

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 4/23/2013	(3) CONTACT/PHONE James Caruso, Senior Planner/805 781-5702	
(4) SUBJECT Submittal of a resolution authorizing the Department of Planning and Building to submit an application to the California Energy Commission (CEC) for a Renewable Energy and Conservation Planning Grant in the amount of approximately \$638,152. All Districts.			
(5) RECOMMENDED ACTION Approve and instruct the Chairman to sign the attached resolution authorizing the Department of Planning and Building to submit an application to the California Energy Commission (CEC) for a Renewable Energy and Conservation Planning Grant to fund mapping, streamlining and environmental analysis of eligible renewable energy projects.			
(6) FUNDING SOURCE(S) Grant	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? Yes	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>April 28, 2012</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Reviewed by Leslie Brown			
(18) SUPERVISOR DISTRICT(S) All Districts -			

County of San Luis Obispo



TO: Board of Supervisors

FROM: Planning and Building / James Caruso, Senior Planner

VIA: Kami Griffin, Assistant Director

DATE: 4/23/2013

SUBJECT: Submittal of a resolution authorizing the Department of Planning and Building to submit an application to the California Energy Commission (CEC) for a Renewable Energy and Conservation Planning Grant in the amount of approximately \$638,152. All Supervisorial Districts.

RECOMMENDATION

Approve and instruct the Chairman to sign the attached resolution authorizing the Department of Planning and Building to submit an application to the California Energy Commission (CEC) for a Renewable Energy and Conservation Planning Grant to fund mapping, streamlining and environmental analysis of eligible renewable energy projects.

DISCUSSION

Background

The CEC released a Program Opportunity Notice (PON) for a renewable energy planning grant program. This program is open to just 15 California counties that are specifically named in the program legislation (Public Resource Code Section 25619). The County was not originally an eligible jurisdiction for this grant funding; however, the County and the County's lobbyist successfully worked with Assemblyman Achadjian to get the County included in the grant program through special legislation (AB 2161). The PON requires a Board of Supervisors resolution authorizing the grant application. Staff is seeking authorization at this time to submit an application under the Renewable Energy and Conservation Planning Grant program.

Staff requests that your Board approve the submittal of a grant application to the California Energy Commission (CEC) for an amount not to exceed \$638,152.14. This grant will allow the County, with the assistance of a consultant, to revise its policies, combining designations and ordinances to streamline development of renewable energy projects in areas of the county that meet selected criteria. The grant application includes the following tasks:

1. Project management
2. Resource, Infrastructure and Constraints mapping
3. Request for Proposals
4. Stakeholder Outreach
5. Streamlining Program
6. Environmental Impact Report (EIR) Preparation
7. Public Hearings

The activities proposed for grant funding align completely with all four of the Department's focus areas that are based on the four guiding priorities established by your Board. The four focus areas are:

1. Process improvements
2. Energy
3. Infrastructure
4. Economic development

In addition, the Conservation and Open Space Element of the General Plan includes policies and programs to designate and protect areas that contain renewable energy resources and to streamline planning and development rules, codes, and processing to encourage renewable energy development.

The County's Comprehensive County Energy Strategy was presented to your Board on August 28, 2012. Included in that strategy was the following consideration for this grant proposal:

Examples of regulatory relief could come in the form of a programmatic approach that simplifies the discretionary permit process, including allowing specific renewable projects to occur with a ministerial review. Additionally, the County sponsored legislation in the form of AB 2161 (Achadjian) that that would allow the County to compete for a funding as a "qualified county" to further streamline the process for solar energy facility projects. If appropriated, there may be up to \$7,000,000 of funding available for "qualified counties" to apply for statewide. It appears that there is likely to be outside funding available to finance a County led initiative in order for the Board to direct staff to prioritize removal of regulatory barriers to incentivize development and deployment of future Solar Energy Facilities (SEFs) or renewable energy.

If successful, this grant application will lead to the establishment of Renewable Energy (RE) combining designations (or overlay zones) on the County general plan maps. This proposed RE combining designation is similar in intent to the existing Extractive Resource (EX and EX₁) combining designations that protect areas of existing extraction and significant mineral resources from incompatible development. In the case of the proposed RE designation, an eligible renewable energy project (wind or solar) would be a priority use and other resources or considerations would be secondary. The regulations to be established will probably be aimed at smaller renewable energy projects (e.g. 40 acres).

This streamlining approach is based on careful mapping of resources, infrastructure and environmental and other constraints. Staff and a consultant will prepare regulations with extensive stakeholder input with the acknowledgment that the County wishes to streamline and encourage renewable energy projects. The grant proposal also includes preparation of a very broad-based EIR that looks at the specific areas proposed for an RE designation (based on the resource, infrastructure and constraints mapping). This will assist future applicants with a more streamlined environmental review of specific renewable energy projects.

OTHER AGENCY INVOLVEMENT/IMPACT

The Department of Planning and Building has primary responsibility for the grant application and will conduct the bulk of the work with consultant assistance. The Agriculture Department will also be part of the streamlining effort. Funding for its participation has been included in the proposed grant budget.

BUSINESS IMPACT STATEMENT

This granted funded work should provide significant opportunities in the future for the Green Energy, the Building Design and Construction and the Knowledge and Innovation Business Clusters.

FINANCIAL CONSIDERATIONS

No local match is required for this grant. In addition, the total amount requested covers both County staff costs and consultant costs. This is a reimbursable grant that will require the County to expend project funds up-front and invoice for reimbursement from the CEC. If the grant application is approved by the CEC, a grant agreement with the State will be brought to your Board prior to the start of grant funded work. Consultant selection and contracting will occur soon after awarding of the grant, and when that completed, staff will return to your Board for approval of a contract and finalized scope of work. We expect to hear results of the grant awards by early May 2013. The grant agreement time period will run from June 30, 2013 to March 31, 2015.

RESULTS

The County's grant proposal, if accepted and funded, will enable the adoption of streamlined County policies, regulations and processes that encourage renewable energy development, in particular, smaller-scale solar and wind energy projects. The proposal will also be of use as a pilot to other county land use jurisdictions that may wish to streamline renewable energy development.

ATTACHMENTS

1. Attachment 1 - Board of Supervisors Resolution
2. Attachment 2 - Grant Proposal