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June 6, 2022

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Re: Draft “Energy Reliability, Relief, and Clean Energy Investments” Trailer Bill Notice of Position of CONCERNS (As Amended 05/18/22)

Dear Budget Committee Leadership,

The California State Association of Counties (CSAC) respectfully expresses our concerns about of the proposed Energy Trailer Bill which would allow for a shift of local authority for siting of solar, wind, and certain battery backup projects to the California Energy Commission (CEC). These facilities can have enormous impacts on very specific local communities, even when the benefits are spread to other parts of the state. Counties work closely with energy developers to site facilities and appropriately balance the needs of the community. As such, we would support efforts to assist local governments in expediting permitting but transitioning authority to the CEC is not the solution.

CSAC opposes provisions which would greatly expand the categories of projects that may be considered by the state without direct input from the county, to the detriment of county land use authority. Though this section is “opt-in,” the parameters of when a project would be subject to local permitting versus when the state would be are unclear.

The language also seems to exclude local government consultation on environmental impacts for projects under CEC review. Local governments are not listed as entities that the CEC would need to seek input from, and yet they are the ones with the knowledge and planning experience that would be most appropriate for consultation. This section merits further changes.

CSAC has had numerous conversations with industry in the months since the original Administration proposal was released, and we believe there are other ways to approach the issue of expediting permitting and siting. There are varying models used

throughout the state, and we would welcome a robust discussion on this topic. One possibility is to consider this proposal as we have the Lithium Valley proposals. In that case, the state, counties, and cities have been brought together to increase production of a local extraction product and energy supply, with consideration of the local community, local tax levies, and other necessary mitigation measures.

The issue of siting of renewable energy projects is further complicated by the extended solar tax exclusion, which reduces county revenues. This exclusion is slated to continue through at least 2024. In some counties this exclusion erodes tens of millions of dollars of revenue that would otherwise be used for community services, health and human services, administration of justice, and ongoing capital projects. Discussions continue between the industry and local governments on this exclusion, but a resolution has not been reached.

We respectfully request that any proposal affecting land use decision making be done in cooperation with counties, with corresponding discussions on taxation, reasonable cooperation, and local land use considerations. A last-minute trailer bill is not the venue for meaningful discussion. **CSAC suggests that the Senate and Assembly move the permitting sections of this proposal to a policy bill or interim working group so that stakeholders have an opportunity for meaningful changes to the language.**

If you have any questions regarding our position, please free to contact me at 916-662-6400, or cfreeman@counties.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Catherine Freeman', enclosed within a large, hand-drawn oval.

Catherine Freeman
Senior Legislative Representative

Cc:

Members, Senate Budget and Fiscal Review Committee

Members, Assembly Budget Committee

Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee

Christian Griffith, Chief Consultant, Assembly Budget Committee

Kirk Feely, Consultant, Senate Republican Caucus

Joseph Shinstock, Consultant, Assembly Republican Caucus

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Kirstin Kolpitcke, Consultant, Assembly Republican Caucus

Emily Reeb, Consultant, Senate Republican Caucus

Karen Douglas, Senior Policy Advisor for Energy, Office of Governor Gavin Newsom

Erika Li, Chief Deputy Director, Budget, California Department of Finance