



ATTACHMENT B
CARRIZO PLAIN LAND EXCHANGE
BOARD ACTION

Pacific Gas and Electric Company (PG&E) has solicited the Stewardship Council's views on a proposed land exchange involving approximately 655 acres of land in San Luis Obispo County, currently owned by PG&E and subject to the Land Conservation Commitment (the PG&E Carrizo Plain Property). Under the proposal, the PG&E Carrizo Plain Property would be acquired by First Solar, Inc. (First Solar) in exchange for two other privately-owned parcels totaling approximately 1,200 acres and located within the boundaries of the Carrizo Plain National Monument (the Exchange Properties). It is anticipated that the Exchange Properties would be donated to the federal Bureau of Land Management and be permanently protected as part of the Carrizo Plain National Monument.

The Stewardship Council has made the following findings and recommendations:

1. The PG&E Carrizo Plain Property may have significant beneficial public values, including habitat for the endangered San Joaquin kit fox. For that reason, pursuant to Section 12.d(1) of the Land Conservation Commitment Stipulation approved by the California Public Utilities Commission (CPUC) in Decision 03-12-035, the Stewardship Council does not recommend unconditional transfer of the PG&E Carrizo Plain Property to First Solar.

2. The Stewardship Council nevertheless finds, pursuant to Section 12.g of the Stipulation, that the proposed land exchange may provide greater environmental and economic benefits to the people of California than continuing to maintain the PG&E Carrizo Plain Property within the Land Conservation Commitment. The Exchange Properties may provide greater opportunities to preserve and enhance the beneficial public values of wildlife habitat (possibly excepting kit fox habitat), agricultural uses, and outdoor recreation, by integrating these lands into the management of the surrounding Carrizo Plain National Monument. Further, if the conditions stated in paragraph 4 below are met, the exchange permits renewable energy development on the PG&E Carrizo Plain Property.

3. Therefore, subject to the conditions below, the Stewardship Council supports PG&E seeking the approval of the CPUC and the federal bankruptcy court to amend their respective orders to take the PG&E Carrizo Plain Property out of the Land Conservation Commitment, thereby allowing PG&E to transfer fee ownership of the PG&E Carrizo Plain Property to First Solar unencumbered by a conservation easement.

4. The Stewardship Council recommends that (i) PG&E's request for such approval and (ii) the CPUC and the bankruptcy court's approval of such request include a requirement that First Solar shall have completed the environmental review process and obtained the conditional use permit from San Luis Obispo County and any regulatory authorizations required under the federal or California Endangered Species Act, to permit development of the Topaz Solar Farm project; and further that the orders shall specify the following conditions (a) – (c) as



conditions precedent for the transfer of fee ownership of the Carrizo Plains Property to First Solar:

a. First Solar shall effectuate the fee transfer of the Exchange Properties to the Bureau of Land Management (BLM) for inclusion in the Carrizo Plain National Monument;

b. Reasonable transaction costs incurred by the BLM and prospective easement holder associated with completing the land transfers shall be borne by First Solar; and

c. The permanent protection of the Exchange Properties shall be further effectuated by the execution of a conservation easement or equivalent agreement between BLM and an entity qualified to hold and manage conservation easements in the State of California.

5. The Stewardship Council further recommends that PG&E engage with First Solar on the development of additional enhancements to the Exchange Properties for the benefit of the public.