

CALENDAR ITEM

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J. DeLeon

STAFF UPDATE ON ALTERNATIVE ENERGY DEVELOPMENT-RELATED ACTIVITIES INCLUDING STATUS OF LEASE APPLICATIONS, PARTICIPATION IN DESERT CONSERVATION PLANNING, AND SCHOOL LAND CONSOLIDATION EFFORTS

INTRODUCTION:

Recently enacted legislation (SBX2-Simitian, Chapter 1, Statutes of 2011) establishes a state policy goal of producing thirty-three percent of California's electrical needs with renewable energy resources by 2020. A substantial number of renewable energy projects are required for California to meet this directive, as well as to achieve the State's climate change goal of reducing greenhouse gases in the atmosphere to 80 percent of 1990 levels by 2050, as set forth in Executive order #S-3-05, signed June 1, 2005 by then Governor Schwarzenegger. State Lands Commission staff from the Environmental Planning, Land Management, Mineral Resource Management, and Legal Divisions formed an interdivisional planning team (the "Alternative Energy Program") in December 2011 in order to more effectively coordinate Commission activities related to renewable/alternative energy projects affecting lands under the Commission's jurisdiction and maximize its contribution to achieving these goals. This report provides a summary of the Alternative Energy Program's solar, wind, and geothermal lease application review activities; as well as interagency planning efforts in marine renewable energy, desert renewable energy, and school land consolidation.

APPLICATIONS:

On school lands there are currently three solar and two wind energy applications, totaling approximately 12,000 acres, in various stages of review; the proposed projects are primarily located in the southern California desert region (Kern, San Bernardino, and eastern San Diego Counties). Staff is presently requesting authority to solicit consultant services for preparation of an environmental impact report for the proposed Sorrel Solar Farm Project in San Bernardino County (C74 on the May 24, 2012 agenda). Additionally, the Commission's Mineral Resources and Environmental staffs are coordinating on several geothermal-related applications: from a competitive lease sale, to prospecting permits, to lease applications for production. Staff is presently requesting the Commission consider issuance of a State Geothermal Resources Prospecting Permit in Siskiyou County for Entiv

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Organic, LLC (C68 on the May 24, 2012 agenda) to deepen an existing well in order to determine production potential.

INTERAGENCY PLANNING:

MARINE ENVIRONMENT:

While there are no pending applications for development of offshore renewable energy, staff from the Division of Environmental Planning and Management (DEPM) and Land Management Division (LMD) participate in the Marine Renewable Energy Working Group, led by the Ocean Protection Council, on which the Commission's Chair is a member. This group is working collaboratively to solve the environmental and logistical challenges associated with development of offshore wave, tidal, and wind energy and recently participated in a presentation by Oceana Energy Company for development, testing, and deployment of tidal energy devices near the Golden Gate Bridge in San Francisco Bay. In addition, Nautica Windpower has presented a proposal for a floating wind turbine project offshore either Vandenberg AFB or Humboldt Bay. A graduate Fellow from the California Sea Grant Program is assisting DEPM in developing a proposal in coordination with the Marine Renewable Energy Working Group, universities, industry, and others for public-private partnership opportunities related to marine renewable energy testing and environmental research.

DESERT RENEWABLE ENERGY CONSERVATION PLAN:

In September 2011, the Executive Officer, with authority from the Commission, executed a memorandum of understanding with the four agencies comprising the Renewable Energy Action Team (REAT) expressing all the agencies' intent to coordinate and cooperate on development of the Desert Renewable Energy Conservation Plan (DRECP) in the Mojave and Colorado Desert regions of the State. The goal of the DRECP is to provide for effective protection and conservation of desert ecosystems while allowing for the appropriate development of renewable energy projects. The planning process involves not only the State and federal wildlife agencies and Bureau of Land Management (BLM), but also the California Energy Commission, California Public Utilities Commission, and the Department of Defense. The DRECP Planning Area contains extensive school lands under the Commission's jurisdiction, and the development of the DRECP will affect these lands and potential revenues generated to benefit the State Teachers' Retirement System. Alternative Energy Program staff representatives have been attending weekly meetings and actively participating in the DRECP planning process to ensure the Commission's interests and mandated school land development responsibilities are adequately represented in the Plan. As part of this effort, Commission GIS staff have been able to refine and improve the Commission's mapping of school land parcels in coordination with GIS staff from other participating agencies. This improved mapping will not only serve the Commission generally, but will also assist in formulating proposals for sale or exchange of parcels in order to consolidate school

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land ownership consistent with the School Land Bank Act, including changes enacted in the 2011 legislative session through Assembly Bill 982 (Skinner) (Chapter 485, Statutes of 2011, commencing with Public Resources Code Section 8700), discussed below.

MEMORANDUM OF AGREEMENT:

The newly established provisions of the School Land Bank Act, *Land Exchanges for Renewable Energy-Related Projects* (Chapter 2 of Division 7.7 of the Public Resources Code), direct the Commission to consolidate school lands through exchanges with the Department of Interior, represented by the BLM, in the DRECP area to facilitate renewable energy development. In addition to consulting with Department of Fish and Game staff to ensure land exchanges and subsequent development will not conflict with the DRECP, Commission staff is required to pursue execution of a memorandum of agreement (MOA) with the BLM that would formalize the working relationship between the two parties and provide a process for inter-agency cooperation to prioritize and enter into mutually beneficial land exchanges. Staffs from the Commission and BLM have prepared the MOA, which the Commission authorized entering into at the March 2012 meeting (C 109). A meeting between the Commission's Executive Officer and the State Director of the BLM to sign the MOA is scheduled for May 21, 2012. As discussed above, through their participation in the DRECP development process, Commission staff are already engaged in discussions with the BLM, Department of Fish and Game, and other State and federal agencies that will assist in developing a successful land exchange proposal.