

Memorandum

To: Robert P. Oglesby
Executive Director

Date : December 4, 2012

From: **California Energy Commission**
1516 Ninth Street
Sacramento CA 95814-5512

Telephone: CALNET (916) 654-4563

Subject: **STAFF RECOMMENDATION TO APPROVE A MODEL MOU FOR USE IN ENTERING INTO MOU AGREEMENTS BETWEEN THE ENERGY COMMISSION AND COUNTIES IN THE DRECP PLANNING AREA**

Summary of Item

Energy Commission staff are recommending approval of Agreement 700-12-003 for a Model Memorandum of Understanding (MOU) between the California Energy Commission and counties located within the Desert Renewable Energy Conservation Plan (DRECP) planning area on their participation and engagement in the development of the DRECP. The DRECP planning area includes portions of Imperial, Inyo, Kern, Los Angeles, Riverside, San Bernardino, and San Diego counties (DRECP counties).

The purpose of this MOU is to form a cooperative relationship between the Energy Commission and DRECP counties to effectively plan for and promote renewable energy development in California in a way that advances California's renewable energy development initiatives and the renewable energy policies of the parties to the agreement and to develop and implement the DRECP in a manner that is consistent with the planning goals set forth in the Planning Agreement and with the applicable policies of the counties. A County's participation in the DRECP planning effort will enhance the development and implementation of the DRECP through the sharing of comprehensive environmental baseline data, environmental analyses, impact assessments, renewable energy development, and conservation and mitigation opportunities throughout the County. The Energy Commission and the County expect that the County's participation in the DRECP planning effort will also inform its development or revision of County rules and policies pertaining to renewable energy and lead to rules and policies that complement the DRECP.

The Model MOU may also be used to help determine a qualified county's funding eligibility under section 25619 of the Public Resources Code, which authorizes the Energy Commission to provide up to seven million dollars (\$7,000,000) in grants to qualified counties, including counties within the DRECP Planning Area, for the development or revision of rules and policies that facilitate the development of eligible renewable energy resources, and their associated electric transmission facilities, and the processing of permits for eligible renewable energy resources.

If the model MOU is approved, the Energy Commission's Executive Director will be authorized to use it to enter into MOU agreements with each of the DRECP counties.

Background

On November 17, 2008, the Governor of the State of California issued Executive Order S-14-08 establishing a state policy goal of producing 33 percent of California's electrical needs with renewable energy resources by 2020. The Governor and Legislature subsequently enacted Senate Bill 2 (1x) (Stats. 2001, 1st Ex. Sess, Ch. 1) to establish the 33 percent renewable energy standard (RPS) in statute, effective December 10, 2011.

Concurrent with Executive Order S-14-08, the Energy Commission worked with several state and federal agencies to establish a cooperative relationship to achieve shared renewable energy policy goals, including, among other things, to ensure that RPS-related energy projects under review satisfy all applicable state and federal laws, regulations, and policies, and to develop the DRECP.

The California Department of Fish and Game, the California Energy Commission, the Bureau of Land Management, and the United States Fish and Wildlife Service entered into the "Planning Agreement by and among California Department of Fish and Game, California Energy Commission, United States Bureau of Land Management, and United States Fish and Wildlife Service for the Desert Renewable Energy Conservation Plan" (May 2010). In the Planning Agreement, the agencies committed to work together to develop the DRECP, a multispecies desert energy conservation plan in the Mojave and Colorado Desert Regions. The DRECP will guide solar and other qualified RPS energy project siting in the DRECP Planning Area and ensure the conservation of California's natural resources in the Planning Area.

Under section 25619 of the Public Resources Code, the Energy Commission is authorized to provide up to seven million dollars (\$7,000,000) in grants to qualified counties, including specified counties within the DRECP Planning Area, for the development or revision of rules and policies that facilitate the development of eligible renewable energy resources, and their associated electric transmission facilities, and the processing of permits for eligible renewable energy resources.

Under section 25619(b)(1)-(2) of the Public Resources Code, the Energy Commission may award a grant to a qualified county within the DRECP Planning Area only if the county has signed the Planning Agreement as a "plan participant" as defined by California Fish and Game code section 2805(j)(1) or the county enters into a memorandum of understanding with the Energy Commission in which the county agrees to participate in the development of the DRECP for the purpose of ensuring that the DRECP can achieve the goals set forth in the Planning Agreement in a manner that is consistent with the applicable policies of the county.

Under section 25619(a) of the Public Resources Code, the qualified counties within the DRECP Planning Area include Imperial, Inyo, Kern, Los Angeles, Riverside, San Bernardino, and San Diego.

Justification for Action Requested

Approving the use of the template MOU by the Executive Director to enter into MOUs between the Energy Commission and the DRECP counties will further the cooperative relationship between the Energy Commission and the DRECP counties and support the development and implementation of the DRECP.

Oral Presentation

Staff will be prepared to discuss its recommendation and to respond to questions regarding the Model MOU.

Business Meeting Participants

Kristy Chew
Siting, Transmission, and Environmental Protection Division

Commission Action Requested

Approve the Model MOU for the Executive Director to use to enter into individual MOU agreements between the Energy Commission and each of the DRECP counties.

----- ORIGINAL SIGNED -----

Roger E. Johnson, Deputy Director
Siting, Transmission, and Environmental Protection Division