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Agenda Date: 10/17/2018

Agenda Placement: 7B

Napa County Planning Commission Board Agenda Letter

TO: Napa County Planning Commission
FROM: Charlene Gallina for David Morrison - Director
Planning, Building and Environmental Services
REPORT BY: Vincent Smith, Planning Manager - 707-259-5934
SUBJECT: American Canyon Solar Project

RECOMMENDATION

JHILA ZAREBI / AMERICAN CANYON SOLAR PROJECT BY RENEWABLE PROPERTIES, LLC / USE PERMIT P18-00114-UP

CEQA Status: Consideration and possible adoption of a Mitigated Negative Declaration. According to the Mitigated Negative Declaration, the proposed project includes preventative mitigation measures in the following areas: Biology. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

Request: Approval of a Use Permit to allow construction of a 17.93 acre solar field on the 21-acre property. The solar field will utilize approximately 12,096 solar modules (panels) and 66 string inverters, which convert the sun's energy into usable, AC power. Improvements to the property are primarily the ground-mounted solar arrays with a gravel maintenance road along the northern boundary. The project site is located at 2180 American Canyon Road (APNs 059-090-012 & 059-090-016) within the Agricultural Watershed (AW) Zoning District, has direct access to American Canyon Road, and no new improvements to the right-of-way are required.

Staff Recommendation: Adopt the Mitigated Negative Declaration and approve the Use Permit with the proposed conditions of approval.

Staff Contact: Vin Smith, Planning Manager, (707) 259-5934, or vincent.smith@countyofnapa.org

Applicant Contact: Aaron Halimi, President, Renewable Properties, LLC; (530) 518-7669

EXECUTIVE SUMMARY

Proposed Actions:

That the Planning Commission

1. Adopt the Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program for the American Canyon Solar Project based on Findings 1-6 of Attachment A; and
2. Approve Use Permit P18-00114-UP, based on Findings 7-11 of Attachment A and subject to the conditions of approval (Attachment B).

Discussion:

Request for approval of a Use Permit by Renewable Properties to allow construction of a 17.93 acre solar field on the 21-acre property. The solar field will utilize approximately 12,096 solar modules (panels) and 66 string inverters, which convert the sun's energy into usable, AC power. The solar panels will be mounted on steel racking systems which will be anchored to the ground using driven steel piers at an overall height of under 8-feet above grade. Single axis tracking technology will be used to allow the panels to move to efficiently track the sun throughout the day thereby maximizing the efficiency of solar collection. The solar panels will generate a total of 3 Megawatts of AC power when fully implemented. The power generated from this facility will be sold to Marin Clean Energy (MCE) through a long-term Power Purchase Agreement (PPA). The existing single-family home and several agricultural out-buildings will be removed as part of the project and a gravel maintenance road will be installed around a portion of the perimeter of the solar field for maintenance access purposes. No other physical improvements are proposed.

FISCAL IMPACT

Is there a Fiscal Impact? No

ENVIRONMENTAL IMPACT

Consideration and possible adoption of a Mitigated Negative Declaration. According to the Mitigated Negative Declaration, the proposed project includes preventative mitigation measures in the following areas: Biology. This project site is not on any of the lists of hazardous waste sites enumerated under Government Code Section 65962.5.

The County of Napa circulated a Notice of Intent to adopt the proposed Mitigated Negative Declaration to interested parties and individuals for a 20-day review period starting on September 26, 2018.

BACKGROUND AND DISCUSSION

Owner: Jhila Zarebi, 3356 Wilshire Drive, Redding, CA 96002

Applicant/Representative: Aaron Halimi, Renewable Properties, 100 Broadway, San Francisco, CA 94111

Zoning: AW - Agricultural Watershed

General Plan Designation: AWOS - Agriculture, Watershed & Open Space

Application filed: March 29, 2018; **Resubmittal(s):** June 13, 2018; **Application Complete :** July 13, 2018

Parcel size: 21 acres

Environmental Setting:

The 21-acre project site is located within the AW zoning district at 2180 American Canyon Road approximately 1 mile southwest of the intersection of American Canyon Rd. and Interstate Highway 80 (I-80). The parcel is comprised of approximately 14 acres of developed active agricultural area (roads, animal stalls, exercise areas for animals, and the home), approximately 7 acres of grazing land supporting various agricultural uses such as chicken, sheep and goat farming. Site topography ranges from slopes of one to less than five percent with soil types including Clear Lake Clay. American Canyon Creek runs along the north and portions of the western property line; however, no portion of the parcel is within a mapped flood hazard zone. The primary vegetation is grasses used for pasture grazing purposes. There is an existing single family home and multiple small and medium sized agricultural buildings on the site that support raising farm animals.

The property is bordered on the west by Interstate Highway (I-80), by rural residential and agricultural (grazing/animal) uses across American Canyon Creek to the north and adjacent to the south, and a horse-riding arena and boarding facility to the west. The property has access and frontage on American Canyon Rd. via a 25-foot wide "panhandle"; however, the bulk of the site is over 500 feet from American Canyon Rd.

Adjacent Zoning/Land Use:

All surrounding land is Zoned AW, Agricultural Watershed and designated AWOS, Agriculture, Watershed & Open Space by the County of Napa General Plan.

North: Across American Canyon Creek are two parcels, one to the northwest is primarily a single family home with accessory agricultural uses and the other a single family home with an active animal boarding/care operations

East: Interstate Highway 80 borders the eastern side of the subject property.

South: A single family home with active agricultural uses mostly focused on animals and grazing.

West: The American Canyon Training Center, a horse boarding and training center including a single family residence.

Code Compliance:

There are no open or pending code violations for the subject site.

Project Consistency:

All reviewing departments/agencies have found the project as proposed and conditions to be consistent with their respective requirements and regulations.

Zoning - Although the project site is within the AW District, Section 18.120.010(B)(8) of Napa County Zoning Code specifically states that the following uses are permitted within ALL Zoning Districts (including AW), with the approval of a Use Permit:

"Other public utility uses including, without limitation, warehouses, storage yards, gas holders, substations, electric generating plants, reservoirs, storage tanks, pumping stations and communication equipment buildings."

Other than public agencies such state or local governments installing solar arrays on publicly owned property and

the government's expense, the primary approach to increasing solar energy's availability for greater use on the electrical grid is through Power Purchase Agreements (PPAs) between private companies, who develop, own and maintain facilities such as the proposed American Canyon Solar Project, and public utility/Community Choice Aggregators (CCAs) such as Marin Clean Energy (MCE). MCE is the selected Napa County CCA and is in contract to purchase the power to be generated by the proposed solar project. As stated in the attached letter from Renewable Properties (Attachment D), legislators and public utility regulators intentionally created state and federal policies to incentivize the relationships because without them, MCE and other renewable energy resource providers would not be able to operate or meet state mandates for renewable energy generation. A component of this relationship is that solar energy development projects heavily rely on a Federal Investment Tax Credit for the projects to be economically viable. Public utilities are not set up to appropriately take advantage of the tax credits and the associated depreciation benefits themselves because public entities are tax exempt. The financial advantages of the relationship between the project and the CCA (MCE in this case) is the primary driver behind projects such as the American Canyon Solar Project selling power directly to MCE.

Said differently, 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. The California legislature has approved a number of bills since 2002 regulating the generation of electricity from renewable resources including:

SB 1078 (2002) establishing California's Renewables Portfolio Standard (RPS)

SB 107 (2006) accelerating the RPS by requiring 20% of electricity sales to be generated by renewable sources by 2010

Executive Order S-14-08 (2008) requiring all sellers of electricity to serve 33% of their load with renewable by 2020

SB X1-2 (2011) setting the RPS target to 33% renewable by 2020

SB 350 (2015) requiring all utilities to produce 50% of electricity from renewable resources by 2030

Specific to the development of the site, the location of the solar arrays satisfy the development standards of the AW Zoning District including all property line setbacks. The existing driveway access to American Canyon Road will remain unchanged and no exceptions or variances from development standards are requested or necessary. The passive nature of the solar project and the minimal improvements needed to install the project, relative to other permitted uses within the AW Zoning District, result in project that is consistent with the Zoning District.

General Plan

Overall, the project was evaluated for and found to be consistent with General Plan policies concerning agriculture, protection of natural resources and wildlife habitat, water conservation, storm water control, energy consumption, air quality impacts, fire protection and public safety. The goals established by the General Plan are to plan for agriculture and related activities as the primary land use in Napa County and to concentrate urban uses in the county's existing cities and urban areas. The General Plan contains the following policy that specifically addresses governmental and public uses such as the instant project:

AG/LU-29: Governmental uses and public utility uses shall be permitted in appropriate locations. 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....

As stated above, the State of California established a number of number of legislative goals and requirements to generate more renewable energy. The legislation as a whole establishes the mechanisms under which public utilities work in partnership with private power generators to achieve the mandatory goals such that 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.

The General Plan also contains the following policies related to energy generation facilities and renewable energy

sources:

AG/LU-117: The County shall seek to be involved to the extent possible in the decisions of local, state, federal, and other agencies regarding the location of energy generation facilities with the potential to negatively affect the visual character of the county.

The project is proposed by a private entity and is therefore subject to County regulations requiring a use permit and environmental review pursuant to CEQA. Additionally, the site plan has been designed such that the panels would not be visible from public vantage points given the extent of mature landscaping bordering the site and the site's location relative to the surrounding public roadways.

CON-68: The County shall promote research and the development and use of advanced and renewable energy technology....

CON-70: The County shall seek to increase the amount of energy produced through locally available energy sources, including establishing incentives for, and removing barriers to, renewable and alternative energy resources (solar, wind) where they are compatible with the maintenance and preservation of environmental quality.

The proposed project would utilize a sheep/goat farm site for the generation of electricity through the conversion of solar resources. The power generated will be provided to Marin Clean Energy (MCE) the County of Napa's selected renewable power purveyor which will then be made available through the MCE program.

Building/Fire Code - The project has been designed to comply with all applicable building and fire codes. Access to the site and improvements is excellent. It is anticipated that the applicant will submit for building permits shortly after receiving approval.

Engineering Services - Engineering Services finds the project, as conditioned, complies with the development standards.

Decision Making Options:

As noted in the Executive Summary Section above, Staff is recommending approval of the project with conditions of approval as described in Option 1 below. Decision making options including the following:

Option 1 – Approve Applicant's Proposal

Discussion - This option would result in construction of the proposed solar project. Development setbacks meet or exceed the requirements of the AW Zoning District. No exceptions or variations to the AW development standards have been requested. Staff recommends approval of the applicant's request as conditioned.

Action Required – Follow proposed action listed in Executive Summary. If conditions of approval are amended, specify conditions to be amended at time motion is made.

Option 2 – Deny Proposed Use Permit

Discussion - In the event the Commission determines that the project does not, or cannot meet the required findings for grant of a use permit, Commissioners should articulate what aspect(s) of the project is in conflict with required findings, and either deny the request or continue the item to allow the applicant an opportunity to redesign the project.

Action Required – Commission should would articulate the aspect(s) of the project in conflict with required findings and either take action to deny the project or, if needed, remand the matter to staff for preparation of required findings to return to the Commission on specified date.

Option 3 - Continuance Option

Discussion - The Commission may continue an item to a future hearing date at its own discretion.

SUPPORTING DOCUMENTS

- A . Recommended Use Permit Findings
- B . Recommended Use Permit Conditions
- C . Initial Study/Mitigated Negative Declaration
- D . Project Statement
- E . Visual and Glare Assessments
- F . Biological Assessment
- G . Project Plan
- H . Graphics

Napa County Planning Commission: Approve

Reviewed By: Vincent Smith