, when combined with the HHSEGS site, totals nearly 10,000 acres;

2. Less than two percent of Inyo County remains in private ownership, and every acre restricted for the purpose of compensatory mitigation results in a significant impact. Biology-related compensatory mitigation proposed for the project exceeds 6,000 acres, including requirements to encumber private lands in Inyo County with a conservation easement in perpetuity. If private lands within Inyo County are utilized for compensatory mitigation, there will be significant impacts to the economic environment in Inyo County.

3. The residential area commonly referred to as Charleston View, located directly south of the HHSEGS site across Old Spanish Trail, is occupied by approximately 65 residents;

4. The closest communities to the HHSEGS site within which the County of Inyo provides County services to residents and visitors are the communities of Tecopa and Shoshone, located approximately 30 miles west of the HHSEGS site;

5. Approximately 181 residents reside in the communities of Tecopa and Shoshone and Charleston View;

6. The County provides non-law enforcement services to the HHSEGS site with limited local staff, primarily staffed in Tecopa, and supplements those services with staff from the County offices located in Lone Pine, Independence and Bishop;

7. General law enforcement services are provided through the Inyo County Sheriff's Department through two resident deputies residing in Shoshone in County-owned housing. The patrol area for the deputies patrolling the HHSEGS site encompasses 3200 miles, consisting of both paved and unpaved roads.

8. During construction of the HHSEGS, additional County services will be required in order to address the service needs due to the anticipated construction workforce, which will peak at nearly 1,100 employees.

9. The HHSEGS is anticipated to be constructed under the terms and conditions of a project labor agreement with the Kern, Inyo and Mono Trades Council, which agreement would provide hiring preferences to union employees residing in Kern, Inyo and Mono counties. If the proposed project's construction workforce needs are not met by union employees in those counties, hiring preferences will be extended to union employees residing in California. Due to the remote location of the HHSEGS site and the fact that there is not a large California union labor pool residing within a two-hour commute of the HHSEGS site, the majority of the construction workforce will commute from areas within California remote from the project site.

10. The HHSEGS site's close proximity to the Nevada community of Pahrump and the city of Las Vegas will result in sufficient temporary housing stock for the construction workforce. Limited temporary housing is available in Inyo County in the communities of Tecopa and Shoshone, mostly in the form of campsites. In addition, the HHSEGS site is surrounded by numerous vacant privately owned parcels upon which illegal, onsite usage, or "squatting", has occurred in the past. The applicant estimates that five percent (5%) of the construction workforce, approximately 55 employees, will reside in Inyo County. That will result in a 30% increase in the total population in the communities surrounding the HHSEGS.

11. The temporary increase in population will result in an increase in County services to the south east portion of the County currently served with limited resources. Local law enforcement in Clark County Nevada, the agency responsible for general law enforcement in Primm, Nevada, experienced a 30% increase in service calls in Primm during the construction of the Ivanpah project. It is likely that similar increases will be seen in both Inyo County and neighboring counties in Nevada from the increase in residents resulting from temporary construction housing.

12. The County estimates that the increased cost for services resulting from the HHSEGS is \$11,129,466 during the construction period and \$1,713,735 during the operation of the project. Specifically, those costs are estimated, based on the information available to the County as of February 16, 2012, as follows:

<u>Agency/Department</u>	<u>Initial/ Construction</u>	<u>Ongoing Annual</u>
Health & Human Services		\$188,115
Assessor	\$120,000	\$120,000
Sheriff	\$2,130,666	\$1,269,120
Public Works	\$8,157,000	\$78,500
Information Services	\$237,600	
Agricultural	\$150,000	\$50,000
Waste Management	\$156,000	
Motor Pool	\$33,200	
Water Department	\$145,000	\$8,000
Total	\$11,129,466	\$1,713,735

The increased costs identified by the County will not be off-set by the estimated increase in property tax. In addition, due to the location of the HHSEGS in a remote area of the County and the HHSEGS site's close proximity to large communities in Nevada, the County is not expected to benefit from other economic benefits which generally flow from projects similar to the HHSEGS.

13. Title 21 of the Inyo County Code sets forth the policy and permitting requirements of the County for renewable energy facilities. Title 21 governs the siting, licensing and construction of the proposed project. Title 21 includes a definition of "environment" which exceeds that contained in the California Environmental Quality Act and includes economic environment of the County. One of the stated purposes of Title 21 is "to recover the costs of increased services" resulting from the construction of a facility such as the proposed project. Mitigation measures mandated by Title 21 include those necessary to "ensure that the County and its citizens do not bear an undue financial burden from the project."

14. The estimated cost of construction of the HHSEGS exceeds \$5,000,000 and, as such, the local sales and use taxes from the construction contractors may be allocated to the local jurisdiction of the specific construction jobsite by the contractor and subcontractors. The designation of the HHSEGS jobsite for purposes of sales and use tax would result in the County receiving revenues to off-set the economic impacts resulting from the increased service costs caused by the HHSEGS.

15. The applicant indicated a willingness to maximize the tax benefits to the County. (Data Request Set 2-F, Response 194). In order to maximize such benefits it is necessary that the County retains a consultant with expertise in the area of sales and use tax, which consultant should be funded by the project owner, so as to assure the proper procedures and designations are met.

16. The May 12 Socioeconomic and Fiscal Impacts of the HHSEGS on Inyo County, prepared by the CEC, has unequivocally stated that the County of Inyo will receive in excess of \$84.5 million in sales and use tax during the three-year construction period for the HHSEGS.

Socioeconomics – New or Revised Conditions of Certification

A. Add the following new COC: SOCIO 2 (Local Sales and Use Tax)

1. The project owner shall require that all qualifying contractors and subcontractors exercise their option(s) to obtain a Board of Equalization sub-permit for the HHSEGS jobsite and allocate all eligible sales and use tax payments to the County of Inyo. Prior to commencement of any construction activity on-site, the project owner will require that the contractor or

subcontractor provide to the County of Inyo a copy of the contractor's or subcontractor's State of California Board of Equalization (BOE) account number(s) and sub-permit(s), or a statement that use tax does not apply to their portion of the project. To accomplish this, project owner shall either cause its construction contractor to treat the project in accordance with Title 18 CCR Sections 1521(b)(2)(B), 1521(c)(13)(B) and 1826(b), for sales and use tax purposes or form a "Buying Company" as defined in the State of California BOE Regulation 1699(h), or take such other action as directed by the consultant and County. The project owner can adopt an alternate methodology to accomplish this goal if such methodology is approved by the County prior to commencement of construction.

2. The project owner shall be required to reimburse the County for all costs associated with any expenses it incurs for consultants with expertise in sales and use tax allocation, hired by the County, to assist the project owner and its contractor and subcontractors to complete and submit all documents necessary to register the HHSEGS project site as the source of all sales and use taxes in conformance with the laws and regulations of the BOE. The consultant may set out the necessary procedures which the project owner, its contractor and all qualifying subcontractors shall follow in order to maximize the County's receipt of sales tax.

3. If project owner receives an exclusion of applicable sales and use tax payable to the County under Senate Bill 71 under the State Public Resources Code (Section 26003 et seq.) and the California Alternative Energy and Advance Transportation Financing Authority (CAEATFA), project owner shall pay to the County of Inyo \$84.5 million, which represents the estimated amount of the sales tax which would have been received if project owner had not obtained such exclusion, as set forth in the "Socioeconomic and Fiscal Impacts of the Hidden Hills Solar Electric Generating System on Inyo County" dated May 2012.

4. Within five (5) days of certification, project owner shall deliver to the County a letter of credit, which may be drawn upon as expressly set forth below. The amount of the letter of credit shall be \$84.5 million.

5. The letter of credit may be reduced annually to an amount equal to the then amount of the letter of credit minus the then cumulative total amount of Local Sales and Use Tax attributable to construction of the proposed project that the BOE records indicate were allocated to the County of Inyo. Project owner may replace the existing letter of credit with a new letter of credit in an amount equal to the new amount required as determined using the calculation method described above.

6. Within 30 days after the completion of construction of the proposed project, the consultant, project owner and County shall review the BOE records to determine if the cumulative Local Sales and Use Tax attributable to construction of the proposed project and allocated by the BOE to the County is less than the estimated \$84.5 million; if so, the project owner shall pay such difference within sixty (60) days of the date the County notifies the project owner of the deficiency. If the project owner fails to pay such difference within such time period, the County of Inyo may draw upon the letter of credit in an amount equal to the deficiency. Any disputes between project owner and the County shall be resolved by the CEC.

7. Upon payment in full of the amount of the \$84.5 million (whether through allocations from the BOE, direct payments under this section, and/or draws upon the letter of credit), or upon abandonment of the proposed project, the letter of credit shall be returned to the project owner.

8. The letter of credit is intended as mitigation required under Title 21 of the Inyo County Code by way of requiring security to the County for the receipt by the County of Local Sales and Use Tax, which is anticipated to provide revenue necessary to the County to off-set the increased service costs caused by the proposed project when combined with the anticipated increase in property tax revenue from the project site. In the event the proposed project is not constructed, is only partially constructed, or is reduced in size, the letter of credit obligation and the obligation to pay the County of Inyo any deficiency with respect to the \$84.5 million shall be reduced in size, the letter of credit obligation and the obligation to pay County any deficiency with respect to the \$84.5 million shall be reduced accordingly through a revised estimate established by the consultant. Project owner shall provide the information needed by the consultant and County to make this revised estimate.

Verification: The project owner shall further provide proof of the establishment of the letter of credit in the amount of \$84.5 million and shall further provide confirmation from Inyo County of the hiring of a consultant at project owners' expense.

B. Add the following new COC: SOCIO-3 (Economic Mitigation on Private Lands within Inyo County)

1. The applicant and the CEC, in coordination with the County, shall investigate and implement, means to enhance degraded public lands (including lands designated Wilderness), rather than use private lands in Inyo County for compensatory mitigation, including investigating and advocating for means to quantify restoration activities on public lands in lieu of direct compensatory mitigation.

2. If private lands within Inyo County are to be used as compensatory mitigation for impacts of the project, whether such lands are selected before or after certification of the project, prior to selection of such lands, the CEC should cause a study of the lost economic opportunity costs which the County would suffer as a result of the conversion of the private lands to mitigation lands and the environmental impacts what would result from such conversion and, if any such lands are selected, that the CEC impose appropriate mitigation, including economic mitigation mandated by Title 21 of the Inyo County Code of Ordinances, to fully offset any identified adverse impacts to the County and/or to the environment.

Traffic and Transportation – New or Revised Conditions of Certification

A. Revise COC TRANS-2 (Right-of-Way) as follows: Prior to any ground disturbance, improvements, or obstruction of traffic within any public road, the project owner shall dedicate to the County of Inyo 24 feet of right-of-way along Old Spanish Trail Highway for the length of HHSEGS site. The configuration of driveways into the HHSEGS site do not allow for rights-of-way for traffic transitions within the limits of the HHSEGS site. The drive locations shall be reconfigured to accommodate traffic transitions within the limits of the property boundaries or additional right-of-way beyond the HHSEGS site shall be acquired and dedicated to Inyo County along the Old Spanish Trail Highway.

Revise Verification: Prior to the start of construction, the project owner shall provide evidence to the CPM that the dedication of right-of-way to and accepted by Inyo County has been completed.

B. Add the following new COC TRANS-2A (Pavement Preparation/Widening) as follows: Prior to any ground disturbance, other improvements, or other obstruction of traffic within any public road, the project owner shall apply for and receive an encroachment permit from Inyo County for the construction and completion of construction of an asphalt concrete overlay on Old Spanish Trail Highway and pavement widening including transitions to accommodate the turning movements along Old Spanish Trail Highway into and out of the HHSEGS site.

Add Verification: Prior to the start of onsite construction, the project owner shall provide evidence to the CPM that the construction of asphalt concrete overlay and turn lanes into and out of the HHSEGS site have been accepted by Inyo County.

C. Revise Verification of COC TRANS-3 to read: Prior to the start of site mobilization, the project owner shall photograph or videotape all of the affected public roads, easements, right-of-way segment(s), and/or intersections (including the portion of the Old Spanish Trail located to the west of project). The project owner shall provide the photographs or videotape to the CPM and the affected jurisdictions (California Department of Transportation (Caltrans), Nevada Department of Transportation (NDOT), and Inyo County). The purpose of this notification is to request that these jurisdictions consider postponement of any planned public right-of-way repair or improvement activities in areas affected by project construction until construction is completed, and to coordinate any concurrent construction-related activities that cannot be postponed.

If damage to public roads, easements, or rights-of-way is identified by the project owner or the affected jurisdiction occurs during construction, the project owner shall immediately notify the CPM and the affected jurisdiction(s) to identify the section of the public right-of-way to be repaired. At that time, the project owner shall apply for, receive and comply with all conditions of an encroachment permit from the affected jurisdiction and establish a schedule for completion and approval of the repairs. Following completion of any public right-of-way repairs, the project owner shall provide the CPM letters signed by the person authorized to accept the repairs in the affected jurisdiction(s) stating their satisfaction with the repairs. If, in the opinion of the affected jurisdiction(s), the project owner is not timely in completing the required repairs, the jurisdiction(s) can, at its discretion, complete the repairs with its own staff or contract with an independent contractor to complete the repairs at the expense of the project owner. The project owner will reimburse the affected agency(ies) for the expense of the repairs.

D. Revise COC TRANS-4 (Truck Route) as follows: The project owner shall require all construction truck traffic use State Route 160 for all access to and from the project site. Throughout the construction and operation of the project, the project owner shall document, that all trucks access the project site using Nevada State Route 160 and shall investigate, evaluate, and attempt to resolve all project truck-related complaints. The project owner or authorized agent shall:

- Use the Traffic Complaint Resolution Form (below), or a functionally equivalent procedure acceptable to the CPM, to document and respond to each traffic complaint;
- Attempt to contact the person(s) making the traffic complaint within 24 hours;
- Conduct an investigation to determine the transportation company in the complaint and;
- Submit a report documenting the complaint and actions taken.

The report shall include: a complaint summary, including the final resolution and, if obtainable, a signed statement by the complainant stating that the truck route problem has been resolved to the complainant's satisfaction.

The project owner will pay a \$10,000 penalty to Inyo County for each truck that accesses the site using the portion of the Old Spanish Trail Highway to the west of the project. This penalty shall be in addition to the restoration of any damage to the portion of the Old Spanish Trail to the west of project caused and addressed in accordance with TRANS 3.

Verification: The project owner shall include this specific route in its contracts for truck deliveries and provide the CPM with a copy of the transmittal letter to the contractors specifying the truck route.

E. Revise COC TRANS-5 (Traffic Control Plan, Heavy Hauling Plan, and Parking/Staging Plan) as follows: Prior to the start of construction of the HHSEGS, the project owner shall prepare a Traffic Control Plan (TCP) for the HHSEGS's construction and operations traffic. The TCP shall address the movement of workers, vehicles, and materials, including arrival and departure schedules and designated workforce and delivery routes.

The project owner shall consult with the Department of Transportation (Caltrans) District 9 office, Nevada Department of Transportation (NDOT) and Inyo County in the preparation and implementation of the Traffic Control Plan (TCP). The project owner shall submit the proposed TCP to Caltrans District 9, NDOT, and Inyo County in sufficient time for review and comment, and to the CPM for review and approval prior to the proposed start of construction and implementation of the plan. The Traffic Control Plan (TCP) shall include:

- Provisions for redirection of construction traffic with a flag person as necessary to ensure traffic safety and minimize interruptions to non-construction related traffic flow;
- Placement of necessary signage, lighting, and traffic control devices at the project construction site and lay-down areas;
- A heavy-haul plan addressing the transport and delivery of heavy and oversized loads requiring permits from the ~~California Department of Transportation (Caltrans), Nevada Department of Transportation (NDOT)~~ other state or federal agencies, and/or the affected local jurisdictions;
- Location and details of construction along affected roadways at night, where permitted;
- Temporary closure of travel lanes or disruptions to street segments and intersections during construction activities;
- Traffic diversion plans (in coordination with Caltrans, the County of Inyo and NDOT) to ensure access during temporary lane/road closures;
- Access to residential and/or commercial property located near construction work and truck traffic routes;
- Insurance of access for emergency vehicles to the project site;
- Advance notification to residents, businesses, emergency providers and hospitals that would be affected when roads may be partially or completely closed;
- A plan for monitoring LOS during construction on SR 160 and Old Spanish Trail Highway. The applicant shall report LOS findings to the ~~Energy Commission~~ CEC's CPM as necessary;
- Assessment and implementation, if needed, of coordinated work hours and arrival/departure times outside of peak traffic;
- A coordinated park-and-ride program or rideshare program designed to transport construction workers to the project site via a van or bus service.
- Identification of safety procedures for exiting and entering the site access gate;
- Parking/Staging Plan (PSP) for all phases of project construction and for project operation.

For any activity on public roads, the project owner shall apply for, receive and comply with all conditions of an encroachment permit from the affected jurisdiction.

Verification: At least 60 calendar days prior to the start of construction, the project owner shall submit the TCP to the applicable agencies for review and comment and to the CPM for review and approval. The project owner shall also provide the CPM with a copy of the transmittal letter to the agencies requesting review and comment, and a copy of the encroachment permit issued by the affected agency for any activities on a public road.

At least 30 calendar days prior to the start of construction, the project owner shall provide copies of any comment letters received from the agencies, along with any changes to the proposed development plan, to the CPM for review and approval.

Visual Resources – New or Revised Conditions of Certification

A. Add the following new COC: The applicant/project owner shall provide a community center with parking. A detailed plan shall be developed.

Verification: At least 120 days before project commencement a detailed plan shall be submitted to the CPM for review and approval, and to Inyo County, affected Tribes and other stakeholders for review and comment. Plan details shall include:

- a.) Parking and visitor area surface treatments;
- b.) Landscape planting and irrigation plan;
- c.) Parking area plan indicating lighting, parking striping, ingress and egress;
- d.) Structural elements material finishes and details.

(a-b-c-d above may all be incorporated into the landscape plan required in VIS-2 and lighting plan required in VIS-3).

Water Supply – New or Revised Findings of Fact

Add the following new finding: With the proposed COCs, the project will protect the County of Inyo's citizens and environment from impacts related to groundwater pumping.

Water Supply – New or Revised Conditions of Certification

A. Revise the first paragraph of WATER SUPPLY-6 to read: The project owner shall submit a Groundwater Level Monitoring, Mitigation, and Reporting Plan to the CPM and to the Inyo County Water Department for review and approval in advance of construction activities and prior to the operation of onsite groundwater supply wells. The Groundwater Level Monitoring, Mitigation, and Reporting Plan shall provide detailed methodology for monitoring background and site and off-site groundwater levels. The monitoring period shall include pre-construction, construction, and Project operation. The plan shall establish pre-construction and Project-related groundwater level trends that can be quantitatively compared against predicted trends near the Project pumping wells and near potentially impacted resources.

B. Revise WATER SUPPLY-6, A.1 to read: A well reconnaissance shall be conducted to investigate and document the condition of existing water supply wells located within 3 miles of the project site, provided that access is granted by the well owners. The reconnaissance shall include sending notices by registered mail to all property owners within a 3 mile radius of the project area, shall identify the owner of each well, and shall include the location, depth, screened interval, pump depth, static water level, pumping water level, and capacity of each well. The plan should include, as feasible, agreements from the owner of each well approving monitoring activities.

C. Revise the first paragraph of WATER SUPPLY-8 to read: The project owner shall submit a Groundwater Level Monitoring, Mitigation, and Reporting Plan to the CPM and to the Inyo County Water Department for review and approval in advance of construction activities and prior to the operation of onsite groundwater supply wells. The Groundwater Level Monitoring, Mitigation, and Reporting Plan shall provide detailed methodology for monitoring background and site and off-site groundwater levels. The monitoring period shall include pre-construction, construction, and Project operation. The plan shall establish pre-construction and Project-related groundwater level trends that can be quantitatively compared against predicted trends near the Project pumping wells and near potentially impacted resources. The plan shall include a model for predicting changes in the groundwater flow system resulting from the Project which

has the capability to assess changes in hydraulic head, flow rate, flow direction, and water budget and shall include model runs which predict effects of the planned groundwater pumping by the Project on GDEs and predictions of the level of groundwater pumping that will cause significant impacts on such habitats and resources. The Project Owner shall also use the model to provide an evaluation of the sustainability of the water supply for the life of the project, including the cumulative sustainability when considered with other pumping occurring or projected to occur in the groundwater basin.

~~This condition proposes a threshold for significant impacts to groundwater-dependent vegetation caused by water level decline due to Project groundwater pumping. This condition also proposes mitigation that would, if initiated, reduce the impact to a level that is less than significant.~~

The plan shall also include:

- i. Provisions for initiation of water level monitoring as soon as wells are available and results will be publicly available;
- ii. A plan for logging and aquifer testing of all new production wells;
- iii. A plan for verifying the predictive tools described above and for revising or recalibrating the tools as necessary.
- iv. A plan for revising thresholds as dictated by new data concerning system response to Project operation.
- v. In cooperation with U.S. BLM and if permission is granted by BLM, the applicant shall fund and construct a monitoring well approximately ½ mile west of the Stump Springs ACEC for inclusion in the monitoring well network.
- vi. An enforceable commitment based on monitoring data and significance thresholds, to implement mitigation measures as necessary.

D. ~~Revise WATER SUPPLY-6.C.4 and WATER SUPPLY 8.C.5 to read: After the first five-year operational and monitoring period the CPM shall evaluate the data and determine if the monitoring program for water level measurements should be revised or eliminated. Revision or elimination of any monitoring program elements shall be based on the consistency of the data collected. The determination of whether the monitoring program should be revised or eliminated shall be made by the CPM.~~ Groundwater elevations shall be measured throughout the life of the project at least twice per year, and reported to the CPM and to the Inyo County Water Department. The County will report these data to the California Department of Water Resources as part of the California Groundwater Elevation Monitoring Program.

E. ~~Revise the Verification section of WATER SUPPLY-8 in each instance where a report or information is to be submitted to the CPM to read: ...to the CPM~~ and to the Inyo County Water Department.

NOW, THEREFORE, BE IT FURTHER RESOLVED that, based on the information available to date and with incorporation of the findings and COCs delineated above, this Board of Supervisors finds that that the proposed HHSEGS minimizes potential social, economic, and environmental impacts to the extent feasible, and that the reclamation plan, financial assurances, and other conditions incorporated herein adequately safeguard the health, safety, and welfare of the County's citizens, the County's environment (including its public trust resources), and the County's financial well-being.

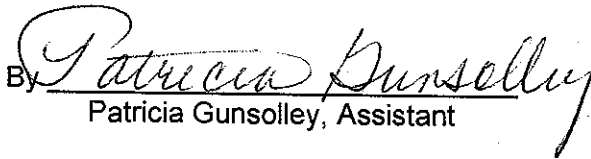
BE IT FURTHER RESOLVED that, based on the information available to date and with the incorporation of the findings and COCs delineated above, along with the findings and COCs set out in the PSA, this project would comply with Title 21 of the Inyo County Code.

PASSED AND ADOPTED this 17th day of July, 2012 by the following vote of the Inyo County Board of Supervisors:

AYES: Supervisors Arcularius, Cash, Pucci, Fortney and Cervantes
NOES: -0-
ABSTAIN: -0-
ABSENT: -0-


Chair, Inyo County Board of Supervisors

ATTEST: Kevin Carunchio
Clerk of the Board

By 
Patricia Gunsolley, Assistant

Comparison of the Hidden Hills Solar Energy System to Applicable Goals & Policies of the Inyo County General Plan

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Condition in PSA	Identified by PSA as LORS?
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GOVERNMENT ELEMENT		
<p>Goal GOV-1: Work with Agencies, Utilities, and Native American Tribes to promote consistency with the County's General Plan</p> <p>AND</p> <p>Policy GOV-1.1/Plans for Agencies, Districts, Utilities, and Native American Tribes: The County shall work with federal and state agencies, local districts, utilities (e.g., LADWP), and Native American tribes to ensure that they are aware of the contents of the County's General Plan and work with them to ensure that their plans are consistent with the County's General Plan to the greatest extent possible.</p>	<p>Consistency: Compliant. A number of public hearings on the project have been held in 2011-2012.</p>	No.
<p>Goal GOV-2: To ensure planning decisions are done in a collaborative environment and to provide opportunities of early and consistent input by Inyo County and its citizens into the planning processes of other agencies, districts, and utilities.</p>	<p>Consistency: Compliant. A number of public hearings on the project have been held in 2011-2012.</p>	No.
<p>Policy GOV-2.2/Public Participation: The County shall work with federal and state agencies, local districts, utilities (e.g., LADWP), and Native American tribes to ensure that the County and the public are involved early in any planning processes and that routine feedback and public input is requested.</p>	<p>Consistency: Compliant. A number of public hearings on the project have been held in 2011-2012.</p>	No.
<p>Policy GOV-3.1/No Net Loss: The County shall work with federal and state agencies, local districts, utilities (e.g., LADWP) and Native American tribes to ensure that land exchanges do not result in a net loss to the</p>	<p>Consistency: Non-compliant. Preliminary assessment of the project suggests mitigation in the form of acquisition of off-site lands for habitat/habitat enhancement. However,</p>	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
County's tax base or revenues.	such mitigation would result in a net loss of County land. Compliance could be met based on the addition of the County's Conditions of Certification.	
Policy GOV-3.2/Private Land Increase: The County shall work with federal and state agencies, local districts, and utilities to find opportunities to expand private land ownership in the County through land transfers and other mechanisms.	Consistency: Non-compliant. Preliminary assessment of the project suggests mitigation in the form of easements on off-site lands for habitat/habitat enhancement. However, such mitigation would result in a net loss of private land. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Goal GOV-4.1/Federal Land Disposition & Acquisitions: It is the policy of the Board that the design and development of all federal and state land dispositions and acquisitions, including land adjustments and exchanges, be carried out to the benefit of the citizens of the planning area to ensure the following: <ul style="list-style-type: none"> a. That the County property tax base shall be maintained unless the Board determines there is an overriding benefit to the County. b. That the private property interests including, but not limited to, land patents, drilling rights, mining claims, easements, rights-of-way and forage rights are protected and enhanced. c. That residents within the planning area shall suffer no adverse aggregate economic impacts. d. That incentives be developed to provide an increase in local economic development by increasing, where possible, the amount of private and non-federal and non-state land within the planning area. e. That private use of federal and/or state controlled land within the planning area be increased in order to enhance opportunities for local economic development. f. That federal and/or state land agencies are discouraged from acquiring any private lands or rights in private lands within the planning area without first coordinating with the County. g. That federally and/or state managed lands that are difficult to manage or which lie in isolated tracts, or that could contribute to orderly expansion of existing communities 	Consistency: Non-compliant. Preliminary assessment of the project suggests mitigation in the form of easements off-site lands for habitat/habitat enhancement. However such mitigation would result in a net loss of County land. Compliance could be met based on the addition of the County's Conditions of Certification.	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
<p>should be considered for exchange or sale to private ownership.</p> <p>h. That the County be notified of, consulted about, and otherwise involved in all federal and state land adjustments in the planning area. The Board may review all proposed changes to determine if the proposals are in the best interest of the County.</p> <p>i. The Board may review and make recommendations on proposed public land withdrawals for hazardous and non-hazardous waste storage as well as the types of such waste.</p> <p>j. That before federal and state agencies change land uses, impact studies on land uses are conducted at the expense of the agency proposing the change and necessary mitigation measures adopted in coordination with the County. Impact studies should address community stability, local custom and culture, flood prone areas, access, or any other issue identified as a concern to the County.</p> <p>k. Due to the extensive state and federal ownership in the County, it is noted that the management of these areas should include: provision for continued and improved access through and within the County; continued provision of public recreational facilities and access; multi-use management where applicable; and interconnection or coordination of state, federal, and local facilities and programs when possible.</p>		
<p>Goal GOV-5/Protection & Development of Water Resources</p> <p>AND</p> <p>Policy GOV-5.1/Water Management: It is the policy of the County to be part of the planning, development and management of its water resources in coordination with federal, state, and any water managing districts. Resolution 99-43 sets forth the County policy on extraction and use of its water resources. That policy is to protect the County's environment, citizens and economy from adverse effects caused by activities relating to the extraction and use of water resources and to seek mitigation of any existing or future</p>	<p>Consistency: Non-compliant.</p> <p>Preliminary assessment of the project indicates that the project could exacerbate overdraft conditions, contribute to water level decline for groundwater dependent vegetation, and substantially lower water levels in neighboring domestic wells. However, with implementation of mitigation measures designed to ensure adequate water availability - to include acquiring and retiring water rights and a structured program of water level monitoring – such potential impacts to water resources should be maintained at less than significant levels. Compliance could be met based on the addition of the County's Conditions of Certification.</p>	<p>No.</p>

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
adverse effects resulting from such activities.		
Goal GOV-7/Provide for Recreational Activities	Consistency: Unknown. The County has prepared a socio-economic study to document the likely impacts and needs created by the project's influx of construction workers (+1,000 workers) and subsequent solar plant workers. It is unresolved how the project proposes to subsidize facilities such as parks/recreation facilities that such a large and temporary increase in population will require.	No.
Goal GOV-8/Wildlife & Fisheries AND Policy 8.1/Management of Wildlife & Fisheries: Management of wildlife, including fish, game animals, non-game animals, predatory animals and Threatened, Endangered, Sensitive, Candidate or Management Indicator Species, under all jurisdictions, must be grounded in peer-reviewed science and local input. Wildlife management plans should identify and plan for mitigation of negative impacts to the project area's economy and environment and to private property interests and customary usage rights of its citizens. Therefore, the following are the policies of the County: a. The County should cooperate with federal and state agencies who oversee the protection and recovery of federal and state listed threatened, endangered, sensitive or candidate species and their habitat. b. The County may adopt local recovery plans as allowed under the Endangered Species Act. c. Federal and state agencies shall prepare a plan in coordination with the County before the introduction or re-introduction of any species onto public or private land that is likely to impact the planning area. d. The County supports wildlife management that: 1. Enhances populations of game and non-game species native to the project area. 2. Recognizes that enhancing non-native game and non-game species may negatively impact	Consistency: Compliant. Preliminary assessment indicates the project will have significant impacts on a number of species. However, mitigation has been developed for the project that will decrease impacts to less than significant levels and satisfy regulating agencies such as Bureau of Land Management (BLM) and Department of Fish & Game (DFG). However, such mitigation measures include off-site mitigation, which at this time is still being investigated. Should such mitigation prove unworkable, then impacts may be significant and immitigable.	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
<p>native species and rangeland ecosystems.</p> <p>3. Increase wildlife numbers where practicable that is not in conflict with existing economic uses or ecosystem health.</p> <p>4. Recognizes that large game animals compete for forage and water with other economic uses.</p> <p>5. Supports the need for a private property compensation program for certain wildlife damages.</p>		
<p>Goal GOV-10/Energy Resources</p> <p>AND</p> <p>Policy GOV-10.1/Development:</p> <p>Development of energy resources on both public and private lands be encouraged with the policies of the County to develop these energy resources within the bounds of economic reason and sound environmental health. Therefore, the Board supports the following policies.</p> <p>a. The sound development of any and all energy resources, including, but not limited to geothermal, wind, biomass, and solar.</p> <p>b. The use of peer-reviewed science in the assessment of impacts related to energy resource development.</p> <p>c. The development of adequate utility corridors necessary for the transmission of newly generated energy.</p> <p>d. Maintain energy opportunities on state and federal lands maintaining and expanding access</p> <p>e. Treat renewable energy sources as natural resources, subject to County planning and environmental jurisdiction. Consider, account for, and mitigate ecological, cultural, economic, and social impacts, as well as benefits, from development of renewable energy resources. Consider developing environmental and zoning permitting processes to ensure efficient permitting of renewable energy projects while mitigating negative impacts to county services and citizens, with a goal to ensuring that citizens of the County benefit from renewable energy development in the County.</p>	<p>Consistency: Unknown. The project is a renewable energy project that makes use of the County's abundant solar resources. However, the tie-in structure of the electrical and gas pipeline components of the project are such that no additional electricity or gas from the project would be available within the immediate area of the project site, but would be diverted to the east to sub-stations where it will be dispersed to wider areas within Nevada and California. Preliminary assessment of the project indicates that provision of such additional electrical and gas resources could have growth-inducing impacts within the larger Pahrump Valley/ Charleston View area or other development in more distant parts of Nevada and California, resulting in economic and social impacts. As a result, the project appears non-compliant with subsection e. of this policy. Compliance could be met based on the addition of the County's Conditions of Certification.</p>	<p>Yes.</p>

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
<p>Goal GOV-11/Access & Transportation</p> <p>AND</p> <p>Policy GOV-11.1/Balanced Transportation: It is the policy of the County to develop and maintain a transportation system that optimizes accessibility and that minimizes the cost of movement within the planning area and connecting corridors consistent with County, state and federal roadways and travel ways; therefore, it is the policy of the County that:</p> <ul style="list-style-type: none"> a. Any and all proposed route closures should be coordinated with the County and be highlighted in the appropriate environmental document. b. Most railroad rights of way have been abandoned. Any remaining railroad right of way being considered for conversion to a different use should be reviewed by the County to determine that the use is temporary and not preclude future railroad use or that it is not viable for future railroad or other transportation use. c. All routes causing no actual resource damage should remain open. d. All off-road closure policies must contain adequate exemptions for administrative, management and public functions. These should include but not be limited to: <ul style="list-style-type: none"> 1. Agency administration. 2. Livestock management. 3. Scientific research. e. Interagency Notification – The County, when affected by land use planning on public lands, shall be consulted and coordinated with in accordance with all applicable state and federal laws. Federal and state agencies shall coordinate with the County for the purpose of planning and managing lands within the geographic boundaries of the planning area or within the socio-economic sphere of the County. 	<p>Consistency: Unknown. Preliminary assessment of the project's likely transportation impacts has resulted in the development of a number of mitigation measures designed to decrease project impacts to less than significant levels. However, the project proposes to develop within public roads and mitigation is proposed to close public roads.</p>	<p>No.</p>
LAND USE ELEMENT		
<p>General Plan Land Use Designations: The project site is designated both as Resort/Recreational (REC), which is</p>	<p>Consistency: Non-compliant. The proposed use of the site for a renewable energy project (solar plant) is not an</p>	<p>Yes.</p>

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
described in Policy LU-3.4 as providing "for a mixture of residential and recreational commercial uses," and as Open Space & Recreation (OSR), which is described in Policy LU-5.1 as providing for "existing and planned uses such a public parks, ball fields, horse stables, greenbelts, and similar and compatible uses."	allowed use under either of these land use designations.	
Goal LU-1/General Land Use: Create opportunities for the reasonable expansion of communities in a logical and contiguous manner that minimizes environmental impacts, minimizes public infrastructure and service costs, and furthers the countywide economic development goals. Guide high-density population growth to those areas where services (community water and sewer systems, schools, commercial centers, etc.) are available or can be created through new land development, while providing and protecting open space areas.	Consistency: Non-compliant. The project – particularly the 29 months of the construction phase – will result in increased population in the area that will create a need for services and infrastructure that the area currently cannot provide and the County cannot fund. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy LU-1.1/Community Expansion: The County shall encourage community expansion to occur in a logical and orderly manner.	Consistency: Non-compliant. The project's construction phase will last up to 29 months and, at its peak, include more than 1,000 workers, which will result in need for services and infrastructure that the nearest community of Charleston View cannot absorb or provide, and which the County cannot fund. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy LU-1.2/New Growth: The County shall plan to concentrate new growth within and contiguous to existing communities (e.g., Bishop, Big Pine, Independence, Lone Pine) and expand infrastructure as needed to serve these areas. As a secondary priority, the County shall plan to accommodate new growth in existing rural residential communities (e.g., Olancho, Charleston View, Mustang Mesa, Starlite Estates) and ensure the appropriate expansion of existing infrastructure as needed to serve these areas:	Consistency: Non-compliant. The project proposes development adjacent to the community of Charleston View, with a peak influx of over 1,000 construction workers, followed by a new population of workers at the solar plant. It is unresolved how the project proposes to subsidize the housing, services and infrastructure such a large and temporary increase in population will require. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy LU-1.3/Southeast Area Growth: The County shall consider the economic impact on County resources of projects in the southeast	Consistency: Non-compliant. The County has prepared a socio-economic study to document the likely impacts and	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
part of the County along the Nevada border. Such growth may require additional fiscal analysis by applicants for subdivisions to demonstrate the level of fiscal impact. Such growth shall not require extensive County subsidies in providing necessary services.	needs created by the project's influx of construction workers and subsequent solar plant workers. It is unresolved how the project proposes to subsidize the housing, services and infrastructure such a large and temporary increase in population will require. Compliance could be met based on the addition of the County's Conditions of Certification.	
Policy LU-1.5/Pahrump Valley Growth: The County shall consider the economic impacts on County resources of projects in the Pahrump Valley. Such growth may require additional fiscal analysis by applicants for subdivision to demonstrate the level of fiscal impact. Such growth shall not require extensive County subsidies in providing necessary services.	Consistency: Non-compliant. The County has prepared a socio-economic study to document the likely impacts and needs created by the project's large influx of temporary construction workers and subsequent permanent solar plant workers. It is unresolved how the project proposes to subsidize the housing, services and infrastructure such a large and temporary increase in population will require. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy LU-1.14/Buffers: As part of new development review, the County shall require that residential development/districts are protected from non-residential uses by use of buffers or other devices. Landscaping, walls, building/facility placement, and other similar aesthetically pleasing devices are acceptable for this purpose. This does not include residential in mixed-use commercial designations.	Consistency: Non-compliant. Preliminary review has indicated that additional setbacks may be required for the project from the adjacent residential community of Charleston View. The current designation and zoning of the site does not allow for the use of a solar plant (i.e., designations of Open Space Recreation (OSR) & Resort/Recreation (REC), and zoning of Open Space, 40-acre minimum (OS-40)). The applicant has submitted an application to bring the project into compliance with the General Plan and zoning. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Goal LU-3: Provide Commercial land uses that adequately serve the existing and anticipated future needs of the community and surrounding environs.	Consistency: Non-compliant. The current designation and zoning of the site does not allow for the use of a solar plant (i.e., designations of Open Space Recreation (OSR) & Resort/Recreation (REC), and zoning of Open Space, 40-acre minimum (OS-40)). The applicant has submitted an application to bring the project into compliance with the General Plan and zoning. Compliance could be	Yes.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
	met based on the addition of the County's Conditions of Certification.	
Policy LU-3.4/Resort/Recreational Designation (REC): This designation provides for a mixture of residential and recreational commercial uses, such as resorts, recreational facilities, motels, campgrounds, trailer parks, restaurants, general stores, service stations, and similar and compatible uses. This designation is oriented toward tourist use, however, it also permits permanent residential use and public and quasi-public uses. The FAR shall not exceed 0.40. The base residential density shall be 1 du/2.5 acres. Clustering of residential units is encouraged, with density of developed areas allowed up to 24 du/net acres.	Consistency: Non-compliant. The current designation and zoning of the site does not allow for the use of a solar plant (i.e., designations of Open Space Recreation (OSR) & Resort/Recreation (REC), and zoning of Open Space, 40-acre minimum (OS-40)). Compliance could be met if the County approves a General Plan Amendment.	Yes.
Policy LU-4.8/Planned Development: The County shall encourage planned development and other flexible development techniques for any large or general industrial development.	Consistency: Non-compliant. Preliminary review has indicated that additional setbacks may be required for the project from the adjacent residential community of Charleston View. The current designation and zoning of the site does not allow for the use of a solar plant (i.e., designations of Open Space Recreation (OSR) & Resort/Recreation (REC), and zoning of Open Space, 40-acre minimum (OS-40)). The applicant has submitted an application to bring the project into compliance with the General Plan and zoning. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy LU-4.9/Landscaping: The County shall require landscaping to screen uses where necessary.	Consistency: Compliant. Preliminary assessment of project impacts is such that landscaping around power plant structures has been developed as a mitigation measure. However, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact.	Yes.
Goal LU-5: Provide adequate public facilities and services for the existing and/or future needs of communities and their surrounding environs, and to conserve natural and managed resources.	Consistency: Non-compliant. The project is a renewable energy project that makes use of the County's abundant solar resources. However, the tie-in structure of the electrical and gas pipeline	Yes.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
	components of the project are such that no additional electricity or gas from the project would be available within the immediate area of the project site, but would be diverted to the east to sub-stations where it will be dispersed to wider areas within Nevada and California. Preliminary assessment of the project indicated that provision of such additional electrical and gas resources could have growth-inducing impacts within the larger Pahrump Valley/Charleston View area or other development in more distant parts of Nevada and California. The project will result in increased demands for public services and facilities that have not been adequately addressed. Compliance could be met based on the addition of the County's Conditions of Certification.	
Policy LU-5.1/Open Space & Recreation Designation (OSR): This designation provides for existing and planned public parks, ball fields, horse stables, greenbelts, and similar and compatible uses. The FAR shall not exceed 0.20. The minimum parcel size is generally 40 acres.	Consistency: Non-compliant. The current designation and zoning of the site does not allow for the use of a solar plant (i.e., designations of Open Space Recreation (OSR) & Resort/Recreation (REC), and zoning of Open Space, 40-acre minimum (OS-40)). Compliance could be met if the County approves a General Plan Amendment.	Yes.
Goal PSU-1/General Public Services & Utilities: To ensure the timely development of public facilities and the maintenance of adequate service levels for these facilities to meet the needs of existing and future County residents.	Consistency: Non-compliant. The project has not yet demonstrated how it will fund the increase in services that project's construction workers and subsequent solar plant workers will require. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy PSU-1.1/Facilities & Services for New Development: The County shall ensure through the development review process that public facilities and services will be developed, operational, and available to serve new development. The County shall not approve new development where existing facilities are inadequate unless the applicant can demonstrate that all necessary public facilities will be installed or adequately financed and maintained (through fees or other means).	Consistency: Non-compliant. The project has not yet demonstrated how it will fund the increase in facilities and services that the project's temporary construction workers and subsequent permanent solar plant workers will require. Compliance could be met based on the addition of the County's Conditions of Certification.	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
Policy PSU-1.2/On-Site Infrastructure: The County shall require all new development, including major modifications to existing development, to construct necessary on-site infrastructure to serve the project in accordance with County standards.	Consistency: Non-compliant. The project proposes adequate on-site infrastructure for the solar plant project, but it is not clear if adequate funding for services or infrastructure will be provided. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy PSU-1.5/Review for Land Use Changes: When reviewing applications for land use designation changes (i.e., zone change, General Plan Amendment, specific plan amendment), the County shall thoroughly analyze the impacts of the proposed changes on all aspects of the infrastructure system within the County, and require mitigation as appropriate. This shall include consultation with service providers who have infrastructure within the County.	Consistency: Non-compliant. The current designation and zoning of the site does not allow for the use of a solar plant (i.e., designations of Open Space Recreation (OSR) & Resort/Recreation (REC), and zoning of Open Space, 40-acre minimum (OS-40)). The project will not provide adequate infrastructures and services. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy PSU-1.6/Coordination: The County shall require that the provision of streets, sewer, water, drainage, and other needed infrastructure be coordinated in a logical manner between adjacent developments so as to reduce design, construction and maintenance costs.	Consistency: Non-compliant. The applicant has taken into consideration existing infrastructure such as roadways, and adjacent development such as the St. Therese Mission and the Charleston View community. However, impacts to streets may be significant. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy PSU-1.7/Undergrounding Utilities: The County shall require undergrounding of utility lines in new development areas and as areas are redeveloped, except where infeasible for operational or financial reasons. The County will also work with utility providers to proactively place utilities underground as part of the utilities' ongoing maintenance program.	Consistency: Compliant. Transmission lines and gas pipelines exit the site at the east boundary, at the California-Nevada border, and will thus exist within Nevada.	Yes.
Goal PSU-2/Funding: To ensure that adequate facility and service standards are achieved and maintained through the use of equitable funding methods.	Consistency: Non-compliant. It has not yet been demonstrated how the project proposes to fund the increased need for, and impacts to, facilities and services which the large influx of temporary construction workers, and then permanent solar plant workers, will bring. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy PSU-2.2/Fair Share of Costs: The County shall require that new development	Consistency: Non-compliant. The project will not pay its fair share of the	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
pays its fair share of the cost of developing new facilities and services and upgrading existing public facilities and services. Exceptions may be made when new development generates significant public benefits (e.g., low income housing) or when alternative sources of funding can be identified to offset foregone revenues.	cost of developing and upgrading new facilities and services resulting from it. Compliance could be met based on the addition of the County's Conditions of Certification.	
Policy PSU-2.3/Public Financing Plans: The County shall require a public financing plan be in place prior to the start of construction of new development to ensure that all required public improvements are adequately funded and provided in a timely manner.	Consistency: Non-compliant. The project does not include a public financing plan to ensure that required public improvements are adequately funded and provided in a timely manner, nor is there assurance that such improvements will be provided. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy PSU-2.4/Allocation of Costs: The County shall allocate the cost of public improvements to all benefiting properties and, to the extent that a landowner is required to pay for facility oversizing, the County shall utilize reimbursement mechanisms to maintain equity among all benefiting property owners.	Consistency: Unknown. It is unclear if the development will provide for its services or infrastructure.	No.
Goal PSU-3/Water: To ensure that there will be a safe and reliable water supply sufficient to meet the future needs of the County.	Consistency: Non-compliant. Preliminary assessments indicate the project will have significant impacts to area water resources. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy PSU-3.1/Efficient Water Use: The County shall promote efficient water use and reduced water demand.	Consistency: Non-compliant. Preliminary assessments indicate the project will have significant impacts to area water. Compliance could be met based on the addition of the County's Conditions of Certification.	Yes.
Goal PSU-4/Wastewater: To ensure adequate wastewater collection, treatment, and disposal.	Consistency: Compliant. The project proposes adequate wastewater management for the project site.	No.
Goal PSU-5/Stormwater Drainage: To collect and dispose of stormwater in a manner that minimizes inconvenience to the public, minimizes potential water-related damage, and enhances the environment.	Consistency: Compliant. The project proposes adequate stormwater drainage for the project site.	No.
Goal PSU-6/Solid Waste Facilities: To ensure the safe and efficient disposal or recycling of solid waste generated in Inyo	Consistency: Non-compliant. Although the applicant will participate in the County's Monitoring & Diversion of	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
County.	Construction & Demolition Debris Program, waste will be disposed of in Nevada, as the County's Tecopa Landfill does not have the personnel or infrastructure to handle the quantity of waste that construction of the project will yield. The County has assessed the likely waste-related costs and impacts of the large influx of construction workers expected for the project. Compliance could be met based on the addition of the County's Conditions of Certification.	
<p>Goal PSU-8/Fire Protection: To protect the residents of and visitors to Inyo County from injury and loss of life and to protect property from fires.</p> <p>AND</p> <p>Implementation Measure 10.0: The County shall work with the California Department of Forestry & Fire Protection, local fire protection districts, and federal agencies involved in fire protection activities to maximize the use of resources to develop functional and/or operational consolidations and standardization of services and to maximize the efficient use of fire protection resources.</p>	<p>Consistency: Unknown. Although adequate fire protection is proposed for the project site, preliminary assessments indicate that the project itself increases the risk of fire within the project area. As a result of this potential increased risk of off-site impacts, the Southern Inyo Fire District (SIFD) are working with the applicant on funding for such increased impacts to County fire protection services, and this issue is as yet unresolved.</p>	No.
<p>Policy PSU-8.1/Fire Protection for New Development: Prior to the approval of development projects, the County shall determine the need for fire protection services. New development in unincorporated areas of the County shall not be approved unless adequate fire protection facilities can be provided.</p>	<p>Consistency: Unknown. Although adequate fire protection is proposed for the project site, preliminary assessments indicate that the project itself increases the risk of fire within the project area. As a result of this potential increased risk of off-site impacts, the Southern Inyo Fire Protection District is working with the applicant on funding for such increased impacts to fire protection services, and this issue is as yet unresolved.</p>	No.
<p>Goal PSU-9/Law Enforcement: To provide adequate law enforcement services to deter crime and to meet the growing demand for services associated with increasing populations and commercial/industrial development in the County.</p>	<p>Consistency: Non-compliant. Preliminary assessments indicate that the project's expected influx of construction workers will have significant impacts on the County's law enforcement services. The County is currently still working with the applicant on funding for such impacts to County services, and the issue is as yet</p>	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
	unresolved. Compliance could be met based on the addition of the County's Conditions of Certification.	
Goal PSU-10/Gas & Electrical Facilities: To provide efficient and cost-effective utilities that serves the existing and future needs of people in the unincorporated areas of the County.	Consistency: Compliant. The project is a renewable energy project that makes use of the County's abundant solar resources. However, the tie-in structure of the electrical and gas pipeline components of the project are such that no additional electricity or gas from the project would be available within the immediate area of the project site, but would be diverted to the east to sub-stations where it will be dispersed to wider areas within Nevada and California. Preliminary assessment of the project indicated that provision of such additional electrical and gas resources could have growth-inducing impacts within the larger Pahrump Valley/Charleston View area or other development in more distant parts of Nevada and California.	No.
Policy PSU-10.1/Expansion of Services: The County shall work with local electric utility companies to design and locate appropriate expansion of electric systems, while minimizing impacts to agriculture and minimizing noise, electromagnetic, visual, and other impacts on existing and future residents.	Consistency: Compliant. The project is a renewable energy project that makes use of the County's abundant solar resources. However, the tie-in structure of the electrical and gas pipeline components of the project are such that no additional electricity or gas from the project would be available within the immediate area of the project site, but would be diverted to the east to sub-stations where it will be dispersed to wider areas within Nevada and California. Preliminary assessment of the project indicated that provision of such additional electrical and gas resources could have growth-inducing impacts within the larger Pahrump Valley/Charleston View area or other development in more distant parts of Nevada and California.	Yes.
Goal PSU-11/Schools: To ensure that adequate school facilities are available and appropriately located to meet the needs of Inyo County residents.	Consistency: Unknown. Preliminary assessments indicate that the project's expected influx of construction workers will have significant impacts on school facilities and services in the County. It is unclear if the CEC and the applicant have consulted with local school officials, and	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
	the issue is as yet unresolved.	
ECONOMIC DEVELOPMENT ELEMENT		
<p>Goal ED-1: Promote increased capacity to serve tourists within the County's established urbanized areas, and in those areas with established tourist attractions.</p> <p>AND</p> <p>Implementation Measure 16.0: Encourage the telecommunications industry to install and maintain state of the art high speed high capacity service throughout the County so that established businesses, public agencies, and home businesses may overcome any distance to market competitive disadvantage they currently have.</p>	<p>Consistency: Non-compliant. The project is a renewable energy project that makes use of the County's abundant solar resources. However, the tie-in structure of the electrical and gas pipeline components of the project are such that no additional electricity or gas from the project would be available within the immediate area of the project site, but would be diverted to the east to sub-stations where it will be dispersed to wider areas within Nevada and California. Preliminary assessment of the project indicated that provision of such additional electrical and gas resources could have growth-inducing impacts within the larger Pahrump Valley/Charleston View area or other development in more distant parts of Nevada and California. The project could hinder economic development in the area, impact public services and facilities, and result in lost opportunity costs. Compliance could be met based on the addition of the County's Conditions of Certification.</p>	No.
<p>Goal ED-4/Resource Based & Industrial Land Uses: Actively encourage the expansion of existing industry of all types (including resource industries, manufacturing and service industries), and actively recruit new businesses that will bring new jobs to the County.</p>	<p>Consistency: Compliant. The project is a renewable energy project that makes use of the County's abundant solar resources and assists the State of California in meeting its targeted goals for its renewable energy portfolio.</p>	No.
HOUSING ELEMENT		
<p>Goal HE-2: To provide adequate sites for residential development.</p>	<p>Consistency: Unknown. The project displaces lands available for housing. The Preliminary Staff Assessment (PSA) prepared by the California Energy Commission (CEC) does not address this impact.</p>	No.
<p>Goal HE-3: Encourage the adequate provision of housing by location, type of unit, and price, to meet the existing and future needs of Inyo County residents.</p>	<p>Consistency: Unknown. The project displaces lands available for housing. The Preliminary Staff Assessment (PSA) prepared by the California Energy Commission (CEC) does not address this impact.</p>	No.
<p>Policy HE-3.1/Variety of Housing: In</p>	<p>Consistency: Unknown. The project</p>	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
<p>consultation with federal, state, and local agencies, the County shall continue to identify and evaluate the best approaches to providing a variety of residential development opportunities in the County, including single-family homes, mobile homes, second units, and apartments to fulfill regional housing needs.</p> <p>AND</p> <p>Implementation Measure 3.1.1: The County will explore an Employer Assisted Housing Program by forming a working group with major employers in the area to discuss how the County can assist in the development of employer-assisted housing in Inyo County, including housing for lower- and moderate-income households, such as those with teachers, police officers and sheriff's deputies, nurses, etc.</p>	<p>displaces lands available for housing. The Preliminary Staff Assessment (PSA) prepared by the California Energy Commission (CEC) does not address this impact.</p>	
<p>Policy HE-3.3/Second Units: Encourage the development of second units as another way to promote housing opportunities for lower-income households.</p>	<p>Consistency: Unknown. The project displaces lands available for housing. The Preliminary Staff Assessment (PSA) prepared by the California Energy Commission (CEC) does not address this impact.</p>	No.
<p>Policy HE-3.4/Manufactured and Mobile Homes: The County will continue to promote the utilization of manufactured housing and mobile home purchase and placement as an affordable homeownership opportunity.</p>	<p>Consistency: Unknown. The project displaces lands available for housing. The Preliminary Staff Assessment (PSA) prepared by the California Energy Commission (CEC) does not address this impact.</p>	No.
<p>Policy HE-5.3/Infrastructure: The County will work to provide adequate infrastructure to accommodate residential development in all areas of the unincorporated county.</p> <p>AND</p> <p>Implementation Measure 5.3.1: The County will work to provide adequate infrastructure to accommodate residential development in all areas of the unincorporated county.</p>	<p>Consistency: Non-compliant. The project will result in public service and infrastructure deficiencies that could hinder residential development. Compliance could be met based on the addition of the County's Conditions of Certification.</p>	No.
CIRCULATION ELEMENT		
<p>Goal RH-1: A transportation system that is safe, efficient, and comfortable, which meets the needs of people and goods and enhances</p>	<p>Consistency: Non-compliant. Preliminary assessment of the project's likely transportation impacts has resulted</p>	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
the lifestyle of the County's residents.	in the development of a number of mitigation measures designed to decrease project impacts to less than significant levels. In particular, Old Spanish Trail Highway/Tecopa Road has an existing paved width of just 22 feet. Preliminary assessments indicate that impacts to the roadway during the construction of the project would require mitigation in the form of a traffic control plan, which would be necessary for the roadway to continue to operate at a Level of Service (LOS) of C or better. However, damage to the roadway could result from heavy truck traffic during the construction phase of the project, and mitigation in the form of restoration of the roadway may be necessary. Compliance could be met based on the addition of the County's Conditions of Certification.	
Policy RH-1.4/Level of Service: Maintain a minimum level of service (LOS) "C" on all roadways in the County. For highways within the County, LOS "C" should be maintained except where roadway expansions or reconfigurations will adversely impact the small community character and economic viability of designated Central Business Districts.	Consistency: Unknown. Preliminary assessment of the project's likely transportation impacts has resulted in the development of a number of mitigation measures designed to decrease project impacts to less than significant levels. Under such mitigation measures, a Traffic Control Plan is prepared and LOS shall be monitored, but mitigation measure language does not state specifically that a minimum LOS of "C" or better shall be maintained.	Yes.
Policy RH-1.5/Proper Access: Provide proper access to residential, commercial, and industrial areas.	Consistency: Compliant. Preliminary assessment of the project's likely transportation impacts has resulted in the development of a number of mitigation measures designed to decrease project impacts to less than significant levels.	Yes.
Policy RH-1.6/Minimize Environmental Impacts: Insure that all transportation projects minimize adverse effects on the environment of the County.	Consistency: Unknown. Preliminary assessment indicates that, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact. In particular, assessments identify the Old Spanish Trail as a scenic resource that will be substantially	Yes.

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<p>Policy SH-1.1/Protect the Natural Qualities of Designated Scenic Routes: The natural qualities of designated scenic routes should be protected.</p>	<p>disrupted by the project.</p> <p>Consistency: Unknown. Preliminary assessment indicates that, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact.</p>	<p>Yes.</p>
<p>Goal CPT-1: To ensure that regional conveyance systems are designed and located to serve Inyo County residents while not significantly impacting communities or regional viewsheds.</p>	<p>Consistency: Unknown. The tie-in structure of the electrical and gas pipeline components of the project are such that no additional electricity or gas from the project would be available within the immediate area of the project site, but would be diverted to the east to substations where it will be dispersed to wider areas within Nevada and California. Preliminary assessment of the project indicated that provision of such additional electrical and gas resources could have growth-inducing impacts within the larger Pahrump Valley/Charleston View area or other development in more distant parts of Nevada and California.</p> <p>In addition, Preliminary assessment indicates that, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in significant and unavoidable aesthetic impacts.</p>	<p>No.</p>
<p>Policy CPT-1.1/Placement of Corridors: The County shall consider the visual and environmental impacts associated with placement of regional conveyance corridors.</p>	<p>Consistency: Unknown. Preliminary assessment indicates that, even with mitigation measures incorporated, the large size of the project and the height of the solar power towers is such that the project inherently changes the landscape and scenic vistas within the greater Pahrump Valley and results in a significant and unavoidable aesthetic impacts.</p> <p>Environmental impacts, such as to water resources and biological resources, are also assessed to be significant, although mitigation developed for the project will</p>	<p>Yes.</p>

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
	decrease such impacts to less than significant levels.	
CONSERVATION/OPEN SPACE		
Goal WR-1: Provide an adequate and high quality water supply to all users within the County.	Consistency: Non-compliant. Preliminary assessment of the project indicates that the project could exacerbate overdraft conditions, contribute to water level decline for groundwater dependent vegetation, and substantially lower water levels in neighboring domestic wells. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy WR-1.1/Water Provisions: The County shall review development proposals to ensure adequate water is available to accommodate projected growth.	Consistency: Non-compliant. Pump tests performed for the project were subject to irregularities in execution, and were discontinued prematurely, and the results were inconclusive. Despite these issues, preliminary assessment of the project indicates that the project could exacerbate overdraft conditions, contribute to water level decline for groundwater dependent vegetation, and substantially lower water levels in neighboring domestic wells. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
<p>Policy WR-1.3/Domestic Groundwater: Support sustainable groundwater extraction for domestic use in rural areas.</p> <p>AND</p> <p>Implementation Measure 2.0: The County shall review any new development proposals that involve a withdrawal of groundwater that is not regulated by the County's Groundwater Ordinance (Ordinance 1004) or the Inyo County/Los Angeles Water Agreement to ensure that with the proposed use, there will be an adequate, safe, and economically viable supply of groundwater to supply all existing users of the groundwater as well as the future users under the proposed development.</p> <p>AND</p> <p>Implementation Measure 3.0: The County</p>	Consistency: Non-compliant. Preliminary assessment of the project indicates that the project could exacerbate overdraft conditions, contribute to water level decline for groundwater dependent vegetation, and substantially lower water levels in neighboring domestic wells. Compliance could be met based on the addition of the County's Conditions of Certification.	No.

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shall work with private industries to support the development of reclaimed water systems for non- potable uses. These efforts may include obtaining funding for subsidizing reclaimed water systems.		
Policy WR-2.2/Watercourse Alterations: Encourage the preservation of existing conditions of watercourses when considering flood control projects.	Consistency: Compliant. Preliminary assessments indicate that the majority of the project site would maintain the original grades and natural drainage features and require no added storm drainage control.	No.
Goal WR-3: Protect and restore environmental resources from the effects of export and withdrawal of water resources.	Consistency: Non-compliant. Pump tests performed for the project were subject to irregularities in execution, and were discontinued prematurely, and the results were inconclusive. Despite these issues, preliminary assessment of the project indicates that the project could exacerbate overdraft conditions, contribute to water level decline for groundwater dependent vegetation, and substantially lower water levels in neighboring domestic wells. Other natural and human resources in the County could be impacted. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy WR-3.2/Sustainable Groundwater Withdrawal: The County shall manage the groundwater resources within the County through ordinances, project approvals and agreements, ensure an adequate, safe and economically viable groundwater supply for existing and future development within the County, protect existing groundwater users, maintain and enhance the natural environment, protect the overall economy of the County, and protect groundwater and surface water quality and quantity.	Consistency: Non-compliant. Pump tests performed for the project were subject to irregularities in execution, and were discontinued prematurely, and the results were inconclusive. Despite these issues, preliminary assessment of the project indicates that the project could exacerbate overdraft conditions, contribute to water level decline for groundwater dependent vegetation, and substantially lower water levels in neighboring domestic wells. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy BIO-1.1/Regulatory Compliance: The County shall review development proposals to determine impacts to sensitive natural communities, of both local and regional concern, and special-status species. Appropriate mitigation measures will be	Consistency: Compliant. Extensive biological surveys have been prepared for the project, together with mitigation for identified impacts.	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
incorporated into each project, as necessary.		
Policy BIO-1.2/Preservation of Riparian Habitat & Wetlands: Important riparian areas & wetlands, as identified by the County, shall be preserved and protected for biological resource value.	Consistency: Non-compliant. Preliminary assessment indicates the project will have significant impacts on groundwater dependent areas such as riparian habitats and Areas of Critical Environmental Concern such as Stump Springs. Preliminary assessment of the project indicates that the project could exacerbate overdraft conditions and contribute to water level decline for groundwater dependent vegetation. Compliance could be met based on the addition of the County's Conditions of Certification.	No.
Policy BIO-1.5/Develop Outside of Habitat Areas: Work with regulatory agencies and private developers to direct development into less significant habitat areas. Discourage urban development in areas containing sensitive natural communities or known to contain special-status species.	Consistency: Compliant. Preliminary assessment indicates the project will have significant impacts on a number of species. However, mitigation has been developed for the project that will decrease impacts to less than significant levels and satisfy regulating agencies such as Bureau of Land Management (BLM) and Department of Fish & Game (DFG). However, such mitigation measures include off-site mitigation, which at this time is still being investigated. Should such mitigation prove unworkable, then impacts may be significant and immitigable.	No.
Goal CUL-1: Preserve and promote the historic and prehistoric cultural heritage of the County.	Consistency: Unknown. Preliminary assessment indicates the project will result in significant impacts to various cultural resources (notably three ethnographic landscapes and the Old Spanish Trail-Mormon Road Northern Corridor), and that there is no way that the project, as currently proposed, could be mitigated to minimize such significant impacts.	No.
Policy CUL-1.3/Protection of Cultural Resources: Preserve and protect key resources that have contributed to the social, political, and economic history and prehistory of the area, unless overriding circumstances are warranted.	Consistency: Unknown. Preliminary assessment indicates the project will result in significant impacts to various cultural resources (notably three ethnographic landscapes and the Old Spanish Trail-Mormon Road Northern Corridor), and that there is no way that the project, as currently proposed, could	Yes.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
	be mitigated to minimize such significant impacts.	
Policy CUL-1.4/Regulatory Compliance: Development and/or demolition proposals shall be reviewed in accordance with the requirements of CEQA and the National Historic Preservation Act.	Consistency: Unknown. The project has been so reviewed. However, preliminary assessment indicates the project will result in significant impacts to various cultural resources (notably three ethnographic landscapes and the Old Spanish Trail-Mormon Road Northern Corridor), and that there is no way that the project, as currently proposed, could be mitigated to minimize such significant impacts.	No.
Policy CUL-1.5/Native American Consultation: The County and private organizations shall work with appropriate Native American groups when potential Native American resources could be affected by development proposals.	Consistency: Compliant. Tribal representatives have met extensively with project representatives and have contributed directly and significantly to the preliminary assessment of the significant and immitigable impacts the project would have on various cultural resources.	No.
Chapter 8.8/Visual Resources: Critical identified visual resource issues include: <ul style="list-style-type: none"> • Maintaining the small town character of towns in Inyo County • Preserving panoramic views • Maintaining the open, natural character of the County • Maintaining visual resources of scenic corridors, highways, and roadways 	Consistency: Unknown. Preliminary assessment indicates that, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact.	Yes.
Goal VIS-1: Preserve and protect resources throughout the County that contribute to a unique visual experience for visitors and quality of life for County residents.	Consistency: Unknown. Preliminary assessment indicates that, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact.	Yes.
Goal VIS-1.1/Historical Character: The County shall preserve and maintain the historic character of communities within the County.	Consistency: Unknown. Preliminary assessment indicates that, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact. In particular, assessments identify the Old Spanish Trail as a scenic resource that will be substantially	No.

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Policy VIS-1.4/Equipment Screening: Within communities, building equipment shall be screened from public view.	disrupted by the project. Consistency: Unknown. Preliminary assessment of project impacts is such that landscaping around power plant structures has been developed as a mitigation measure. However, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact.	Yes.
Policy VIS-1.6/Control of Light & Glare: The County shall require that all outdoor light fixtures including street lighting, externally illuminated signs, advertising displays, and billboards use low-energy, shielded light fixtures which direct light downward (i.e., lighting shall not emit higher than a horizontal level) and which are fully shielded. Where public safety would not be compromised, the County shall encourage the use of low-pressure sodium lighting for all outdoor light fixtures.	Consistency: Unknown. Preliminary assessment of project impacts is such that mitigation for control of light and glare has been developed. However, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impact.	Yes.
Policy VIS-1.7/Street Lighting: Street lighting shall only be utilized where needed to protect public safety related to traffic movement.	Consistency: Unknown. Preliminary assessment of project impacts is such that mitigation for control of light and glare has been developed. However, even with mitigation measures, the height of the solar power towers is such that the project inherently changes the landscape in the vicinity of the project site and results in a significant and unavoidable aesthetic impacts.	Yes.
Policy REC-1.2/Recreational Opportunities on Federal, State, and LADWP Lands: Encourage the continued management of existing recreational areas and open space, and appropriate expansion of new recreational opportunities on federal, state, and LADWP lands.	Consistency: Unknown. It is not yet clear the impacts that use by the increased numbers of construction workers will have on such Federal, State, and LADWP lands, or whether/how the agencies responsible for such lands will expand opportunities for use to the increased population brought by the project.	No.
PUBLIC SAFETY ELEMENT		
Goal AQ-1: Provide good air quality for Inyo County to reduce impacts to human health and the economy.	Consistency: Compliant. Mitigation has been developed for impacts to air quality that will decrease them to less than significant levels.	No.
Policy AQ-1.2/Attainment Programs: Participate in the GBUAPCD's attainment	Consistency: Compliant. Mitigation has been developed for impacts to air quality	No.

Inyo County General Plan Goal or Policy	Analysis of Proposed Project's Consistency as Conditioned in PSA	Identified by PSA as LORS?
programs.	that will decrease them to less than significant levels.	
Policy AQ-1.3/Dust Suppression During Construction: Require dust-suppression measures for grading activities.	Consistency: Compliant. Mitigation has been developed for impacts to air quality that will decrease them to less than significant levels.	No.
Policy AQ-1.5/Monitor Regional Development: Publicly object to development proposals within the region that do not adequately address and mitigate air quality impacts, especially fugitive dust.	Consistency: Compliant. Mitigation has been developed for impacts to air quality that will decrease them to less than significant levels.	No.
Goal WF-1: Prevent wildfires and provide public safety from wildfire hazards.	Consistency: Unknown. Although adequate fire protection is proposed for the project site, preliminary assessments indicate that the project itself increases the risk of fire within the project area. As a result of this potential increased risk of off-site impacts, the County and the Southern Inyo Fire District (SIFD) are working with the applicant on funding for such increased impacts to County fire protection services, and this issue is as yet unresolved.	No.
Policy WF-1.1/Fire Protection Agencies: Support expansion of fire protection agencies and volunteer fire departments, and continue to cooperate with federal, state, local agencies and private landowners to provide greater fire protection for the County.	Consistency: Unknown. Although adequate fire protection is proposed for the project site, preliminary assessments indicate that the project itself increases the risk of fire within the project area. As a result of this potential increased risk of off-site impacts, the County and the Southern Inyo Fire District (SIFD) are working with the applicant on funding for such increased impacts to County fire protection services, and this issue is as yet unresolved.	No.
Policy WF-1.2/Limitations in Fire Hazard Zones: Discourage development within high fire hazard severity zones.	Consistency: Compliant. The project is located within a "Moderate," not a "High," fire hazard severity zone, as is most of Inyo County.	No.
Policy WF-1.3/Fuel Modification: Require fuel modification for structures within fire hazard zones.	Consistency: Compliant. The project will manage fuel/vegetation within the project boundaries and has developed fire protection mitigation measures for the project site.	No.
Policy WF-1.5/Emergency Access: All County public roads shall be developed and maintained at adequate standards to provide safe circulation for emergency equipment.	Consistency: Unknown. Although adequate fire protection is proposed for the project site, preliminary assessments indicate that the project itself increases	No.

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<p>AND</p> <p>Implementation Measure 2.0: The County shall work with local fire districts and volunteer fire departments to develop community fire plans to identify the desired level of service and methods to obtain such services.</p>	<p>the risk of fire within the project area. As a result of this potential increased risk of off-site impacts, the County and the Southern Inyo Fire District (SIFD) are working with the applicant on funding for such increased impacts to County fire protection services, and this issue is as yet unresolved.</p>	
<p>Goal GEO-1: Minimize exposure to hazards and structural damage from geologic and seismic conditions.</p>	<p>Consistency: Compliant. Although preliminary assessment of the site indicates it could be subject to strong levels of earthquake-related ground shaking due to area earthquake faults, as well as subject to soil failure due to hydrocollapse, soil fissure formations, and dynamic compaction, mitigation measures have been developed for the project that would keep impacts to less than significant levels.</p>	<p>Yes.</p>
<p>Goal NOI-1: Prevent incompatible land uses, by reason of excessive noise levels, from occurring in the future. This includes protecting sensitive land uses from exposure to excessive noise and to protect the economic base of County by preventing the encroachment of incompatible land uses with areas affected by existing or planned noise-producing uses.</p>	<p>Consistency: Compliant. The solar plant itself should not create excessive noise levels for the adjacent residential community of Charleston View.</p>	<p>Yes.</p>



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**COUNTY OF INYO
WATER DEPARTMENT**

July 19, 2012

TO: Mike Monasmith, Project Manager
Siting, Transmission, and Environmental Protection Division
California Energy Commission
1516 Ninth Street, MS-2000
Sacramento, California 95814

FROM: Robert Harrington, Ph.D, R.G.
Director, Inyo County Water Department

SUBJECT: Comments on Preliminary Staff Assessment for the Hidden Hills Solar Energy Generating System

Thank you for the opportunity to comment on the Hidden Hills Solar Energy Generating System (HHSEGS) Preliminary Staff Assessment (PSA). The CEC is to be commended for the thorough, transparent, and accessible public process conducted for this project. The following comments pertain to Section 4.15 (Water Supply) and parts of Section 4.2 (Biological Resources) that pertain to groundwater-dependent vegetation. The County of Inyo Board of Supervisors has adopted a resolution titled "*A Resolution of the Board of Supervisors of the County of Inyo, State of California, Adopting the findings and Conditions of Certification for the Proposed Hidden Hills Solar Electric Generating Station in Charleston View in Inyo County (California Energy Commission Application for Certification No. 11-AFC-2).*" In that resolution, the Board of Supervisors makes a number of findings and establishes conditions of certification related to many sections of the PSA, including Biological Resources and Water Supply. The comments given below provide the rationale for a number of the findings and conditions in the Board Resolution related to Biological Resources and Water Supply.

Comment #1: Hydrologic analysis. The emphasis of the conditions of certification associated with groundwater extraction should be on monitoring to detect off-site changes in groundwater elevation. In response to data request #141, the applicant reported on an aquifer performance test (APT) to observe the groundwater system's response to pumping. The PSA, as well as discussions at status conferences and public workshops, have placed considerable emphasis on the results of APT. The applicant has used the APT results to argue that the project will have no off-site impacts to the groundwater system; CEC staff argues in the PSA that the applicant has misinterpreted the ATP results; and other parties have criticized the conduct of the APT. The applicant and CEC staff presented a number of interpretations of the APT results, all of which necessarily simplify the hydrogeologic system; however, there is insufficient

data to settle on one single interpretation as the correct rendition of the hydrologic system. In general, the simple analytical models such as used by the applicant and CEC staff to interpret the APT results do not provide a single, uniquely correct interpretation of the aquifer system; multiple interpretations may fit the test results equally well. We agree with CEC staff's analysis that stabilization of the Orchard Well's cone of depression was probably due to leakage from an unidentified source. There is insufficient information to determine whether the leakage is from an underlying, overlying, or adjacent aquifer. The applicant further argues that the regional gradient stabilized the cone of depression. In general, a developing cone of depression is additively superimposed on a regional gradient according to the principal of superposition that is applicable to all linear systems (Bear, 1979), and therefore; the transient effects resulting from a pumping well are over-printed on, separable from, and unaffected by the presence of a regional gradient. There is insufficient evidence in the record to show that this general feature of groundwater systems is, for some reason, not applicable to the project site, so we disagree with the applicant's contention. We do agree that there is a regional gradient implying flow from the Spring Mountains toward the project site, and the presence of a regional gradient does implies that groundwater flowing through the site is in transit to a down-gradient point of discharge, possibly the Amargosa River. We think it is important to establish the nature of groundwater flow from the Pahrump Valley to California Valley, Stewart Valley, Middle Amargosa Valley, and Chicago Valley. Further, we agree with CEC staff's contention that partial penetration of the APT monitoring wells may have affected the test results, and was not accounted for in any APT analysis.

The APT provided useful information related to conditions near the pumped wells, but extrapolating results from a test that spanned a few days into an assessment of impacts over the life of the project is inherently uncertain. Additional testing for a week or a month will not eliminate this uncertainty, so the CEC is faced with developing its final staff assessment based on inconclusive data. A high level of hydrogeologic uncertainty is not unique to this project; rather, it is typical when making hydrogeologic predictions involving new stresses on an aquifer system. For example, not far to the north of the project area, billions of dollars have been spent evaluating the Yucca Mountain Nuclear Waste Repository, yet great uncertainty still remains as to the likelihood of radionuclides escaping the repository via the groundwater system. For HHSEGS, because the assessment of impacts is inconclusive, the most viable way for the project to proceed is to require monitoring that will allow tracking of impacts to the groundwater system as they develop during the life of the project, so that mitigation can be implemented if it becomes apparent that groundwater dependent resources will be impacted. This approach is reasonable and feasible for HHSEGS. The applicant predicts that the modest amount of pumping proposed for this project will have negligible off-site effects; therefore, from a hydrogeologic perspective, all that is required is monitoring sufficient to verify the applicant's contention, and mitigation measures that become active if monitoring shows that the applicant's contention was wrong.

We support the provisions of WATER SUPPLY – 6A and 8A and for a monitoring well network, and recommend that conditions of certification WATER SUPPLY – 6A and 8A be modified to include the following:

In cooperation with USBLM, the applicant shall fund and construct a monitoring well approximately ½ mile west of the Stump Springs ACEC for inclusions in the monitoring well network.

Comment #2: Triggers for mitigation actions. We do not see in the PSA a mechanism to avoid impacts by tracking groundwater level changes and taking action to reduce or stop pumping before negative impacts occur. Mitigation measures Bio – 23 and Water Supply – 8C do not require that action be taken until vegetation vigor has declined by 20%, which may be well past the point where moderating

pumping would avoid impacts. Groundwater level declines necessarily precede pumping-induced declines in soil moisture and vegetation condition; therefore, observations of water level change can be used to anticipate negative impacts and manage pumping to avoid them.

Vegetation conditions are affected by numerous factors. Our experience in Owens Valley has been that using vegetation condition as a trigger to control pumping is less reliable than using groundwater levels, because (1) groundwater levels necessarily respond sooner to pumping than vegetation conditions, and (2) vegetation conditions are affected by a greater variety and number of factors than groundwater levels. We recommend that mitigation actions be triggered by changes in groundwater levels, and vegetation monitoring be used as a check to evaluate the effectiveness of the triggering mechanism, so that the water-level based triggering mechanism can be modified if the vegetation monitoring shows that vegetation conditions are declining due to water table withdrawal.

Concerning the statement made on page 4.2-144 that *"Long-term study in the Owens Valley suggests that a change in water table elevation of as little as 0.3 feet could affect a major change in plant life form and species composition, if, in fact, the plants survive,"* the threshold of 0.3 feet of drawdown seems arbitrary. We have seen no evidence in Owens Valley that such small changes in groundwater level measurably affect phreatophytic grass-dominated communities that have rooting zones around 2 meters. The literature supports this observation, and also indicates that deep-rooted species are generally more tolerant of changes in water table depth than shallow-rooted species (Elmore et al., 2002; Patten et al., 2008; Cooper et al., 2006; Horton et al., 2001; Horton and Clark, 2001; Segelquist et al., 1993; Amlin and Rood, 2002; Horton et al., 2003; Lite and Stromberg, 2005; Stromberg et al., 1996; Amlin and Rood, 2003; Shafroth et al., 2000; Scott et al., 2000). None of these studies suggest that a 0.3 foot water table decline equates to a 20% or greater decline in measures of vegetation health in deep-rooted phreatophytes. We recommend that CEC staff conduct a more thorough review of peer-reviewed literature and existing data related to tolerance of the extant vegetation communities to water table drawdown, and, based on that review, set a threshold of water table drawdown that defines a significant impact. That threshold can then be applied to a drawdown-based mechanism for controlling project pumping as described below.

The well network should be used as an early warning system, and that action be taken based on observed declines in groundwater levels to avoid significant impacts. Action levels can be determined using predictive hydrologic modeling tools to associate observed water level changes in monitoring wells with quantitative measures of significant impact at groundwater dependent resources. In groundwater systems where pumping continues for long periods of time and large areas are affected, groundwater levels at sensitive resources may continue to decline even after pumping has stopped; therefore, special care should be given to account for delayed water table recovery at sensitive resources. To this end, BIO-23.3 should be replaced with the following:

Based on the results of inventory of groundwater-dependent and groundwater-influenced habitat and resources produced under BIO-23, subparagraph 13, an amount of water table drawdown that would cause a significant impact to GDEs shall be identified. Using drawdown curves calculated using representative aquifer parameters applied to the Theis method, determine the maximum pumping rate that will not exceed the threshold of significant drawdown at GDEs over the life of the project. Using this pumping rate and these aquifer parameters, determine the maximum drawdown that could occur within each monitoring well located between the project and the GDEs without exceeding the threshold of significant drawdown for any GDE. If drawdown in any monitoring well exceeds the drawdown that corresponds to a threshold of significant drawdown for any GDE, the project owner shall have

90 days to provide evidence to the CPM that the drawdown is not a result of groundwater pumping by the project. If after reviewing the evidence provided by the project owner and other relevant evidence, the CPM, in consultation with BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department concludes that the drawdown is due to groundwater pumping by the project, the CPM shall notify the project owner that its groundwater pumping is to cease.

Subsequently, the project owner may resume pumping if the CPM, in consultation with BLM Nevada and California state leads for Soil, Water, Air and Riparian Programs, the BLM Southern Nevada District Hydrologist and Botanist and the Inyo County Water Department concludes that the exceedence of the drawdown trigger(s) was due to factors other than the project's pumping, and that the project's groundwater pumping did not contribute to the trigger exceedence, or the water table recovers to baseline levels.

Condition of certification BIO-23 is unclear as to what measure of vegetation condition will be used to determine if action is necessary. On page 4.2-234, a significant impact is described as "decline in health of any groundwater-dependent species of 20 percent or more." Elsewhere, a less than significant impact is defined as "less than 20 percent change from the baseline condition" (p. 4.2-233), "20 percent above baseline" (p. 4.2-235), and on pages 4.15-43 – 44, one of the criteria given for reducing pumping is given as "the significance threshold for decline in plant vigor is reached." Nowhere are specific variables or methods identified to define the threshold of significant impact to vegetation. This mitigation measure and related water supply mitigation measures should clearly define what methods and variables will be used to assess vegetation health or vegetation vigor, and use consistent terminology throughout.

BIO-23 discusses whether changes are correlated solely to regional drought conditions. It is unclear whether the correlation with drought conditions is applied to vegetation conditions, hydrologic conditions, or both. This concept should be broadened to allow the applicant to resume pumping if the applicant can show that the trigger exceedence was caused by some other factor than the applicant's pumping.

BIO-23.9 requires that offsite reference plots have similar species assemblages, depth to groundwater, and lithology to sites of concern. Other considerations in identifying valid reference sites are similarity in climate, geomorphic position, soils, elevation, potential evapotranspiration, runoff/runon status, depth to water variability, site disturbance, and water quality. If reference plots are used, numerous control sites should be monitored in order to reduce the effect of monitoring site idiosyncrasies on management decisions. In Owens Valley, we have found that locating truly valid control plots is challenging because of the many factors that may invalidate a plot, and that the validity of plots needs to be reassessed as time goes on and plots are subject to later disturbances.

Comment #3: Water-related compliance with Inyo County Code Title 21. The CEC should use Inyo County Code Title 21 as a framework for analyzing groundwater-related impacts. PSA page 4.15-3 lists local laws, ordinances, regulations, and standards related to groundwater use by the project. Inyo County Code Title 21, Renewable Energy Development, was omitted from this list. Were it not for the CEC's sole permitting authority over the HHSEGS, this project would be subject to Title 21. Title 21 provides that:

As a condition to the issuance of a renewable energy impact determination or a renewable energy permit, the county planning commission may, in the case of a renewable energy impact determination, incorporate, and in the case of a renewable energy permit, impose such reasonable and feasible mitigation measures as it finds to be necessary to protect the health, safety and welfare of the county's citizens, the county's environment, including its public trust resources, and to ensure that the county and its citizens do not bear an undue financial burden from the project. (Ord. 1158 § 3, 2010.)

To implement Title 21, County staff would develop and recommend mitigation measures for consideration by the Planning Commission. To protect the County's citizens and environment from impacts related to groundwater pumping, staff would develop and recommend a mitigation plan according to this outline:

- 1) The Project Owner shall cooperate with the County to complete an inventory of non-project wells potentially affected by the Project that identifies the owner of each well and includes the location, depth, screened interval, pump depth, static water level, pumping water level, and capacity of each well. For each such well, the Project Owner shall assess any projected impact of the Project on the well and shall develop and submit a plan for monitoring and mitigating any adverse effects on the well, including thresholds where mitigation activities would be undertaken. The plan should include, as feasible, agreements from the owner of each well approving monitoring activities. Monitoring should include both groundwater elevation and water quality. Mitigations should include deepening or replacing wells that become inoperable due to Project pumping, monetary compensation for additional pump lift incurred by Project pumping, and mitigation for impacts to water quality.
- 2) The Project Owner shall complete and provide to the County an inventory of groundwater-dependent or groundwater-influenced habitat and resources that may be potentially affected by the Project. The inventory should identify and describe habitat and resources dependent on or influenced by groundwater, including spring flow, baseflow to streams and rivers, phreatophytic meadows, phreatophytic scrub, and riparian areas. For each habitat or resource identified, quantitative measures of what constitutes a significant impact to such habitats and resources should be identified and associated with corresponding amounts of water table drawdown, a monitoring program should be developed that is sufficient to assess potential impacts to the habitats and resources, and mitigation measures should be identified that will be implemented if significant impacts to such habitats and resources should occur. The preferred form of mitigation is avoidance of adverse effects on habitat and resources by modifying, reducing, or ceasing groundwater pumping by the Project if adverse impacts are projected as a result of prior evaluations and monitoring results.
- 3) The Project Owner shall develop a model for predicting changes in the groundwater flow system resulting from the Project which has the capability to assess changes in hydraulic head, flow rate, flow direction, and water budget. The Project Owner shall also provide to the County model runs which predict effects of the planned groundwater pumping by the Project on the habitats and resources described above and predictions of the level of groundwater pumping that will cause significant impacts on such habitats and resources. The Project Owner shall also use the model to provide an evaluation of the sustainability of the water supply for the life of the project, including the cumulative sustainability when considered with other pumping occurring or projected to occur in the groundwater basin.

4) The Project Owner shall develop and provide to the County the following:

- a. A plan for a network of monitoring wells (either existing or to be constructed) to be regularly monitored together with a schedule for reporting water levels in the wells to the County by the Project Owner. Construction of production and monitoring wells (water level monitoring should be initiated as soon as wells are available and results will be publicly available);
- b. A plan for logging and aquifer testing of all new production wells;
- c. A plan for monitoring and reporting on the impacts of the Project on private wells and on habitats and resources described above.
- d. A plan for verifying the predictive tools described above and for revising or recalibrating the tools during project operation.
- e. A plan for revising thresholds as dictated by new data concerning system response to Project operation.
- f. An enforceable commitment based on monitoring data and significance thresholds, to implement mitigation measures as necessary.

Comment # 4: Water Use Offset Plan (page 4.15-32). Condition of Certification Water Supply – 1 requires that the Project Owner shall submit a plan “showing that it will replace 4,900 acre-feet or 163 AFY and the [Project Owner] shall undertake one or more of the activities identified below to mitigate project overdraft impacts...” In this section, it is unclear what types of activities are contemplated. Activities such as retirement of water rights, development of artificial recharge, or salvage of phreatophyte transpiration could each be thought of as activities that replace water in an overdrafted aquifer, but these activities each have differing environmental and economic considerations. This condition of certification should be more specific regarding what activities it encompasses.

If acquisition and retirement of water rights in Pahrump Valley is approved under this condition of certification, the CEC should require that the retired rights are currently being exercised. Since the amount of permitted groundwater rights in Pahrump Valley is far greater than actual pumpage, it is clear that there are permitted rights to pump groundwater that are currently unexercised. If rights are acquired and retired that are currently not being used, there would not be an actual reduction in groundwater extraction. Retirement of water rights is effective as mitigation only if the retirement results in an actual reduction in pumping, and even then, it is only mitigation for basin-wide overdraft. Water rights retirement does not in any way mitigate for any impacts that might occur to groundwater dependent resources affected by project pumping unless the retirement results in the water table rising in the affected area. This is unlikely to happen unless the retired water rights are located approximately equidistant to the affected area as the project is to the affected area.

This condition should require that the applicant provide records showing that any water rights retired for the purpose of satisfying this condition of certification were actually being exercised. When determining how much water use offset should be credited to a water right, the offset should be based on consumptive use of groundwater, not the total water right or the total amount of water pumped. For example, if a water right that was being used for irrigation is acquired for water offset, the offset should be for the amount of water lost to evapotranspiration, not the amount permitted or the amount pumped.

Comment #5: Compliance with California mandates for groundwater elevation monitoring. This project hampers Inyo County's ability to comply with state-mandated groundwater monitoring requirements. The State of California enacted legislation in 2009 (SBX7-6, Statutes of 2009, Seventh Extraordinary Session, chaptered as Water Code 10920 et seq.) that requires all groundwater basins and subbasins delineated in *California's Groundwater*, the Department of Water Resources' (DWR) Bulletin 118-2003 (DWR, 2003), to be monitored for seasonal and long-term trends in groundwater elevation. The data collected is required to be reported to DWR who will in turn compile the data in an online system that is accessible to the public. The law identifies numerous entities such as counties, cities, water districts, and groundwater monitoring cooperatives that may assume responsibility for the monitoring. Notably, state, tribal, and federal agencies are not among the eligible monitoring entities.

To fulfill the requirements of the legislation, DWR initiated the California Statewide Groundwater Elevation Monitoring Program (CASGEM). Participation in CASGEM by local entities is voluntary; however, if no eligible local party volunteers to become the designated monitoring entity, DWR may undertake the groundwater elevation monitoring. If DWR assumes responsibility for the groundwater monitoring, nonparticipating eligible monitoring entities may lose eligibility for water grants and loans awarded or administered by the state. Naturally, Inyo County is concerned about the potential for losing eligibility for these grant funds, and wishes to comply with the requirements of CASGEM. No funding was provided in the legislation for local entities to implement this new state program.

SBX7-6 does not allow for exceptions to its requirement that groundwater elevations be monitored in all groundwater basins. In many remote desert basins in Inyo County, designation as federal wilderness or military uses render it impossible to construct monitoring wells, and additionally, many other basins have no significant groundwater pumping. To address these flaws in the SBX7-6 legislation, in August 2011, legislation passed (AB 1152) amending Water Code Sections 10927, 10932, and 10933, and authorizing that a monitoring entity may report groundwater elevations using specified alternate monitoring techniques for certain groundwater basins and subbasins meeting prescribed conditions. AB 1152 allows that, at DWR's discretion, a monitoring entity may use alternative monitoring techniques to assess whether groundwater conditions in a basin are changing. Alternative monitoring techniques may be approved by DWR if groundwater elevations are unaffected by land use activities or planned land use activities.

Approval of HHSEGS will invalidate any argument by Inyo County that the California portion of Pahrump Valley, California Valley, and Middle Amargosa Valley are unaffected by land use activities; therefore, the County will be required to either develop a program for reporting groundwater elevations to DWR, or be ineligible for state water grants and loans. In order to comply with CASGEM requirements, the County could use the groundwater elevation monitoring data proposed in condition of certification Water Supply – 6.C.4 and Water Supply – 8.C.5 if those data are made available to the County. To that end, we request that the conditions of certification be modified to require that:

Groundwater elevations shall be measured throughout the life of the project at least twice per year, and reported to the CPM and to the Inyo County Water Department. The County will report these data to the California Department of Water Resources as part of the California Groundwater Elevation Monitoring Program.

Comment # 6: Water Level Monitoring for Neighboring Wells, Mitigation, and Reporting (Pages 4.15-36 – 4.15-40). Concerning section A.2, we understand from discussion with CEC staff that the well network will include at a minimum one well at the southern end of the site. Development of water level maps within the Pahrump Valley, as required by A.4, will require a network of more than the one well

indicated in A.2. Section C.3 requires that an owner provide documentation of the well location, construction, and pump intake depth. Some well owners may not have all of this information available, particularly pump intake depth. The Project Owner should be required to assist well owners with developing this information if the information is not readily available to the well owner. Concerning section C.5, monetary compensation should be on an annual basis only so that this payment transfers to any new owner of the land.

Comment # 7: Corrections. On page 4.15-11, Table 2, there appears to be an error in determining the median value. The Stateline well has a trend of -0.237, but the overall median is given as -0.273 at the bottom of the table and in the text at the bottom of page 4.15-10.

The language in WATER SUPPLY 8.C.6 appears to be more applicable to domestic wells. Likewise for the language at the top of page 4.15-45.

On page 4.15-13, in the definition of the variables for Equation 2, time should be lowercase t.

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**REPONSES TO THE MAY, 2012 "SOCIOECONOMIC AND
FISCAL IMPACTS OF THE HIDDEN HILLS SOLAR ELECTRIC
GENERATING SYSTEM ON INYO COUNTY"**

Presented to

THE COUNTY OF INYO, CALIFORNIA

by

GRUEN GRUEN + ASSOCIATES

July 20, 2012

C1299.1

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CHAPTER 1

SYNTHESIS AND RECOMMENDATIONS

We have reproduced below Table ES-1 from the May, 2012 "Socioeconomic and Fiscal Impacts of the Hidden Hills Solar Electric Generating System [HHSEGS] on Inyo County" prepared for the California Energy Commission (CEC). All of the revenue forecasts shown on that table for the construction period and the annual operating period are those of the report's authors. The expenditures shown in that table were prepared by the departments and consultants of the County of Inyo, a political subdivision of the State of California. The CEC analysis utilizes the present value calculation as a way of summing up or blending the estimates prepared by the authors of the CEC analysis.

**Table ES-1. Net Fiscal Impacts on Inyo County:
28 Years, Scenario 1**

	Construction (3 Year Total)	Operation (Annual)	Net Present Value
Revenues	\$86,500,000	\$1,100,000	\$92,200,000
Expenditures	\$11,100,000	\$1,700,000	\$31,000,000
Net Impact	\$75,400,000	(\$650,000)	\$61,100,000

In this response to that analysis, Chapter 2 considers the revenue forecasts contained in the May CEC report and finds them to be uncertain and significantly overstated. The estimate of \$86,500,000 revenues to the County for the 3-year construction period is so large that if it were accurate, the County could invest that money in safe government bonds at 3 percent per year and earn more than \$2.5 million per year. Even though, as discussed in Chapter 3 of this response, the CEC report's prediction of the County expenditures is understated, the earnings from the more than \$80 million would probably cover the annual operating deficits identified by the County.

Unfortunately, as we discuss in Chapter 2, the best guess, and we admit it is a guess, of what the revenues to the County will be during the 3-year construction period, is likely to be somewhat in excess of \$10 million. But even if the revenue coming to the County during the project's construction were to reach \$12 million, investing that amount in 3% bonds earning \$360,000 **and** assuming that the CEC report's forecast that the County would obtain \$1,100,000 per year during the project's operation was correct, there would still be a 15% gap between what the project costs the County and what it pays the County in taxes and fees.

The combined effect of overstated and highly uncertain revenue forecasts in the CEC



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**REPONSES TO THE MAY, 2012 "SOCIOECONOMIC AND
FISCAL IMPACTS OF THE HIDDEN HILLS SOLAR
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July 20, 2012

analysis threatens the fiscal health of Inyo County, and this effect is further compounded by the discounting of the legitimate costs the County is likely to incur.

As this response discusses in Chapter 3, many of the deductions from the County departments' original estimates of the costs they will have to pay in order provide services to the proposed project are unwarranted. There are, however, opportunities, to reduce County costs. For example, if the applicant takes steps to improve and utilize alternative routes and cooperate with a system to keep project traffic off the road that requires an overlay to handle anticipated traffic, some moneys could also be cut from the estimated roadway improvement and maintenance costs.

However, even reducing the County's likely expenditures is not going to avoid imposing severe fiscal stress on the County, unless the uncertainties that currently apply to the CEC's analysis of potential revenues to the County's treasury can be made more certain by the following conditions of project approval:

1. The project sponsor shall require that all qualifying contractors and subcontractors exercise their option(s) to obtain a Board of Equalization sub-permit for the Hidden Hills SEGS jobsite and allocate all eligible sales and use tax payments to the County of Inyo.
1. That the project sponsor be required to reimburse the County for all costs associated with a consultant with expertise in sales and use tax allocation, hired by the County, to assist the project sponsor and its contractors to complete and submit all documents necessary to register the jobsite as the source of all sales and use taxes, and then work proactively with contractors and subcontractors of the project to identify and properly document all purchases in conformity with the laws and regulations of the Board of Equalization so as to maximize the amount of sales and use tax captured and allocated to the County.

In addition, in order to encourage economic development in the County, the CEC is asked to request that the applicant design and operate the interpretive center so as to promote and take full advantage of the potential for expanded tourism that the project has the potential of inducing. We would also point out that such an interpretive center could be developed and programmed as a multi-purpose building providing police and fire facilities, as well as a community center and emergency shelter identified as necessary to mitigate other socioeconomic and public safety impacts. Doing so will provide the developer with certain economies of scale in addressing this suite of impacts.



CHAPTER 2
EXPECTED FISCAL AND ECONOMIC BENEFITS

The revenues or fiscal benefits, as well as the jobs, income and output or economic benefits to Inyo County of HHSEGS are discussed in several sections of the May, 2012 Socioeconomic and Fiscal Impacts report issued by the CEC. Below, we first discuss the County's response to the assumptions and resulting forecasts of fiscal benefits presented in several sections of the May CEC document. Next, we consider the economic impacts forecast in the May CEC document. The third section of this response discusses the benefits foreclosed, or opportunity costs of the project, as well a likely positive economic and fiscal benefit ignored in the CEC document. The final section will make a recommendation to mitigate the uncertainties discussed in the aforementioned three sections. As discussed in Chapter 1 to this response, which reaches conclusions based on an evaluation of both the benefits discussed in this chapter and the forecasts of County expenditures discussed in the next, failure to deal with the uncertainties discussed in this chapter will cause the proposed HHSEGS to pose a serious threat to the future fiscal health of the County.

Expected Sales and Property Tax Receipts

Sales and Use Tax

Because of the long-term relationships between County expenditures to provide the services likely to be induced by the project and likely on-going revenues to the County from the operations and maintenance of the project, determining the amount of sales and use taxes likely to be garnered by the County during the 29-month construction phase is critical. To remain fiscally solvent in providing services to the project during its operations phase, those sales taxes will have to provide the County with an investment corpus large enough to fund likely annual deficits induced by the project during its years of operations and maintenance.

Page 24 of the Socioeconomic and Fiscal Impact report cited the following quotation from the BrightSource (BSE) sponsored Application for Certification (07-AFC-05C): "BrightSource worked with the County of San Bernardino to maximize sales and use tax allocated to the unincorporated San Bernardino County stemming from construction of the Ivanpah SEGS project." The CEC report continues:

"This indicates that it will likely follow through with its intentions and do the same for Inyo County. Furthermore, BrightSource noted that even if it designated the 'point of sale' as nearby Pahrump, Nevada, it would still be subject to use tax in Inyo County.

Based on these assumptions presented by the proponents, the County government could receive \$84.5 million in its local shares of sales and use tax over the 29-month



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construction period based on the assumptions presented in this report. During operation, however, sales tax revenues from the project will be negligible, because non-payroll O&M expenditures spent in the County amount to only \$540,000 annually. Of this amount collected, only \$2,900 would go to the County." (page 24; Socioeconomic and Fiscal Impacts of the HHSEGS on Inyo County)

The Executive Summary of the CEC impact report states, "The proposed project is expected to cost in the range of \$2.9 billion in total to construct, with direct material costs of roughly \$2.5 billion, based on publicly available estimates for each of the technologies." (page 1; Socioeconomic and Fiscal Impacts of the HHSEGS on Inyo County) This estimate is not otherwise substantiated, and seems to be contradicted by the following statement in Section 5.3.1 of the same report. "In addition, the assessed value of the plant facilities would be \$2.18 billion for the project." (page 22) The questionable credibility of these basic assumptions concerning project costs also calls into question the entire revenue analysis, which, as we read the report, is based largely on the aforementioned cost numbers.

The CEC report goes on to assert that the project will generate sales tax revenues for the County because newly employed local workers will be spending some of their additional disposable income locally on various goods, such as food, appliances and clothing. During the 29 months, direct and indirect income suggested by the JEDI model is expected to generate \$2 million from the purchases of employees, whereas during the assumed 25-year operating period, the 19 forecast direct and indirect jobs assumed to be locally employed are projected to generate nearly \$43,000 annually during the 25-year operation period.

We will comment in the next section of this chapter on the credibility of the assumptions forecast from the JEDI model output for employee generated sales tax revenue. However, here we express our concern that the County place any possible reliance on the statement expressed in the CEC impact report that the County government could receive \$84.5 million in "its local share of sales and use tax over the 29-month construction period." All but the very small amount of the retail sales likely to result from the direct and induced expenditures in Inyo County by construction related workers will come from the purchase of tangible personal property by the project's construction contractors and subcontractors, upon which sales tax has not been collected by a retailer. However, this potential will be maximized if, and only if, the developer of the project has exercised the option of requiring its contractors and sub-contractors to register the construction jobsite as the point of sale for all such purchases, **and institutes a very proactive program of implementing the procedures needed to properly document these purchases.**

We found that a Fair Share Contribution Agreement between San Bernardino County and the Ivanpah developer was signed on December 9, 2010. Presumably, this is the mechanism that BSE referred to when it wrote in its Application for Certification (07-AFC-05C): "BrightSource worked with the County of San Bernardino to maximize sales and use tax



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allocated to the unincorporated San Bernardino County stemming from construction of the Ivanpah SEGS project." This agreement stated that \$377,000 would be paid to the County annually for fire protection and emergency responsive services for the Ivanpah Solar Electric Generating Complex. However, the system put in place in San Bernardino County in order to bring sales and use tax receipts from the project during and after construction does not suggest that anything close to the \$84.5 million in sales and use tax receipts that the authors of the CEC analysis claim will flow into the County of Inyo coffers, or that that the County will ever see close to the more than 3 percent of the sales and use tax that appears to be suggested by the narrative describing Table 5.5, "Sales and Use Tax Fund Distribution." (page 23 Socioeconomic and Fiscal Impacts of the HHSEGS on Inyo County)

Based on conversations with apposite San Bernardino officials and consultants, we believe that San Bernardino County will receive approximately \$7.2 million in sales and use tax receipts from the construction of the Ivanpah project, and very little, if any, sales-tax-related receipts from the operation of the solar generating facility. The \$7.2 million represents construction expenditures of tangible personal property of a little over \$82 million, from which all local and county governmental agencies and districts in the county are likely to receive about \$7.2 million after the deduction of a \$205,000 credit to BSE. Most importantly, this amount of sales and use tax dollars will accrue to San Bernardino County only because BSE has been cooperating with an attorney specializing in sales and use tax allocations, in order to track all significant purchases to their source and assure that the complex documentation required under State law and Board of Equalization rules is provided by the vendors all over the world who sell and lease tangible personal property to project construction contractors and subcontractors.

In no way do we mean to imply by our criticism of the sales and use tax forecasts in the CEC impact report that the task of predicting such taxes is easy. Even after construction has started, adjustments are going to have to be made in the cost of purchases and in the list of items purchased and leased. Furthermore, some personal property purchased during the construction period will not cost enough to qualify for a sub-contractor to obtain a sub-permit for the jobsite since there is a \$5 million minimum, or justify having the contractor doing the work necessary to capture the tax. While certainly this will not eliminate all uncertainties, we believe the best way to forecast the amount of sales and use tax likely to be collected **under the assumption that point of sale options are exercised and the current and future owners of the project cooperate fully in the complex task associated with capturing the taxes for the County**, would be to utilize the experience of San Bernardino County on this matter as a comparable. As we understand it, Ivanpah is being built to generate 370 megawatts (mw) of power, while the HHSEGS project will be built to generate 35 percent more electric power, or 500 mw. Thus, under the heroic assumption that output will be correlated with construction costs and produces an estimate of \$10 million in sales and use tax receipts to the County, the County captures 1 percent of the sales and use taxes paid by the project during construction. As we will repeat in the



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recommendations section at the conclusion of this chapter, unless BSE cooperates in requiring its construction contractor and sub-contractors to maximize sales tax accruing to the County of Inyo, and Inyo County engages the services of an expert in the allocation of sales and use tax to work consistently with all BSE contractors and subcontractors to make sure that the not insignificant amount of paperwork required to capture these taxes is properly filled out, can anything close to the estimated \$10 million flow into the coffers of Inyo County.

The property tax revenue (discussed below) and much of the sales and use tax revenue projected to accrue to the County of Inyo in the CEC analysis is discretionary General Fund revenue available to the Inyo County Board of Supervisors to budget as it deems appropriate but which, for the purposes of the Socioeconomic and Fiscal Impacts analysis, the CEC assumes will be used to mitigate project induced impacts that could otherwise be funded through project specific conditions of approval, which would most likely be required by the County of Inyo if not for the CEC's sole permitting authority. However, even if the CEC's premise that these funds would be available to fund the cost to County programs and services impacted by the construction and operation of the HHSEGS is accepted, it should be noted that the intended, allowable, and sometimes required uses of portions of the sales and use tax monies relied upon in the CEC analysis is restricted by State and local regulations. For example, the 1.06% in the Local Revenue Fund 2011 does not go into the County's General Fund. Under Section 6051.15, this revenue is distributed by the State Controller for expenses incurred by counties for the realignment of law enforcement costs previously paid by the state. The amount in the Local Revenue Fund is distributed to counties based on formulas specified in 2011's AB 118 regardless of the jurisdiction in which the tax is collected. Similarly the .5% for the Local Public Safety Fund and the .5% for the Local Human and Health Services Fund are specifically designated and do not go into the County's General Fund. Additionally, there is no analysis or assurance in the CEC report that restricted portions of the sales taxes, such as the examples provided above, will match-up with the service and program needs identified by the County. For example, the County is not arguing that the HHSEGS project will generate significantly increased costs that it is responsible for under criminal justice realignment, yet a large portion of the sales tax is reserved for costs specific to criminal justice realignment.

Property Tax

In Section 5.3.1 of the May CEC Impact study, the proposed solar project is estimated to generate approximately \$3.5 million in property taxes annually. Given the 1 percent property tax rate, this forecast assumes a base year \$350 million property tax assessment for the project. This forecast is arrived at by assuming the cost of the entire facility will be \$2.18 billion, of which approximately 45 percent will be taxable non-solar property, of which 38 percent will be classified as dual-use, and thus taxable at 25 percent of full value, and 7 percent will be fully taxable. We believe it is significant to note that the effective base of this



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forecast is that the project will be valued at its cost of construction. Unless an agreement is made that the present and future owners of the solar plant will accept this base year forecast and not request a reassessment throughout the life of the project, this foundational assumption is highly questionable.

Whatever the final assessed value is, the County will only receive a little less than 30 percent of the annual tax based on this assessment. School districts in Inyo County will receive approximately 62.5 percent; and the special districts a little under 7 percent.

Mr. Eric Endler, an appraiser in the San Bernardino County Assessor's Office, told Dr. Gruen in a telephone conversation, the final construction cost of the Ivanpah project was approximately \$500 million. However, after the provisions of Revenue & Taxation Code Section 73 were considered, the actual base year for Ivanpah was approximately \$250 million, suggesting annual potential revenue from property taxes of \$2,750,000, given the San Bernardino County property tax rate of .011 percent. However, after allocations were made to all property tax recipients in San Bernardino County, it is estimated that, assuming the base year remains uncontested, the County of San Bernardino will receive \$300,000. While the scale of the two projects, when measured in terms of their electric output (370 MW for Ivanpah, and 500 MW for HHSEGS) is that the completed Ivanpah project is 26 percent smaller than the HHSEGS project, the actual property tax expected from Ivanpah is 70 percent less than what has been forecast in the CEC report to apply to the HHSEGS project, assuming that reassessments are not requested in either County.

Neither the appraiser we spoke with in San Bernardino County, nor the past experience of the Inyo County Assessor with regard to other alternative energy projects, would lead one to assume that the initial and future owners of the proposed project in Inyo County will not seek downward reassessments of the base. As is discussed in the following chapter in the subsection that deals with the forecast of Assessor's expense, that Office should assume that a project whose costs have been heavily subsidized by exemptions and assurances, at both the state and federal levels, will most likely seek to have their base year property tax lowered below construction costs, for many of the same reasons they pointed to as necessitating the receipt of federal and state subsidies.

Economic Benefits and Opportunity Costs

The regional economic model, JEDI, was used to estimate the economic benefits of both the construction and ongoing impacts of the project during operation. Important inputs to the model included estimates that during the construction phase, thirty-two (32) jobs would be created in the County directly from construction activity, and then the model was used to forecast that another seventy-seven (77) jobs would be induced through increased activity in the County. This means that during construction, total earnings by County residents would increase by \$12.1 million, while the output of the Inyo County economy would increase by



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\$73.8 million in the full 29-month period, or about \$30.5 million per year.

The model was also used to look at the effect of assuming that six (6) jobs out of a total of 120 jobs during the operation period would be filled by local residents. These jobs were forecast to "multiply" to create an additional fourteen (14) jobs, with total annual earnings of \$1.1 million, with \$2.3 million in output. While these contributions to the County economy are relatively small compared to the previously discussed effect of taxable construction spending and increases in the property tax base forecast, they are nevertheless quite questionable because of the JEDI model's failure to take cognizance of the geographic distribution of economic activity within Inyo County.

"Small area analysis is notorious for over-estimating local impacts." This comment was made by Prof. Geoffrey J.D. Hewings, the Director of the Regional Economic Applications Laboratory at the University of Illinois, an internationally-respected expert in regional economic analysis. Hewings' comment reflects the reality that economic activity is never spread evenly through space, but concentrated within differentiated agglomerations. Simply put, in those cases where a proposed new economic activity or construction project is located near other activity centers, input-output models such as JEDI can be reasonably depended upon, even when they deal with areas as small as a single county. However, given the sparseness of economic activity near the proposed site but within Inyo County, models such as JEDI can be quite misleading.

The area around the proposed project has very little to offer in terms of economic activity, but is close to much larger and more attractive activity in Nevada. Sixty-five percent of Inyo County's taxable sales are made in the incorporated City of Bishop. Bishop is 241 miles and, according to Mapquest, a 4-hour and 13-minute drive from Tecopa. Tecopa, again according to Mapquest, is 26 miles and 39 minutes driving time to Pahrump, while Las Vegas, NV is 82 miles and 1 hour and 38 minutes driving time.

The implicit assumptions of the generalizations of the JEDI model, which are built on an economic model which was first proposed by Nobel Laureate Wassily Leontief in the late 1930s, was preceded by Reilly's Law of Retail Gravitation to predict the area from which customers will come to various retail outlets. Reilly's Law noted that the attraction of retail outlets increased with their size and decreased with their distance from potential customers. The use of the JEDI model to estimate the indirect jobs and output that will be induced by local residents of the County working at the site violates Reilly's law, which neither Leontief nor any other economist has ever rejected. While it's impossible to make a sure-footed forecast of how many local residents will work at the project during its construction or operation, the JEDI's estimate of their multiplier effect within the County is very likely to be over optimistic.



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Opportunity Costs and Potential Visitor Benefits Ignored

The May CEC Socioeconomic and Fiscal Impact study shrugs off the opportunity costs of taking close to 10,000 acres of Inyo County's very limited land for private development for the foreseeable future with the following sentence on page 11: "No economic losses from reduced agricultural activity are projected as the reasonably foreseeable impact is negligible. As discussed in AFC Section 5.6 Land Use, there are currently no agricultural uses within the HHSEGS site." As the County has pointed out in numerous meetings and communications, and as the County's economic consultants, Gruen Gruen + Associates, pointed out to the representatives of CH2MHill who wrote the AFC, much of the land being taken by the project is already plotted for residential use, and as County Planning Director Joshua Hart has pointed out, the long-range planning vision for the area affected by the project includes a variety of non-agricultural uses, including not only residential but eco-resort, visitor-serving uses and possibly commercial activities, as well.

The affected area, including the approximately 6,000 acres around the project that are set aside as a potential mitigation area, is approximately 9,000 acres. For a county with so little private land available for development, the loss of future opportunities for development on this amount of acreage is significant.

Surprisingly, the project planners and the socioeconomic report seem to have ignored the potential the project would offer for the attraction of tourists to the area. Not only does this oversight represent a gap in the CEC Socioeconomic report, it also raises the concern that the interpretive center the project plans to build will not be built and operated in a way that captures the tourism attracting potential of the project.

The June 17, 2012 issue of the New York Times Magazine featured an article entitled, "The Beauty of the Largest Solar Farm in the World." The black and white photographic visuals were stunning. This type of PR is likely to encourage visitation to the proposed Charleston View site. Those visitors who strongly support solutions to global warming are the most likely to visit the BSE solar farms.

A comprehensive study of visitors to Death Valley National Park (DVNP),¹ the nation's largest park, included the results of a visitor survey conducted in DVNP in the summer of 2010. The survey revealed that 55% of the visitors to DVNP in the summer were tourists from foreign countries, most of whom came to the park after visiting Las Vegas. Forty-five percent of these foreign visitors originated from Western Europe. There is a strong crossover between these Western European visitor respondents and their response to the question, "Should the government allocate more resources to global warming?" Over 52% of those surveyed in this DVNP summer survey felt the government should allocate more

¹ Gruen Gruen + Associates, "A County at Risk: The Socio-Economic Impacts of the Proposed Yucca Mountain High-Level Nuclear Waste Repository on Inyo County, California" Appendix C, September 29, 2010



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resources. Another 19% said maybe, 14% did not offer a response, while only 15% stated no.

What these survey results suggest is that many of these summer visitors, along with visitors from the northwest, who also hold strong environmental values, may consider including HHSEGS in their visit to DVNP if made aware of the solar project and, as shown on Figure 1, that HHSEGS could easily be included on trips from Las Vegas to DVNP. How many visitors to DVNP traveling from Las Vegas would include both sites is a question to which we do not have an answer. To the extent they do, additional nearby lodging might be induced. In time, additional eating establishments that cater to these visitors would be induced.

It is important to point out that our 2010 DVNP sample underrepresented tour groups. Only 2.4% of our sample was part of a tour group. Most of the visitors on the tours had relatively limited to no English speaking skills, which may have been the primary reason they elected to take a tour in the first place. Most of the foreign visitors who were not on tour had at least adequate English skills. Should tour groups elect to add HHSEGS to their route, it is likely to add considerably to the wear and tear on the existing roads, but also likely to increase the demand for nearby food services.

Recommendations

In order to reduce the uncertainties that both these responses and the CEC Impact study agree exist with regard to the forecasts of revenues induced by the project that flow to the County, and maximize the potential that much of these revenues, particularly those potentially induced by the construction period, we would strongly recommend that the CEC meet the following conditions of approval:

1. The project sponsor shall require that all qualifying contractors and subcontractors exercise their option(s) to obtain a Board of Equalization sub-permit for the Hidden Hills SEGS jobsite and allocate all eligible sales and use tax payments to the County of Inyo.
2. That the project sponsor be required to reimburse the County for all costs associated with a consultant with expertise in sales and use tax allocation, hired by the County, to assist the project sponsor and its contractors to complete and submit all documents necessary to register the jobsite as the source of all sales and use taxes, and then work proactively with contractors and subcontractors of the project to identify and properly document all purchases in conformity with the laws and regulations of the Board of Equalization so as to maximize the amount of sales and use tax captured and allocated to the County.



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3. That the interpretive center be designed and operated so as to promote and take full advantage of the potential for expanded tourism visitation to the project and other visitor attractions in Inyo County. As previously pointed out in Chapter I, the interpretive center could be developed and programmed as a multi-purpose building providing police and fire facilities, as well as a community center and the emergency shelter identified as necessary to mitigate other socioeconomic and public safety impacts.



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CHAPTER 3

FORECAST OF PROJECT-INDUCED COUNTY EXPENDITURES

Introduction

In February of 2012, the departments in Inyo County considered the scale, location and activity of the proposed project, and estimated the costs from serving the demands for service likely to be induced by the initial construction and ongoing annual operation and maintenance of the project. Table III.1 reproduces those cost estimates, along with comments. The May Socioeconomic and Fiscal Impact Analysis authored by Richard McCann, presenting CEC staff recommendations, disputed these costs, seeking to eliminate the annual Health and Human Services costs with the comment that, "These costs would not create a significant environmental impact and are beyond the regulatory purview of the Commission." However, these costs are not beyond the regulatory purview of Title 21 of the Inyo County Code, and would be fully evaluated and mitigated by Inyo County if not for the sole permitting authority of the CEC. The failure of the Socioeconomic and Fiscal Impacts of the Hidden Hills Solar Electric Generating System [HHSEGS] on Inyo County report to undertake as thorough and rigorous analysis of the socioeconomic impacts of the HHSEGS project as would be carried out by the County – relying on staff experts in the delivery of County services rather than the self-serving interests of a project applicant and consultants with no municipal experience – under Title 21 calls into question the validity and accuracy of the entire CEC Socioeconomic and Fiscal Impacts analysis.

Table III.1 Forecasts of Departmental Costs Induced by Construction and Operation of HHSEGS			
Departments	Initial/ Construction	Ongoing Annual*	Comments
Health & Human Services		\$188,115	
Assessor	\$120,000	\$120,000	Specialized appraisal requiring the retention of expert appraiser and tax counsel.
Sheriff	\$2,130,666	\$1,269,120	Closest substation is 34 miles away, and current staff serves 3,200 square miles west of the substation.
Public Works	\$8,157,000	\$78,500	Reconstruction of Spanish Trail and annual maintenance
Information Services	\$237,600		Assumes 30 months of high speed data communications system
Agricultural	\$150,000	\$50,000	Monitoring and control project targeted against introduction of invasive weeds
Waste Management	\$156,000		Waste collection for 3 years from Tecopa RV Park and Charleston View area



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Table III.1 Forecasts of Departmental Costs Induced by Construction and Operation of HHSEGS			
Departments	Initial/ Construction	Ongoing Annual*	Comments
Motor Pool	\$33,200		Lower of two estimates of trips during construction. May be as high as \$66,000
Water Department	\$145,000	\$8,000	Estimate for creation of monitoring program and ongoing monitoring costs.
Total	\$11,129,466	\$1,713,735	
*Annual costs shown are for the first year. They are estimated to increase at 5% per year.			
Source: Information on the project's characteristics provided by the BSE AFC and additional information provided by CH2MHill in response to questions by Gruen Gruen + Associates			

In the following section of this chapter, we present a response from the Health and Human Services Department, indicating the nature, extent and rationale behind the costs that they feel will be induced upon them by the impacts of the project on health and human services. The May CEC Socioeconomic report also argued that the Assessor's estimate should be reduced from \$120,000 to \$50,000. A significant part of the contention between the two cost estimates results from the Assessor's belief that appeals for reassessment are likely. As discussed in more detail below, the estimated expenses outlined by the Assessor are reasonably foreseeable and properly included when determining the overall economic impact to the County resulting from the proposed project.

The May report also called for very significant reductions in the cost estimates of both the Sheriff's office and Public Works. In the following pages of this section, additional evidence in support of the original estimates is presented. The May impact report from CEC rejects all of the Agricultural Commissioner's cost estimates, contending that the required work will be accomplished by HHSEGS. Our responses to that comment, as well as projections in the cost of Waste Management, Motor Pool, and Water Department estimates, are presented in the following sections of this report.

Generalizations – Difference

The CEC report describes a general methodology for estimating costs, which we believe is flawed because it ignores the unique geographic, demographic and economic condition of the Charleston View area. Thus, the fundamental methodology or point of view that the CEC report utilizes to estimate the size of induced expenditures is inappropriate.

The general perspective that the CEC report takes to the forecasting of the County expenditures likely to be induced is expressed by the following quotation:

"From an economic perspective, it is the "marginal costs" that are created by



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economic or population growth that must be examined to determine whether or not a new project produces additional public sector costs. That is, a large portion of public service expenditures are fixed — they cannot be changed quickly. In many cases capital-related costs are sized with extra, or flexible, capacity. Other costs, such as staffing, may vary with demand and funding, but also can be "lumpy," that is, an employee is hired after a threshold level of demand or funding is added.

Fixed costs such as school classrooms, fire stations, and roads will generally not be affected by a small increase in demand. For example, a dozen or more students can typically be added to a school with 500 students without creating a need to enlarge the facility. Similarly, two to three additional calls a year to the fire and police departments will not create the need for a new fire station, or even another officer. However, an additional student, or extra police visit, will result in additional costs associated with supplies, transportation, and other operating expenses. A series of such small incremental increases or a single large project can reach a cumulative threshold where a new school or fire station would be required." (page 12)

As suggested by the example used in the first line of the second paragraph above, the fact that "fixed costs such as school classrooms, fire stations and roads will generally not be affected by a small increase in demand" is, in fact, generally true. But, unfortunately, the situation in Charleston View and Inyo County is such that all too often, the needed first fire station and the capacity of the existing roads do not currently exist. Thus, we are not in the classic situation taught in the classroom where average costs decline as production is ramped up through increases in variable costs without any additions to capacity. This is a great model for a classroom, general understanding of economic realities. But applying that same model to the situation in Charleston View would be similar to having told Henry Ford that in order to build automobiles, all he had to do was move some additional workers to the River Rouge and not worry about either building a new plant or having enough workers to efficiently man the first production line. The CEC report's methodology of consistently assuming the appropriateness of employing a marginal cost approach to projecting the costs of induced County revenues versus the County's approach of actually considering the fixed capital costs and increase in staff capacities required may well account for a significant portion of the large differences between the expenditure estimates projected by the two entities. The total cost estimated by the County is over \$11 million during the construction period, and \$1.7 a year million thereafter, while the CEC analysis comes up with just under \$2.8 million during the construction period and just under \$390,000 on an annual basis.

Health and Human Services

The second paragraph on page 7 discusses the rationale behind the staff conclusion that the construction and operation of the project will not cause any additional workers to move into the local area. On page 15, the opinion of BSE and Bechtel with regard to the Ivanpah



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SEGS project is expressed as follows:

"All workers would reside within commuting distance of the proposed ISEGS site, and therefore would not need to move into the area. Therefore, no construction or operation-related impacts are expected on the local housing supply availability or demand."

The report goes on to point out that the HHSEGS site is located within an hour of the suburbs of Las Vegas, NV, and that Pahrump, NV is less than 15 minutes away. The last paragraph on page 15 refers to a December 12, 2011 letter from Inyo that refers to the possibility of workers living in Southeast Inyo near the project on lots or in trucks with camper shells, in order to obtain inexpensive housing. However, this letter was amended with one dated January 5, 2012, that was emailed to Mr. Monasmith on February 29, 2012. The January 5 letter suggested that, "We expect that even if a minimal number of BrightSource employees reside in Inyo County, at least some of them can be expected to require some level of HHS services, simply based on residency." The letter goes on to explain the kinds of services that would require travel to the Tecopa office by members of the County of Inyo Health and Human Services staff.

Given the differences between conditions around the HHSEGS site and the Ivanpah Solar Energy Generating Station, it does appear reasonable that some of the workers will seek to locate in Southeast Inyo County during the construction period, and possibly even during the operations period.

Health and Human Services can likely absorb any additional caseloads that result from a very small number of workers relocating to southeastern Inyo County. As stated at the bottom of page 15:

"It is likely that the operational workforce of 120 would be largely drawn from the local population and if not, this increase would not represent a substantial increase in demand on services. In addition, *this population is likely to be employed and of working age* so demands on social services should be less than the average experienced in the region."

We agree with this assessment. However, if the assumptions are incorrect and the demand for services increases, we present in Table III.2 the thresholds for different programs that would trigger the need to hire additional staff -- either paraprofessional staff to facilitate connections to services in Tecopa, or professional staff based in Bishop or Tecopa to provide direct service.

As explained in the Health and Human Services memo dated January 5, 2012, staffing ratios to persons served can vary from 1:6 to 1:150, depending on the program. The huge variance



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in staffing ratios, combined with the uncertainty around the number of new residents who may be qualified for and seek services from HHS, make it very difficult to estimate the impact to the department.

Proposed Condition: Provide funding to hire additional HHS staff in the Tecopa office or to contract with appropriate service providers, should HHS caseloads significantly increase due to an increase in project-related population.

As identified on page 4.4-5 of the Preliminary Staff Assessment (PSA):

"Electricity generated by HHSEGS would be sent to substations 10 or 64 miles from the project site, depending on which option is implemented. The electricity would be connected to the California ISO-controlled grid and would come back into other parts of California. Natural gas used to augment the solar operation at HHSEGS would use all the natural gas provided by the 12-to-16-inch gas pipeline. Alternatively, given the fact that the 36-inch gas line would be only nine miles from the California border, it is possible that gas could be available for future development in the local area (Charleston View, Shoshone, and Tecopa). However, the scarcity of local groundwater resources and the existing land use designations are serious constraints to economic development."

Despite the scarcity of groundwater resources, bringing gas and electric lines to the project site could spur population growth. If so, non-project related population increases could have a larger potential impact to Health and Human Services, given that the needs of the new population would likely mirror the needs of the current population. In other words, an increase in non-project related population would have a greater, and ongoing, impact to the Department of Health and Human Services than the population growth related strictly to the project. Please refer to Table III.1 for current HHS caseload and capacity information.

Proposed Condition: Provide funding to hire additional HHS staff in the Tecopa office or to contract with appropriate service providers, should HHS caseloads significantly increase due to growth-inducing impacts.

The PSA sets forth a proposed condition requiring BSE to develop an Evacuation Procedure on page 4.5-17. In Inyo County, the HHS Social Services division is responsible for providing evacuation centers and shelter care during local disasters that result in evacuation. HHS is concerned that inadequate shelter space is available in the southeastern portion of Inyo County, in case a disaster closes evacuation routes to the east or south of the solar project.

Proposed Condition: Coordinate with Inyo County to identify and, if necessary, fund suitable shelter options should a disaster necessitate evacuation of the construction site.



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Health and Human Services continues to hope that there will be a number of positions (10% of project workforce) reserved for local employable adults who reside in Inyo County. Further, the Department hopes that the developer will work with the Health and Human Services Employment and Eligibility division to include work experience and training slots reserved for CalWORKs and WIA participants.

Table III.2 presents the current HHS caseload and staffing thresholds. We believe the above and the information contained in Table III.2 more than substantiate the estimated ongoing costs of \$188,115 per year for the Department of Health and Human Services. This cost is likely to escalate in the course of inflation.



Table III.2 Current HHS Caseload and Staffing Thresholds

Division	Approximate Caseload	How Caseload is Covered Now	How Many Additional Cases Can Be Absorbed	At what threshold do we need a new employee	If adding staff, what classification
Behavioral Health	Substance Use Disorders (SUD): 1 Drinking Driver Program (DDP): 3 Mental Health: 8	SUD, DDP, and mental health contacts by videoconferencing, plus Psychiatric Nurse travels to the area bi-monthly to provide outreach. Four consumers receive counseling services from a contract provider in Pahrump.	Approximately twice the current caseload	If there is consistently more than five people required to attend DDP classes, may need an additional class (class enrollment limited to 12 people), requiring additional part-time Addictions Counselor	One part-time Addictions Counselor
Social Services- Employment and Eligibility	CalWORKs: 8 County Medical Services Program: 5 Food Stamps: 17 MediCal: 14 General Assistance: 0	Occasional travel required from northern Inyo. Most applications are processed by phone, online, or by mail. Tecopa-based staff verify residency for programs, if required; collect required documentation; and do the fingerprinting, when necessary.	A small caseload increase could easily be absorbed by current staff in Bishop.	If caseload doubles, would need an additional HHS Specialist to facilitate application process.	One part-time of full-time HHS Specialist (para-professional)



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Table III.2 (cont.) Current HHS Caseload and Staffing Thresholds

Division	Approximate Caseload	How Caseload is Covered Now	How many additional cases can be absorbed?	At what threshold do we need a new employee?	If adding staff, what classification?
Social Services-Adult and Children's Services	Child Welfare (CPS): 1/quarter Adult Protective Services (APS): 1-2/quarter In-Home Supportive Services (IHSS): 12 Area Agency on Aging (AAA): avg. 85 for meals.	IHSS staff travels about once every two months for client assessments. CPS/APS responds as mandated 1-2 times/quarter. We rarely have cases in APS or CPS in southeastern Inyo, but did recently have to remove a child from a home out there and that case required travel more than once per month to facilitate visits with the parent. We utilized Tecopa-based staff to transport the parent half-way to minimize total travel time.	2 CPS and/or APS investigations per month would significantly strain the current staff.	2-4 investigations per month for CPS or APS that result in services would require a full time Social Worker in Tecopa. That worker would respond to investigations, provide appropriate services, and perform IHSS assessments. This would also require regular on-site supervision (probably a Bishop-based Social Worker Supervisor who travels regularly to Tecopa plus provides daily telephone contact).	One full time Social Worker in Tecopa plus one part-time Social Worker Supervisor in Bishop.



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Public Health	<p>CA Children's Services: 2-3/yr. Clinic Services: limited Women Infants & Children: avg. 1-2 cases Medical Marijuana ID Card (MMIC): 4</p>	<p>For clinical and immunization services: Professional staff travel to Tecopa area twice/yr. Clinic services provided by contractor in Furnace Creek. CCS: Case management provided by phone from Bishop on average once/mo./client. MMIC: Applications collected by Tecopa staff approx...4/year and processed in Bishop. WIC: quarterly contact with clients by phone or mail from Bishop.</p>		<p>Public Health- Not likely needed. CCS and WIC caseload would have to increase sizably to impact staffing patterns.</p>	
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Table III.2 (cont.) Current HHS Caseload and Staffing Thresholds

Division	Approximate Caseload	How Caseload is Covered Now	How many additional cases can be absorbed?	At what threshold do we need a new employee?	If adding staff, what classification?
Tecopa	<p>Residence verification for services; Transportation to services; Prevention/education direct services (Senior meals for AAA); Collect application paperwork and coordinate contact with professional staff.</p>	<p>Weekly trips (mileage for round-trip to: Charleston View (55 mi); Pahrump (85 mi); Shoshone (16 mi). Travel to Stovepipe Wells as needed for meal pick-up (184 mi. round-trip) Travel to Bishop bi-monthly (480 mi. round trip).</p>	<p>A very small increase, especially in Employment and Eligibility program applications, could be absorbed.</p>	<p>Any increase in direct service, transportation, or resident verification would require additional staff in the Tecopa office.</p>	<p>One part-time of full-time HHS Specialist (para-professional)</p>



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Assessor

The County had estimated that the additional costs to the Assessor's Office during the first year and during the operational period will be \$120,000 per year. As stated on page 16 of the May CEC impact report to which we are responding, Gruen Gruen + Associates had previously pointed out that ongoing annual legal costs alone to the Assessor's Office could be \$50,000 (CEC-2012.D). The May CEC report rejects these costs by writing the following:

"However, given that the majority of these costs are for adversarial legal proceedings, it would be presumptive to require BSE to pay the County's legal fees prior to the determination of the outcomes of proceedings that may not even occur."
(page 16)

The historic experience that Inyo County has had in battling with geothermal energy producers amply documents the costs of litigation that are likely to be induced. Moreover, the suggestion that BSE should not be required to "pay" for the County's legal expenses misses the point of the required socioeconomic analysis. In order to determine the impacts to the County and whether such impacts will be covered by the project's anticipated economic benefits, all reasonably foreseeable costs are properly included in the calculation. Moreover, the decreased property tax revenues received by the County as a result of Revenue and Taxation Code section 73, a benefit not enjoyed by the geothermal energy producer, is also included in the calculation. The question then becomes whether the economic benefits derived from the project are sufficient to cover the economic impacts to the County.

It is ironic that the same paragraph on page 16 contains the following:

"The staff also believes that Inyo County can generate substantial savings by sharing information and resources with neighboring San Bernardino County, which will be assessing the virtually identical Ivanpah Solar Energy Generating Station."

Dr. Claude Gruen called officials in the Assessor's Office and the Department of Public Works, in order to obtain the benefit of their experience. Mr. Eric Endler, an appraiser in the Assessor's Office, was very familiar with the property tax assessment of the Ivanpah property. He indicated that San Bernardino would hope no reassessment is requested; however, they would not be surprised should such requests be presented to them in the future, and are already taking prudent steps to prepare themselves for that possibility.

What we have learned from San Bernardino does lend further credence to the County's estimate of costs likely to be faced by the Assessor's Office as the project is assessed.



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Sheriff

On page 16, the consultant's report concluded in the first sentence under Sheriff, "Reviewing the Energy Commission's staff assessment for 16 remote solar and natural gas fired power plants, project related increase in property damage and theft were not identified as issues that would substantially increase demands on police protection services. For the project reviewed, law enforcement response times ranged from three minutes to one hour." Yet on page 4.9-19 of the May, 2012 socioeconomic portion of the PSA, authored by Steven Kerr, it states that, "As such, response time to an emergency on the project site ranges between 30 minutes to 4 hours. Depending on the type of assistance needed and the geographic location of the other deputies, response time for any additional or specialized assistance could be an added 3 to 4 hours on top of the 30 minutes to 4 hours initial response time." Among other things, the differences in time between 3 minutes to 1 hour, and 30 minutes to 4 hours, would refute the validity of drawing conclusions about the demand for police protective services in and around the HHSEGS, with evidence drawn from the 16 remote solar and gas fired power plants sited by the Energy Commission staff assessment. What is not mentioned in the analysis is that the San Bernardino Sheriff has a well staffed substation in Baker, California, which is less than 51 miles (or about a 45 minute drive) from the site of the Ivanpah project now under construction.

The report continues,

"Discussions with San Bernardino County Sheriff's Departments have indicated that the Ivanpah, Kramer Junction, Daggett, and Harper Dry Lake Solar Energy Generating Systems have not increased the number of incidents requiring responses by the Sheriff's Department." (page 17)

Nowhere in any of the documents has any evidence been presented that the access, proximity to other activities, level of vandalism and other types of criminal activity, that pertain to the site considered by those interviewed and data presented is similar to such conditions at the proposed HHSEGS. In addition, the report fails to report increases in calls for service in Primm, Nevada, where the Ivanpah labor force resided during construction. According to a conversation between Lt. Jeff Hollowell and the Clark County Sheriff's Department, calls for service in Primm, Nevada increased by 30% during the timeframe when the Ivanpah facility was being constructed. Unlike Ivanpah, the HHSEGS project site is surrounded by private land where intermittent squatting and illegal "camping" already sometimes occurs. Given the statements by BSE that the proposed project will be constructed under the terms of a project labor agreement, a fact completely disregarded by Dr. McCann, an increase in the local population during construction is reasonably foreseeable and, as experienced in Primm, a corresponding increase in calls for service will most certainly follow. The statements made in support of the lower demand for police services, the drastically reduced estimates of additional resident deputies, the conclusion that



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an additional substation building would be unnecessary, simply don't stand up. Further, using the U.S. Bureau of Justice Statistics national data to estimate the average tenure of sworn officers assigned to the Charleston View area of Inyo County ignores the unique quality of life factors associated with serving long stints assigned to Charleston View. None of the evidence presented in the preliminary staff report raises to the level of validly refuting the locally-based experience and police data presented by Sheriff Lutze.

In continuing support of his estimate of \$2,130,966 during construction and annual costs of \$1,269,120 in normative dollars, Sheriff Lutze and Lt. Jeff Hollowell have submitted a letter and comments on the Preliminary Staff Assessment (PSA) and the impact analysis authored by Dr. McCann. These comments are attached hereto as Appendix A.

Public Works

The CEC report reduces the one-time construction costs of \$8,157,000, presented in writing and testimony by Doug Wilson, the Interim Director of Inyo County's Public Works Department, by \$6,944,000, suggesting that the required overlay can be compensated for. Perhaps Mr. McCann was under the mistaken impression that the County proposed a total reconstruction of the road. This is not the case. If the roadway is to sustain the traffic, and Mr. Wilson certainly did not mean one or two trucks, it must be improved with an overlay at about the price estimated by the County. To totally reconstruct the road would cost much more.

The CEC staff report also seems to suggest that Mr. Wilson believes even one truck per day would require an overlay. This is also not the case. What Mr. Wilson has contended, and we believe would be supported by an outside expert on this matter, is that even if 5 percent of the truck traffic were to go west, the overlay would be required. In Mr. Wilson's own words, "If 100% requires an overlay, then it does not follow that 50% requires 50% of an overlay."

If we are reading the report correctly, the estimate of traffic conditions presented is based merely on the BSE statements, which the report argues are confirmed by Doug Wilson's testimony at the May 9 workshop, that "The County was unlikely to incur large costs on Old Spanish Trail west of plant site (CEC 201D)." The report continues that this would only be the case if there were a mechanism in place to assure that traffic does not use that route. Nowhere in the report is there any indication that such a mechanism has been set up by the California Energy Commission, or that funds have been appropriated for Inyo County or a third party to establish such a mechanism. It is therefore necessary that as a condition of certification, BSE, its contractors and subcontractors be required to use that route which does not include the portion of Old Spanish Trail west of the project site and further provide for a per truck fine should the condition be violated.

At the May 9 HHSEGS workshop, speakers familiar with conditions on the relevant section



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of the road voiced concern about the possible impact of an accident along Tecopa Road, resulting in the roadway being blocked for a substantial period of time. Such a blockage would prevent residents and emergency vehicles from accessing necessary services in Pahrump and/or Las Vegas, as Tecopa Road and the Old Spanish Trail are the only way in or out to the east. One citizen suggested that BSE pay for the paving of the County road currently being used by mining operations in San Bernardino County as an alternative to the routes vehicles presently intend to use to and from the project.

In the absence the condition noted above, the County believes Mr. Wilson's estimates stand. This most certainly applies as well to the estimate of annual operating cost of \$78,500, which the staff report also disputes.

Agricultural

The Fiscal Impact study prepared by the consultants for the California Energy Commission agrees that, "The costs projected by the Agricultural Commissioner appear consistent with weed management costs for other projects." However, the assessment goes on to argue that applicant is required by the conditions of certification "to develop and implement weed management plans." They contend that, "conditions of certification as described in the Biological Resources section of the HHSEGS PSA requiring HHSEGS to develop and implement a weed management plan, it is expected that additional weed management by the County will not be necessary." (page 19)

The County does not contest this, but feels the CEC doesn't answer the question of who will check on the weed management and take corrective action should that management not be up to the standards of the County Agricultural Commissioner. The increase in activity associated with the construction and operation of the HHSEGS correlates directly with the increase in the threat of weed introduction and a likely increase in the introduction of agricultural pests, not only on the project site but off site, which is not under the jurisdiction or monitoring of the CEC. The County Agricultural Commissioner believes the PSA underestimates the increase in vehicles and related interstate activity. He believes that monitoring and dealing with these threats requires a commensurate response from his office, increasing both demands on staff as well as travel expenses.

Waste Management

The response to the County's estimate of waste management costs seems superficial at best, concluding that, "At this time, the staff believes that no additional costs will be incurred by the County for this project." As far as we can tell, this belief is based on the fact that housing conditions at Ivanpah were such that no additional waste management costs were induced. Furthermore, it was stated that Ivanpah "is similarly remote." It is our understanding that Ivanpah is very close to Primm, which has a large supply of transient housing with



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considerable vacancies available in housing, and infrastructure capable of handling waste generated by additional residents.

As we read it, the position ascribed to the staff in the Socioeconomic and Fiscal Impact Report, authored by Dr. McCann, is that it is just too early to tell whether additional waste disposal services will be required during the construction or operation of the project. If and when the need for such facilities and costs arise as a result of the project, how will the County go about getting a determination that these costs are necessary for health and safety? Secondly, assuming that the need for such facilities is self-evident, who will be judged to be responsible for paying these costs, and how will that judgment be enforced?

Motor Pool

The Inyo County estimate of Motor Pool costs having trips to the area as a result of a broad variety of activities potentially related to the project, with the exception of the Sheriff's office, was \$33,200 during the construction period. The report indicated that staff forecast no costs would accrue to the County as a result of people having to drive to the area, even though similar cost estimates have been provided to other projects. The rationale given was, "The Commission is fully responsible for all compliance and inspection during both construction and operation, so the County need not incur any costs to visit the worksite or the operating facility." (page 20) However, the construction of the facility will result in service needs from the County off-the project site and, therefore, outside of the jurisdiction of the Commission. Given the geography of the County, those services will, in most cases, be provided from County offices located in the Owens Valley. As a result, demands on the County's motor pool system will also increase.

Water Department

The May CEC socioeconomic report failed to understand and appreciate the grant funding impacts the County may suffer should the County fail to comply with the mandates of SBX7-6 as a result of the project. Dr. Robert Harrington, Director of the Inyo County Water Department, provided the following detailed explanation to support his cost estimates:

The State of California enacted legislation in 2009 (SBX7-6, Statutes of 2009, Seventh Extraordinary Session, chaptered as Water Code 10920 et seq.) that requires all groundwater basins and subbasins delineated in *California's Groundwater*, the Department of Water Resources' (DWR) Bulletin 118-2003, to be monitored for seasonal and long-term trends in groundwater elevation. The data collected is required to be reported to DWR who will in turn compile the data in an online system that is accessible to the public. The law identifies numerous entities such as counties, cities, water districts, and groundwater monitoring cooperatives that may



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assume responsibility for the monitoring. Notably, state, tribal, and federal agencies are not among the eligible monitoring entities.

To fulfill the requirements of the legislation, DWR initiated the California Statewide Groundwater Elevation Monitoring Program (CASGEM). Participation in CASGEM by local entities is voluntary; however, if no eligible local party volunteers to become the designated monitoring entity, DWR may undertake the groundwater elevation monitoring. If DWR assumes responsibility for the groundwater monitoring, nonparticipating eligible monitoring entities may lose eligibility for water grants and loans awarded or administered by the state. Naturally, Inyo County is concerned about the potential for losing eligibility for these grant funds, and wishes to comply with the requirements of CASGEM. No funding was provided in the legislation for local entities to implement this new state program.

SBX7-6 does not allow for exceptions to its requirement that groundwater elevations be monitored in all groundwater basins. In many remote desert basins in Inyo County, designation as federal wilderness or military uses render it impossible to construct monitoring wells, and additionally, many other basins have no significant groundwater pumping. To address these flaws in the SBX7-6 legislation, in August 2011, legislation passed (AB 1152) amending Water Code Sections 10927, 10932, and 10933, and authorizing that a monitoring entity may report groundwater elevations using specified alternate monitoring techniques for certain groundwater basins and subbasins meeting prescribed conditions. AB 1152 allows that, at DWR's discretion, a monitoring entity may use alternative monitoring techniques to assess whether groundwater conditions in a basin are changing. Alternative monitoring techniques may be approved by DWR if groundwater elevations are unaffected by land use activities or planned land use activities.

Approval of HHSEGS will invalidate any argument by Inyo County that the California portion of Pahrump Valley, California Valley, and Middle Amargosa Valley are unaffected by land use activities; therefore, the County will be required to either develop a program for reporting groundwater elevations to DWR, or be ineligible for state water grants and loans. In order to comply with CASGEM requirements, the County could use the groundwater elevation monitoring data proposed in condition of certification Water Supply – 6 and Water Supply – 8 if those data are made available to the County. To that end, we request that the conditions of certification be modified to require that:

- 1) Groundwater elevations reported as part of this project should be provided to the County with the understanding that the County may report those data to DWR as part of the CASGEM program. These data would be publically available through the CASGEM program.



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- 2) Groundwater elevations should be monitored throughout the duration of the project. Specifically, Water Supply – 6.C.4 and Water Supply – 8.C.5 should be modified to require that groundwater elevation monitoring and reporting continue for the duration of the project. Monitoring should be done at least twice each year.

For the reasons outlined by Dr. Harrington, above, the estimated impacts to the County Water Department under SBX7-6 are appropriately included and justified.

Reaction to Impact Report's Discussions of Changes in Indirect County Expenditures

The comments made by the Socioeconomic and Fiscal Impact Report in Section 5.2, under the heading "Changes in Indirect County Expenditures," seem gratuitous at best. The section starts off by stating, "The solar project could result in changes to local governmental expenses, primarily in two ways. The first is increased spending induced by increased population. The second is decreased spending caused by improved socioeconomic conditions." In the following paragraph, they argue, we believe correctly, that "The applicant's plans to employ up to 1,033 workers during the peak construction period should have a negligible effect on the County's current population of 18,546, and labor force of 9,550." (page 20)

The report goes on to indicate that a majority of the workers will reside in neighboring counties. This is true, but hardly relevant, because the indirect costs of the project are not primarily induced by increases in population, but in all of the many governmental activities required to deal with issues that would not exist without the proposed project. As the Commission well knows, the costs of dealing with the application itself and responding to a variety of relevant documents, such as the Socioeconomic and Fiscal Report that is the subject of these comments, has taken a significant amount of staff and consulting time, and the monitoring of activities in the project and services to it will continue to do so after the construction starts and the project becomes operational.

A quick look at the CEC report's own estimates (see Tables 4.1 and 4.2, page 11) indicates that increase in local jobs and earnings are relatively small during the construction period, and insignificant during the 25 years of operation. Thus, while in many situations we can see where the generalizations about the indirect benefits to the local economy may outweigh the indirect costs of the project, that generalization cannot be shown to apply to the effect of the proposed solar project on Inyo County's governmental activities.



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Appendix A

Response from Sheriff's Department

Date: June 14, 2012

To: Dana Crom, Deputy County Counsel

From: Sheriff William Lutze

RE: Response to Hidden Hills Project

Dana,

My staff and I have reviewed the Bechtel Security Plan, Dr. McCann's report, and the PSA.

There are a variety of issues and concerns, as detailed in Lt. Jeff Hollowell's document (attached). The Hidden Hills Project documents make many assumptions, that in some cases are not based on facts, and others simply cannot be done by law. The report, on several occasions, makes reference to other sites that are managed by Bright Source. Quite frankly, as I have stated in several meetings, the other sites are not in Inyo County; and although they are a reference, as Sheriff I have a responsibility to serve the people and protect the property within Inyo County. Law enforcement is a specialized field and there are many factors to consider when reviewing this type of impact to the area that I am responsible for.

After reviewing the Hidden Hills Project documents I have determined that as presented they have not addressed the issues regarding law enforcement and emergency services; and I remain with my original plan as presented to ensure that adequate services will be provided.

Sincerely,

William R. Lutze, Sheriff

Attachment: Staff report by Lt. Jeff Hollowell



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Sheriff Lutze,

I have reviewed the Bechtel Security Plan, Dr. McCann's Report and the PSA. There are several glaring issues that I'd like to address:

Site Security Plan:

1. The plan calls for one ingress/egress point to be manned 24/7 by a security guard with various duties related to the gate and parking areas. There is no mention in the security plan of what the security guard's responsibilities are if either a conflict, theft, or other criminal issue arises in regard to contacting law enforcement.
2. The plan calls for an 8-foot chain link security fence; however, it does not mention any cameras, sensors, security lighting or roving patrols. The plan does mention inner fencing around structures, but again, no other security components mentioned.
3. The plan states the security firm has a right to search any vehicles, persons or personal equipment; and if contraband is located they will notify law enforcement if deemed appropriate by the "company". Clarification is needed.
4. They have an extensive section on "bomb threats", most likely due to homeland security concerns. As for their responsibilities regarding bombs, according to the current plan, the Site Manager is to come up with a strategy for responding to a bomb threat with the assistance of the Manager of Security out of the San Francisco office; and as for notifications, the plan states the Site Manager is to report any bomb threats to the Construction manager, Project manager and other appropriate management personnel. It does not say if or when law enforcement will be notified. This plan as written is not acceptable.
5. The security plan provided is for "construction phase" only and does not address the operational phase of the project.
6. The plan does not indicate the size of the "security force"
7. Based on the Security plan, we are at the same figures as originally proposed to the County for fiscal impacts.

Dr. McCann's Report:

1. Dr. McCann's report underestimates the responsibilities of the Sheriff's Department. Perhaps Dr. McCann is not familiar with the duties and responsibilities of the Sheriff?
2. The report assumes there will be sufficient security at the site, thereby diminishing the responsibility of the Sheriff.
3. The report further assumes there will be no project labor agreement (PLA). If there isn't one, their assumptions may be close as to workforce, housing, waste management and taxable income. If there is one, the workforce will come from California first and only after that fill from Nevada. Having said that, if the



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workforce comes from California the transient occupancy within the County of Inyo would be far more than their anticipated six (existing) people. As you stated in Sacramento, we believe people will not want to stay in Nevada Hotels when they can camp, rent or just stay somewhere close to the worksite. This creates a larger demand on emergency response needs.

4. On Page 10 of the report, Dr. McCann states "...of the 18,589 construction personnel employed..." I have not seen that figure before.
5. On Page 12 Dr. McCann states that we will have only two to three additional calls a year for fire and police. I believe he is basing this assumption on Bright Sources' belief that they can contract with Nevada for law enforcement (due to 50 mile radius for mutual aid) and EMS. As has been stated before on several occasions, this can't happen.
6. On Page 13 Dr. McCann states that the primary burden the solar project places on police services is the need for additional patrols to prevent and investigate crimes against property. It further states their security devices (fence and gate guard) and appropriate facility design may minimize this need. We don't know what that is as it has not been outlined in the security plan or agreed to.
7. Dr. McCann's report indicates the County would also benefit from sales tax as employees will be spending their disposable income on food, appliances and clothing locally. Not in the area.
8. Dr. McCann's report states SBCSD calls for service have not increased due to the generating plants located there. I have placed a call to SBCSD and anticipate a response soon from them regarding calls for service at their multiple plants.

Preliminary Staff Assessment (PSA):

1. The PSA does not address the issues and fiscal impacts on the Sheriff's Department and eludes to the security plan may mitigating or removing impacts on the Sheriff's Department.
2. It further leaves the impression that Nye County Nevada law enforcement and EMS services are under contract with us, therefore allowing them to handle emergency calls within our county. Law Enforcement of any kind cannot by law be contracted.
3. ICEMA has a mutual aid agreement with Pahrump, but they will not allow them to contractually enter into agreement with Bright Source and provide medical services unless under mutual aid.

As you can see there are many assumptions and miss-information regarding law enforcement's role in this project. As soon as I receive the stats from San Bernardino County I will forward them to you.

Conclusion:



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Based on the findings of the PSA, Dr. McCann's report and the security plan provided by Bechtel, I wouldn't change any of our responses to the CEC. Their security plan is a band-aid on what would be necessary for a 2.9 billion dollar project, especially one that will become a target of potential terrorist strikes, thefts and vandalism; as well as our responsibilities to the work force and infrastructure with regard to Emergency Service and the citizens living in the area.

