

California Desert Renewable Energy Working Group

February 13, 2013

Via Electronic Mail (with Hard Copy to follow)

Karen Douglas
Commissioner
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814

Charlton H. Bonham
Director
California Department of Fish and Game
1416 Ninth Street
Sacramento, CA 95814

James G. Kenna
State Director, California State Office
Bureau of Land Management
2800 Cottage Way
Sacramento, CA 95825

Ren Lohofener
Regional Director, Region 8
U.S. Fish and Wildlife Service
2800 Cottage Way
Sacramento, CA 95825

Re: Desert Renewable Energy Conservation Plan: Description & Comparative Evaluation of Alternatives

Dear Commissioner Douglas, Director Bonham, Director Kenna and Director Lohofener:

On behalf of the undersigned, we are writing to provide you with some joint concerns over the recently released Description and Comparative Evaluation of Draft Alternatives for the Desert Renewable Energy Conservation Plan (DRECP) (hereinafter “the December Draft”). As evidenced by our comments on, and participation in, the DRECP, we continue to hope that the DRECP will be a critical part of the effort to site renewable energy projects in the desert and provide for the conservation of the desert ecosystem. It is our collective vision that the DRECP – once completed – will lead to more opportunity and certainty for project proponents as well as for conservation efforts and that it will result in a more efficient permitting process for renewable energy projects.

However, based on our individual and joint reviews of this document to date, we have identified some common concerns that we believe the agencies must address in order to arrive at a final plan that meets the needs of industry and the conservation community as well as local governments. We recognize that this document is a preliminary document and that it is not a draft environmental impact statement or draft environmental impact report.

We offer these initial comments as part of the effort to move towards a more complete and widely supported plan. While we have detailed several issues below, it is our intent to continue the discussions between our interests to provide you with additional joint input as part of the ongoing dialogue between your agencies and ourselves as this plan is further developed.

1. The protection afforded for the conservation lands needs to meet the legal standards for mitigation and conservation under the state and federal endangered species acts. However, the December Draft currently lacks sufficient detail regarding how the agencies will provide long-term guarantees of durability. Without that detail, there is no way for industry members to determine whether this plan meets their permitting needs and the conservation community cannot determine if the plan will provide long-term conservation. Although a recent MOU among the agencies on this subject holds promise, it stops short of practical solutions to this problem and more detail is needed.
2. The December Draft fails to address sufficiently the issues raised by the independent science review panel regarding the standards for the conservation of covered species and natural communities required under state and federal law. It is absolutely critical that the conservation community and the industry have a better understanding about what lands are within the conservation reserve and why they have been identified as part of the reserve (i.e., what are the biological goals and objectives). This is an essential component of any negotiated plan.
3. The Development Focus Areas (DFAs) must make sense for industry. Unfortunately, the current draft DFAs suffer from two problems. First, it is not clear how useful some of the lands within the DFAs are for renewable energy development, particularly for large-scale development. For example, some of these lands do not have adequate transmission, are in highly parcelized areas, and do not appear to be consistent with current local land use plans. Specifically, private land parcelization needs more analysis if the DRECP is to make the case that development can occur in these areas; at least until a solution to the parcelization issue has been implemented. Second, it is not clear how development within a DFA will provide a benefit for a renewable energy company. The agencies need to provide a clearer understanding of what it means to develop within a DFA, including any streamlining that might be possible. Flexibility of DFA boundaries must also be built into the model for future Plan amendments, to account for changes in technology, biological distribution, and changes in the transmission system over the life of the plan. Moreover, needs for renewable energy and conservation are not static. The plan should also provide clarity about what level of development, e.g. linears (transmission and access roads), may or may not be allowed within reserve areas.
4. The next draft must clearly (1) identify DFAs sufficient for development for each technology, understanding that some areas could be dual or overlapping; (2) identify lands needed for reserve design and the actions needed to protect species on those lands, consistent with biological goals and objectives, and (3) identify those lands that are neither development areas nor reserve design areas (i.e., not a part of what is covered by the plan's permit).

5. Electrical infrastructure upgrades and additions will be needed to safely and reliably interconnect renewable energy resources from DFAs to population centers. The DRECP should facilitate cost-effective, environmentally sound transmission siting, planning, and permitting and recognize the need for sufficient future transmission system upgrades and additions to integrate renewable energy resources. Moreover, the DRECP should acknowledge the need to designate additional transmission corridors or expand existing corridors in coordination with regional planning efforts by the Western Electricity Coordinating Council (WECC), and should take into consideration the cumulative impacts to the electrical grid of multiple downstream transmission infrastructure changes to accommodate new renewable generation projects. The DRECP should recognize the need for utilities to acquire sufficient lands to support transmission corridors, upgrades and additions, and to hold such lands for future use consistent with the DRECP planning horizon. Coordination and broad stakeholder participation among the California Public Utilities Commission (CPUC), the California Energy Commission (CEC), and the California Independent System Operator (CAISO) is essential, particularly in terms of state agency long term, comprehensive energy and environmental planning efforts, including the CPUC Long Term Procurement Plan (LTPP) and the BLM Solar PEIS to direct development to low conflict areas with high renewable resource value.
6. Participation by Counties in the DRECP is essential. The alternatives are weighted heavily towards development on private land, and some mitigation and conservation will need to be on private lands as well to meet the conservation needs of all covered species. However, without participation by the Counties, permit streamlining and conservation objectives on private lands will not be achieved. Unfortunately, the December Draft is silent on this important issue.
7. The current draft fails to provide any details regarding governance and a funding plan. In addition to the development fees that will be required under the plan, additional funds will be necessary to implement this ambitious plan. The DRECP needs to do more to examine potential sources of additional funding from private, state and federal programs.

It is important to resolve the issues identified above. We will be working together to provide you with more recommendations on how to do that. We hope that in addition to receiving our input, the agencies will work with us in a *collaborative dialogue* in order to ensure that the final plan is something supported by all interests.

We look forward to continuing to work with you on this important planning effort. Thank you for your consideration of our comments.

Sincerely,



Armando Zuluaga Zibermann
Abengoa Solar, Inc.



Garry George
Audubon California



Joseph Desmond
BrightSource Energy



V. John White
CEERT



Kim Delfino
Defenders of Wildlife



Mark Tholke
EDF Renewable Energy

(Actual Signature Unavailable)
James Woodruff
First Solar, Inc.



Jesse Gronner
Iberdrola Renewables



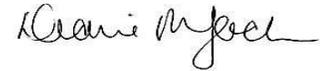
Shannon Eddy
Large-Scale Solar Association



Helen O'Shea
Natural Resources Defense Council



Laura Crane
The Nature Conservancy



Diane Ross-Leech
Pacific Gas & Electric Company



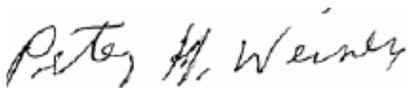
Roger Overstreet
Southern California Edison



Thomas Starrs
SunPower Corporation Systems



Pamela Pride Eaton
The Wilderness Society



Peter Weiner
Paul Hastings



Arthur Haubenstock
Perkins-Coie

cc: David Harlow
Director
Desert Renewable Energy Conservation Plan

Chris Beale
Assistant Director
Desert Renewable Energy Conservation Plan

Michael Picker
Senior Advisor on Renewable Energy
Office of Governor Jerry Brown

David Hayes
Deputy Secretary of the Interior
Department of the Interior

Steve Black
Counselor to the Secretary
Department of the Interior