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Subject: Comments to the Joint Lead Commissioner Workshop on Consideration of Land-Use Factors in Renewable Scenarios and Development of Renewable Energy Project Database (May 7, 2013)

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Following is a joint comment letter submitted by The Nature Conservancy, the Natural Resources Defense Council, Sierra Club and Defenders of Wildlife in response to the CEC's Joint Lead Commissioner Workshop on Consideration of Land-Use Factors in Renewable Scenarios and Development of Renewable Energy Project Database, held on May 7, 2013. The Nature Conservancy and the Natural Resources Defense Council are also submitting separate comment letters that address other elements.

On behalf of the undersigned, we are writing to thank the CEC for hosting the workshop and express our support for the ongoing collaboration between the CEC, CPUC and CAISO to improve coordination between generation and transmission planning processes. We appreciate the opportunity to learn how environmental and land-use attributes are currently used in the CPUC's Long-Term Procurement Plan (LTPP) scenario development process and for the opportunity to provide feedback to this process.

Our organizations believe that there's a tremendous opportunity right now; our state is poised to achieve its current renewable energy goal and we have the chance to plan for additional renewable energy in a much more integrated way which incorporates land-use and environmental planning data to protect conservation values. The state has invested significantly in land-use planning and collection of regional environmental data (i.e., DRECP). Similarly, renewable energy developers have invested in collecting site-specific data through their project development activities. This information, collectively, provides a base of knowledge that can inform decisions and assumptions for energy planning. Based on this opportunity, our comments focus on four key areas:

- The importance of connecting land-use planning and renewable energy planning;
- Recommendations for the renewable energy project database;
- Recommendations for the LTPP scenario development process;
- Recommendations related to methods of applying environmental and land use attributes in decision-making.

Connecting Land-Use Planning and Renewable Energy Planning

Over the last five years, significant investments have been made in land-use planning and renewable energy planning within California and across the west. The completion of the Bureau of Land Management's Solar Programmatic Environmental Impact Statement (Solar PEIS) and the collective progress that we have made towards the Desert Renewable Energy Conservation Plan (DRECP) are both examples. An important next step is to maximize the benefits of these investments and apply the information gained from these integrated planning efforts (e.g., Solar PEIS, DRECP), appropriately and with the right weighting systems, in renewable energy planning and procurement processes statewide. We are actively working to identify and propose methods for the environmental and land-use factors that should be used in these processes. We believe that all of the renewable energy and infrastructure planning processes at the CEC, CPUC and CAISO should incorporate the best available information, including environmental data, into decision-making and evaluation. There are several reasons why this is beneficial:

- The first is to leverage and prioritize the areas that energy and conservation planning efforts have identified as renewable energy zones. One of the strongest incentives for development in locations where renewable energy development is preferred is investment in transmission infrastructure to these locations.
- The second is that this information can provide agencies with early notice about potential environmental risk, indicating not only fatal flaws but whether or not a project or portfolio is highly viable.

Recommendations for the CEC Renewable Energy Project Database

The CEC has a vital role in collecting data critical to informing our state's energy planning and we appreciate the Commission is taking steps to create a comprehensive, transparent, public in-state and out-of-state renewable energy project database that serves multiple agency and stakeholder needs. A database that centralizes information about renewable energy projects, which is currently scattered across multiple agency websites, will facilitate more effective and informed participation and decision-making by all parties. Based on our experience, we provide the following recommendations for the renewable energy project database:

1. Data that is linked to its geospatial context is most valuable for informing a broad suite of decisions and connecting various planning efforts. We strongly recommend that the data collected by CEC be tied to geospatial information, which will allow the CEC to have a geospatial interface to its database and will allow data to be used by a broad spectrum of decision-makers and stakeholders. To accomplish this, the CEC will need accurate coordinates or shape files for proposed and existing projects. This is essential for any meaningful planning and analysis.
2. The information collected by the CEC that is most frequently used by our organizations includes project size (capacity and acreage), technology and permitting status. The CEC should continue to collect and share this information.
3. The database should have up-to-date procurement status, transmission interconnection status and project commercial operation date. This should be regularly updated to capture any delays in reaching key milestones.
4. The CEC should establish a procedure for regular updating of the data sets and include a field in the reports denoting the date the data set was last updated.
5. The environmental permit data fields should track the status of all wildlife permits (e.g., Incidental Take Permits under the Federal and State Endangered Species Act, Bald and Golden Eagle Protection Act, etc.). These permits are critical path to project development and if not obtained represent a fatal flaw.
6. The database should have fields that capture water source and use related to a project. This data is important for assessing impacts from groundwater use and assessing potential air quality impacts and greenhouse gas reduction (e.g., if the water is trucked in for large distances).

Recommendations for the LTPP Scenario Development Process

Spatial data is an indispensable decision-support tool for energy and land-use planning. Incorporation of spatial data is essential for a meaningful CPUC scenario planning process.

The CEC and CPUC have already taken a step towards integrating land-use planning and energy planning by incorporating the DRECP into the LTPP scenario development process. We strongly support this decision. However, we also recommend that the CEC and CPUC evaluate the data currently used, for comprehensiveness and accuracy, and incorporate other available environmental and land-use designations. Incorporating this information will identify areas where renewable energy development is precluded by law or policy and identify areas where there are environmental constraints that may impact portfolio viability. By way of example, this includes:

- Lands with a conservation status and/or regulated resource locations

- Areas with indicators of project risk due to environmental constraints: There are existing, peer-reviewed, scientific analyses that can be used to identify areas that present a high risk to renewable energy development based on the important, unique or exceptional ecological values at certain locations. While these data may not preclude development, they indicate where projects may be delayed, may fail, or may require significantly more agency staff time to address permitting concerns. Identification of high risk areas allows agency staff to consider that knowledge in planning assumptions and priorities. Including this information in a public database allows developers to consider which areas have higher risks associated with permitting, mitigation costs, and project delay as they scope potential project locations.
- Areas where Renewable Energy Development is Precluded by Law or Policy

A full list of recommended data sources can be found in Attachment A. The data can be obtained by working with federal and state agencies, local governments, non-profit conservation organizations and universities.

Methods of Applying Environmental & Land Use Attributes in Decision-Making

Identifying the appropriate environmental and land use attributes to incorporate into energy planning processes is an important first step, but equally important is defining how this data will be used to support decision-making across all aspects of energy planning and procurement.

We include two discrete examples below to highlight the need to evaluate and if warranted, make refinements to, the methodology that has been developed for the DRECP¹ score in the LTPP scenario planning process.

DRECP Score Methods

The CEC has developed a DRECP score for the Renewable Portfolio Standard (RPS) calculator. The DRECP score calculator assigns a score of 50/100 to any project outside the DRECP and all non-California projects. This is of concern as it is overly broad and misses important environmental and land-use designations that have the potential to impact project and portfolio viability. We have two recommendations for the CEC to consider:

1. The CEC and CPUC should define the relationship between the DRECP score and other non-DRECP environmental and land-use designations currently used within the RPS calculator. This process is not clear and it will help all stakeholders to have

¹ Although these examples focus on the DRECP, we expect to provide comments regarding environmental and land-use designations, the methodology for how these factors are applied, and how the resulting score impacts energy and transmission planning as we work further with the CEC, CPUC and CAISO.

a better understanding of this relationship. For example: is a project given a DRECP score and another score using the RETI-based criteria that are included in the RPS calculator? If so, are these scores combined into a final environmental score? Additionally, it is unclear how projects within the DRECP plan area are weighted relative to projects outside the DRECP plan area.

2. Once the CEC and CPUC have clearly documented the process and methodology the agencies should solicit public comment. We are very interested in working with the CEC and CPUC to understand the methodology and to offer recommendations for improvement based on our expertise.

Implementation of DRECP Score in Decision-Making

Our second example is in regards to how the DRECP score influences the environmental score in the LTPP scenario development process. As we learned at the workshop, the environmental score, which includes the DRECP score, has a weight of just 10% in all portfolios with the exception of the environmental portfolio, where the score has a weight of 70%. The environmental portfolio has not been chosen as a base case; in past years the commercial interest portfolio has been selected. Defenders of Wildlife and Sierra Club submitted a separate comment letter to the December 19, 2012 Joint Workshop on Renewable Resource Portfolios for the California ISO Transmission Planning Process, which goes into greater detail.

The DRECP represents an area where California's state energy and trust agencies are working towards agreement about where renewable energy development should be prioritized, which can translate to a high-potential for low-risk permitting. The CEC has an important opportunity to re-define the DRECP as a distinct element broader than its current categorization within "environmental" and refine planning assumptions to reflect the current state of knowledge in California's energy planning.²

This is also an opportunity to further meaningful incentives to maximize development within Development Focus Areas by elevating their importance within the Transmission Planning Process and directing transmission investments to these areas.

With that in mind, our recommendation to the CEC is that the DRECP score may warrant a higher weighting in portfolios, including commercial interest. A portfolio that considers both commercial interest, and a DRECP score (with a higher weight), may be a better interpretation of the most likely, successful path forward for renewable development.

² The Draft EIR/EIS for the DRECP should be released later in 2013, providing greater clarity in planning.

Conclusion

In summary, integrating land-use planning and energy planning creates value and minimizes risk. This connection is critical to create incentives for siting in renewable energy zones and to ensure energy planning and procurement avoid areas that local, state and federal agencies have identified as inappropriate for energy development. We support the CEC's evaluation and investigation of the data currently in use, the methods for how the data is collected and interpreted, and the process for how the data is integrated into energy planning and decision-making. We look forward to continuing to work with you.

Respectfully submitted,



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Attachment A:

Suggested Environmental and Land-Use Data Sources for Consideration by the California Energy Commission

1. Areas to Prioritize and Incentivize for Development
 - DRECP, Development Focus Areas (when finalized)
 - BLM Solar PEIS, Solar Energy Zones
2. Areas with Indicators of Project Risk due to Environmental Constraints
 - California Rangeland Conservation Coalition Priority Conservation Areas
 - Lands identified by the National Park Service as high potential for resource conflict
 - Landscape-Level Biological Linkages, included are a few examples:
 - SC Wildlands – A Linkage Network for the California Deserts: <http://www.scwildlands.org/reports/ALinkageNetworkForTheCaliforniaDeserts.pdf>
 - San Joaquin Kit Fox
 - Desert Tortoise – USFWS DTRO modeled linkages
 - Bay Area Critical Linkages – not yet complete but draft data are available
3. Lands with Conservation Status and/or Regulated Resource Locations
 - Bureau of Land Management (BLM) Wildlife Habitat Management Areas
 - BLM Key Raptor Areas
 - BLM Areas of Critical Environmental Concern
 - BLM Lands identified to have wilderness characteristics
 - USFWS designated Critical Habitat or Core Recovery Area
4. Areas where Renewable Energy Development is Precluded by Law or Policy
 - National Park Service units, including National Recreation Areas and National Natural Landmarks
 - Designated Wilderness Areas
 - Wilderness Study Areas
 - USFWS National Wildlife Refuges
 - California State Parks
 - CA Department of Fish and Wildlife Areas and Ecological Reserves
 - Lands precluded from development in a Habitat Conservation Plan (HCP) and or Natural Communities Conservation Plan (NCCP), including the DRECP when final
 - Lands under conservation easement or transferred to BLM, wildlife agencies, non-governmental agencies or private parties for conservation purposes or project mitigation
 - For solar energy, biological and cultural exclusion areas as identified by the BLM in the final Solar PEIS