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The Nature Conservancy's Comments on SB 100 Land Use Workshop

Additional submitted attachment is included below.

February 15, 2024

California Energy Commission 1516 Ninth Street Sacramento, CA 95814

Docket No. 23-SB-100 Submitted via electronic comment system

RE: Comments on Senate Bill 100 Land Use Workshop

Dear Commissioners and Staff:

Thank you for including The Nature Conservancy (TNC) on the Land Use and Achieving SB 100 panel during the Land Use Workshop on February 1, 2024. TNC thanks the Commissioners, staff, and fellow panelists for leading and preparing informative discussions, and encourages the Joint Agencies to continue to include Tribal representation at each workshop.

The Nature Conservancy (TNC) submits the following comments in response to the questions posed by staff to stakeholders:

1. What are the land-use-related challenges to SB 100 implementation?

TNC commends the CEC, CPUC, and CAISO on the joint efforts and coordination demonstrated by agency staff and reflecting the commitments of the Memorandum of Understanding (MOU). As a science-based organization interested in how California can achieve decarbonization while protecting natural and cultural resources, TNC recommends Joint Agency attention to the following challenges in order to achieve SB 100:

• Avoiding and minimizing impacts to important natural and working lands and avoiding impacts to cultural resources: TNC's research *Power of Place* looked at scenarios for meeting SB 100, considering factors like transmission, energy costs, and ecological values. TNC's research finds that it is possible to meet California's decarbonization goals (and decarbonization goals across the West) while minimizing impacts to natural and working lands. Avoiding trade-offs requires careful and coordinated planning and robust Tribal and community engagement. State tools, such as the CEC's Land Use Screens represent a step change in California's ability to confront these issues. These tools are shifting the technology mix and transmission assumptions to achieve SB 100 while minimizing impacts. This result is critical, as *Power of Place* shows that 10 million acres of important natural areas in the Western U.S. are impacted by the clean energy buildout under business as usual development. We know that energy planning that includes land use considerations can dramatically reduce conservation

impacts with minimal additional costs. In fact, TNC finds that the added cost of protecting important natural areas in the Western U.S. adds only around 3% to the total cost of the transition. We expect the savings in avoided siting permitting litigation and construction delays to offset that cost. Considering California's other goals that are also critical to the state's future, such as 30x30, we need to achieve SB 100 in a way that minimizes impacts to natural areas, habitat, and biodiversity and do so in a way that is affordable for ratepayers.

 Where there is alignment-between resource potential, transmission availability, environmental criteria, and social and economic interest-identifying and implementing strategies that support communities hosting new energy projects:

A <u>recent DOE survey</u> identifies community acceptance as one of the fastest-growing challenges to clean energy deployment nationally. When looking at the latest IRP results, this is especially consequential in areas that are impacted by groundwater restrictions that are leading to land use changes. Successfully implementing SB 100 is likely to require State attention to the questions of how utility-scale projects can work for and benefit communities where clean energy development occurs.

As a number of panelists highlighted during the workshop, successful implementation of SB 100 also requires meaningful investment in processes and partnerships to coordinate planning between the State and local entities. Importantly, this is likely to require a massive effort requiring significant coordination across State teams and resources to succeed. It is also likely to require the facilitation of local and regional access to planning funding and technical support. TNC commends the Joint Agencies and other State agencies, including the Department of Conservation, on the steps that are already being taken to coordinate between the State and local entities.

- Ensuring coordination and alignment between energy resource planning and transmission planning: With transmission development requiring 7-10 years on average, transmission is an important short term challenge with long term consequences, and we know the scale of this is massive with each year's planning cycle representing thousands of miles of wires. TNC recommends we continue to maximize grid enhancing technologies, battery storage as transmission solution, reconductoring of existing lines, and co-location in existing rights of way to minimize risks of conflict, greenfield development in intact landscapes, and higher costs.
- Fully and most accurately assessing non-energy costs and benefits. Specifically, the Joint Agencies and stakeholders should continue to discuss and evaluate the cost benefit ratio of DERs, including how to fully account for the role of transmission upgrades avoided, transmission management and wildfire risk alleviated, and acres conserved.

- Achieving decarbonization in a way that supports thriving and resilient communities. TNC reminds the Joint Agencies that reliability, affordability, non-energy benefits, and social costs are also key factors in evaluation of the pathways. Several panelists at the February 1 workshop highlighted the relationship between these factors and energy infrastructure ownership models. TNC recommends that staff consider evaluating how each scenario is expected to influence ownership models, such as identifying which scenario(s) are expected to correspond with higher levels of Tribal, local community, disadvantaged community, and individual ownership of generation and transmission. Specifically, this could include considering which scenarios most closely align with recent funding programs, such as the EPA's Solar for All program.
- Achieving SB 100 alongside other state goals and expected land use transitions that will significantly shape land use in California, such as 30x30, groundwater restriction, and housing development. Where comparable geospatial data exists for other state priorities, plans, and modeling or forecasting, it is likely valuable to look at the overlap of that data and, further, identify regions where there is the highest risk of competing priorities and where there is the highest alignment of land use patterns with the State's decarbonization goals.

2. Do you agree with staff's proposed goals?

TNC supports staff's proposed land use goals, and suggests that it will be helpful to continue to present these goals with the context of SB 100's overall goals.

- Review progress on SB 100 resource build and land use planning coordination: TNC is not aware of recent efforts that have attempted to summarize progress on California's decarbonization plans in the context of land use to-date so highlights the significance and value of such an exercise. TNC recommends that related work include analyzing the overlay between the CEC Land Use Screens that reflect least conflict locations for resources and resource build to-date, understanding that the Land Use Screens were updated and have evolved since the first SB 100 report. This will provide the Joint Agencies and the public with perspective on alignment of the resource buildout to-date with environmental, social, and cultural interests and help all parties identify learnings as we move forward to achieve SB 100.
- Explore opportunities to reduce environmental and land use impacts: TNC applauds the inclusion of this goal. As discussed above, TNC's research shows that negative environmental impacts are both consequential and avoidable with adequate planning, consultation, and engagement.
- Identify land use implementation challenges to resource build deployment: TNC supports consideration of potentially competing land-use goals so that potential conflicts

can be anticipated and the State's goals can be achieved together. TNC further recommends that the Agencies pay particular attention to what works and what does not work. It could be valuable to have a summary of case studies reviewing examples of land use conflict and local opposition to proposed clean energy infrastructure development in the past, reviewing solutions that emerged in response to such conflicts in the past, and providing a sampling of best practices.

• Evaluate land use uncertainties and tradeoffs across scenarios: TNC acknowledges that this is an important and likely one of the most challenging goals, especially with regard to comparing information with varying levels of certainty. TNC recommends that expected and modeled climate impacts to energy infrastructure be included whether directly as part of this goal or as part of land use implementation challenges. It could also be valuable to explore the degree to which market forces will shape clean energy development and extrapolate potential resource mix and related land use uncertainties. For example, James Sallee, Professor in the Agricultural and Resource Economics department at UC Berkeley, recently wrote about the potential role of higher interest rates: "Do High Interest Rates Threaten the Green Transition?" for the Energy Institute at Haas.

TNC recommends that a high-DER scenario should be explored, and if the portfolio is shown to have higher capital cost than other scenarios, then this should be compared to the benefit of resource adequacy contributions, avoided transmission network upgrades and subsequent avoided wildfire risk, and avoided siting litigation and construction delays. There is uncertainty in the value of these benefits but there is a possibility that they could be significant.

- Expand and update understanding of the land area and sea space required to achieve SB 100: This is important and valuable, especially as we know technological assumptions are being refined frequently. TNC commends Joint Agent staff for how those assumptions are being updated and coordinated across energy planning processes. TNC agrees with other stakeholders that related infrastructure should be included as part of any assessment of space requirements.
- 3. Do you agree with staff's resources under consideration?

TNC supports the categories identified for resources under consideration. TNC looks forward to participating in the definition and expansion of those categories to guide discussion and analysis as part of development of the report.

4. Do you agree with staff's proposed approach to resource mapping for the scenario analysis?

TNC supports the proposed approach and underlying informational resources for the scenario analysis. TNC recommends that CPUC busbar mapping serve as a foundation in the scenario analysis, as appears to be suggested, given the level of underlying stakeholder vetting that informs that process.

The Nature Conservancy appreciates the Joint Agencies' consideration of these comments and looks forward to participating in upcoming SB 100 Report milestones.

Sincerely,

Marybeth Benton

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Energy Director

The Nature Conservancy of California