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Project Statement

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RE: American Canyon Solar User Permit Application # P18-00114 – Public Utility Use Statement

The American Canyon Solar Project, which is within an agriculturally-designated area, is consistent with the Napa County General Plan. Specifically, General Plan Policy AG/LU-29 provides an exception for the development of new utility uses in agricultural areas: “Only those new governmental and public utility uses which specifically implement programs mandated by the state or federal government shall be permitted in non-urban areas.”

The Project is indeed a public utility use, the development of which is being driven by state regulations and policies mandating the increase of renewable energy sources. The Project works in partnership with Marin Clean Energy (MCE), which is a public utility/Community Choice Aggregator (CCA) that serves Napa County.

Public utilities or CCA’s, such as MCE and other renewable energy resource providers, rely on companies such as Renewable Properties to develop, finance, own and operate renewable energy facilities, ultimately entering into Power Purchase Agreements (PPAs) to sell/procure the energy generation from the project(s). CCAs are governmental entities formed by cities and counties to procure electricity for their residents, businesses, and municipal facilities. The PPAs associated with the American Canyon Solar project are part of the MCE Feed-In Tariff program and consist of standardized contracts that were previously approved through a public process.

Legislators and public utility regulators intentionally created state and federal policies to incentivize these relationships because without them, MCE and other renewable energy resource providers would not be able to operate, let alone meet state mandates for renewable energy generation. For instance, solar energy projects heavily rely on a Federal Investment Tax Credit for the projects to be economically viable and ultimately project financed. Public utilities (and investor owned ones for that matter too) are not set up to appropriately monetize the tax credits and the associated depreciation benefits (public entities are tax exempt) themselves, which is the primary driver behind projects such as the American Canyon Solar Project selling power directly to MCE.

Projects such as the American Canyon Solar Project are the only way for CCAs to cost effectively meet their state driven mandates by procuring renewable energy generation. Namely, as to renewable energy, the California legislature approved Senate Bill (SB) 1078 establishing California's Renewables Portfolio

Standard (RPS) in 2002. Thereafter, the legislature accelerated California's RPS in 2006 under SB 107 by requiring that 20 percent of electricity retail sales be served by renewable energy resources by 2010. Subsequent policies implemented by the California Energy Commission advocated for a goal of 33 percent by 2020, and on November 17, 2008, Governor Arnold Schwarzenegger signed Executive Order S-14-08 requiring that "all retail sellers of electricity shall serve 33 percent of their load with renewable energy by 2020." In April 2011, Governor Edmund G. Brown, Jr. signed SB X1-2, which set the RPS target at 33 percent by 2020. This new RPS applied to all electricity retailers in the state, including publicly-owned utilities (POUs), investor-owned utilities, electricity service providers, and community choice aggregators. Pursuant to state law mandates, all of these entities were required to meet the new RPS goals of 20 percent of retail sales from renewables by the end of 2013, 25 percent by the end of 2016, and the 33 percent by the end of 2020. Most recently, Governor Edmund G. Brown, Jr. signed into legislation SB 350 in October 2015, which requires retail sellers and publicly-owned utilities to procure 50 percent of their electricity from eligible renewable energy resources by 2030.

State mandates to improve air quality and fight global warming also rely on the development of renewable energy sources (such as solar). In 2005, Governor Arnold Schwarzenegger signed Executive Order S-3-05, which directed California to reduce GHG emissions to 1990 levels by 2020, and to 80 percent below 1990 levels by 2050. A year later, in 2006, the state legislature passed the Global Warming Solutions Act via Assembly Bill (AB) 32, establishing regulatory, reporting, and market mechanisms to achieve quantifiable reductions in GHG emissions. AB 32 put a cap on GHG emissions, setting a target of reducing GHG emissions to 1990 levels by 2020. As part of its implementation of AB 32 and Executive Order S-3-05, the California Air Resources Board (CARB) developed a Scoping Plan in 2008. The Scoping Plan, along with its Update in 2014, describes the approach California will take to reduce GHGs to achieve reduction targets and goals. California is currently on track to meet or exceed the AB 32 current target of reducing GHG emissions to 1990 levels by 2020.

On April 20, 2015 Governor Edmund G. Brown Jr. signed Executive Order B-30-15, establishing a new GHG emissions reduction target 40 percent below 1990 levels by 2030. Executive Order B-30-15 also directed CARB to update the AB 32 Scoping Plan to reflect the path to achieving the 2030 target. In September 2016, Governor Brown also signed SB 32, which codified into statute the mid-term 2030 target established by Executive Order B30-15. The new 2030 GHG emissions reduction target places California on a trajectory towards meeting the goal of reducing statewide emissions to 80 percent below 1990 levels by 2050.

Specific to Short-Lived Climate Pollutants (SLCPs), SB 605, which was signed in September 2014, required CARB to develop a plan to reduce emissions of SLCPs. SB 1383, signed in September 2016, requires CARB to approve and begin implementing the plan by January 1, 2018. SB 1383 also sets targets for statewide reductions in SLCP emissions of 40 percent below 2013 levels by 2030 for methane and HFCs and 50 percent below 2013 levels for 2030 for anthropogenic black carbon. CARB adopted the SLCP Reduction Strategy in March 2017 pursuant to SB 605 and SB 1383, laying out options to accelerate SLCP emissions reductions in California through enacting regulations, creating incentives, and other market-supporting activities.

Consistent with the Scoping Plan targets and the State's 2014 GHG emissions inventory, the County is also charged with creating a Climate Action Plan (CAP) to achieve local community-wide GHG reduction targets. While the CAP is still undergoing environmental review, it will undoubtedly rely on renewable energy (such as solar) projects like the American Canyon Solar Project to achieve those GHG reduction targets.

Considering the Project is a utility use that will help meet the State of California's RPS requirements and climate action goals, the Project is allowed in agricultural areas pursuant to General Plan Policy AG/LU-27. It should also be noted that County was able to maintain the exceptions for utility uses in any zoning district, as outlined in Chapter 18.120 of the Napa County Code, due to General Plan Policy AG/LU-2. (Govt. Code § 65860 [County zoning ordinance must be consistent with its general plan]; see Governor's Office of Planning and Research, General Plan Guidelines (2003), p. 164 ["An action, program or project is consistent with the general plan if, considering all its aspects, it will further the objectives and policies of the general plan and not obstruct their attainment"].)

In conclusion, the Renewable Properties team believes the American Canyon Solar Project is consistent with both the Napa County Zoning Ordinance and General Plan. It's our sincere hope that the additional information provided in this detailed project statement addresses your questions so that we may proceed in an expeditious manner.

Please don't hesitate to reach out with any questions or comments. We look forward to continuing our work with you.

Sincerely,

RENEWABLE PROPERTIES



Aaron Halimi
President