

From: Marks, Jaclyn
Sent: 11/15/2011 2:21:19 PM
To: Allen, Meredith (/O=PG&E/OU=Corporate/cn=Recipients/cn=MEAe)
Cc:
Bcc:
Subject: Solar UOG article

Meredith, I am concerned about this negative news coverage. Let's discuss.

Thanks,
Jaclyn

Energy Central - PG&E solar projects raise concern for Fresno County leaders

By Kurtis Alexander <http://www.energycentral.com/functional/news/news_detail.cfm?did=22347456> , Fresno Bee, Nov. 13

Pacific Gas & Electric Co. is planning three new solar-energy plants in Fresno County -- a bump for renewable power, but a concern for county leaders who have little say over the projects and have serious doubts about them.

The projects are targeted for rural westside farmland considered "prime" growing quality. Two are on land the county had set aside for agriculture through conservation contracts under the Williamson Act, the state law designed to protect farmland.

But as a utility with special powers, PG&E quietly undid the Williamson Act contracts, effectively removing the development restrictions on the land. Normally, cancellation requires a public hearing and county approval.

PG&E similarly voided Williamson Act contracts on at least two other properties in Fresno County during the past year, according to county assessor records, bringing the total amount of farmland taken off the conservation rolls to about 600 acres.

While Fresno County supervisors say they're not opposed to seeing agricultural land used for solar development, they would like to see the projects coordinated and not scattershot across protected farmland.

"We don't like what PG&E is doing, but there's nothing we can do about it," said county Supervisor Phil Larson, who represents much of the county's agricultural land.

With private developers pursuing solar projects in the county at the same time as PG&E, the Board of Supervisors is drafting a policy on where the plants should be allowed -- and when Williamson Act contracts should be canceled. PG&E's ability to undo the contracts, supervisors said, undermines their planning effort.

PG&E officials say they're doing their best to respect local concerns. But they also point out they're under orders from the state to boost the amount of renewable energy they provide and have only so much flexibility in selecting project sites.

"We've definitely been struggling to get enough renewable projects online," said Aaron Johnson, interim director of renewable resource development for PG&E. "The idea has been ... what's going to result in successful projects that can come along quickly."

Johnson said the company tries to avoid areas that county or state regulations designate as off-limits to development, but that's just one consideration. Finding sites with willing sellers and near electrical substations are others.

"All of those issues get put together in one big mix to figure out what the best sites are," he said, "and ultimately we do end up with some sites on prime farmland."

Alt-energy mandated

Under California's clean-energy laws, PG&E must get 20% of its power from alternative sources by 2013 and 33% by 2020. The utility was at 16% last year.

To that end, PG&E has bought six parcels for solar development in Fresno County, about 1,200 acres in total, all on the remote west side. Three of the sites began producing power earlier this year and three are expected to come online next year -- two in Cantua Creek and one near Huron.

Before PG&E acquired those six properties, conservation contracts were in place on three of them. Another smaller parcel nearby, which the utility bought over the summer, was also under contract.

A little-known provision in the Williamson Act, however, allowed PG&E to nullify these conservation contracts under the threat of eminent domain, penalty-free and without county consent. The law gives utilities this right when they're doing energy work for the public. The utility need only provide notice to the county.

The process runs counter to what private developers face when they want out of the Williamson Act: a lengthy county review, a public hearing and an uncertain decision by the Board of Supervisors.

In Fresno County, supervisors historically have been reluctant to cancel Williamson Act contracts. Their priority has been protecting farmland, the county's top economic driver, which last year yielded a \$5.9 billion harvest.

If and when supervisors agree to cancel a Williamson Act contract, there's also a penalty fee of 12.5% of the property's assessed value that the private company must pay.

Williamson Act contracts typically run 10 or 20 years. During that time, landowners agree to keep their land in agriculture in exchange for property-tax breaks from the county.

On the PG&E properties removed from the Williamson Act, the tax breaks no longer apply and the county is bound to get more tax dollars from the utility.

Critics line up

The California Farm Bureau Federation is among those who don't like that PG&E is unilaterally overturning the conservation contracts.

"It's a very bad start," said John Gamper, director of taxation and land use for the farm bureau. "Half of the solar projects they've built they have put on farmland under the Williamson Act. There should be better planning instead of throwing ag under the bus."

Gamper said with thousands of acres of marginal farmland in Fresno County, PG&E could select sites that are not on prime agricultural land protected by the Williamson Act.

Both farm bureau officials and county supervisors said they were taken by surprise by PG&E's plans to build on Williamson Act land.

The state farm bureau recently sued Fresno County for allowing a private solar project to be built on prime farmland under Williamson Act contract. The farm bureau did not say whether it would take similar legal action against PG&E.

Fresno County Assessor Paul Dictos, who is in charge of recording the county's conservation contracts, recently sent a letter to PG&E expressing concern that too much farmland is being usurped for solar projects.

PG&E's pursuit of solar is a relatively new endeavor.

The utility typically contracts its power from private companies, but the California Public Utilities Commission is allowing PG&E to build and operate up to 250 megawatts of solar energy over five years to meet the state's growing demand for renewable electricity. One megawatt typically accommodates 500 to 1,000 homes.

The Public Utilities Commission, which oversees the utility, declined to comment for this story.

So far, all of PG&E's solar projects have been in Fresno County. Fifty megawatts are currently in production, another 50 megawatts are expected with next year's projects, and more are likely with future county projects, the utility has said.

Supervisor Debbie Poochigian worries about additional farmland being lost.

"As PG&E moves forward on prime ag land, I would hope our board would oppose it," she said. "Unfortunately, we don't have the opportunity for input now."