

**CALENDAR ITEM
C35**

A	Statewide	02/08/11 J. Dye
S	Statewide	J. Porter

**CONSIDER APPROVAL OF MEMORANDUM OF UNDERSTANDING WITH VARIOUS
STATE AGENCIES TO FACILITATE COOPERATION IN DEVELOPING
RENEWABLE ENERGY OPPORTUNITIES**

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Department of Fish and Game
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Department of Corrections and Rehabilitation
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BACKGROUND

Staff of the California State Lands Commission (Commission) has recently participated in several *ad hoc* meetings with other State agencies that manage state-owned property to discuss how to address at least three of the State's critical needs: 1) development of renewable energy projects to help meet California's clean energy goals; 2) job creation; and 3) generation of revenue. Other participating agencies include the California Department of General Services (DGS), the California Department of Water Resources (DWR), the California Department of Transportation (CALTRANS), the California Department of Fish and Game (DFG), the California Department of Corrections and Rehabilitation (CDCR) and the California Energy Resources Conservation and Development Commission (ENERGY COMMISSION).

The general consensus among the agencies is that developers may be more inclined to undertake renewable energy projects if available properties are offered together in one or more combined bid packages rather than operating on an individual or piecemeal basis. A combined package of biddable properties would enable developers to achieve economies of scale for both construction of facilities and marketing of energy generated. A combined bid package would also benefit the State to the extent that it would create an auction market for development on multiple state-owned properties and streamline administrative costs.

In December 2010, the other agencies executed a Memorandum of Understanding (MOU) that highlights the reasons for promoting renewable energy development on state-owned property, and identifies the ENERGY COMMISSION as the lead coordinating agency. The Commission has been invited to sign the MOU as well, which must be signed as is without amendment. The main purpose of the MOU is to outline a general procedure whereby the signatory agencies can coordinate with each other to develop one or more statewide solicitations to facilitate renewable energy development. To accommodate the Commission's public meeting schedule and requirements, the MOU provides that any additional agency may participate in the MOU by adding a new signatory to the signature page. The MOU does not obligate any agency to expend any funds and stipulates that all commitments are subject to each agency's budget priorities.

Ancillary to the MOU, an inventory of public property is currently being coordinated by the ENERGY COMMISSION to identify properties that are optimally situated for renewable energy development. Staff has been invited to include property under the jurisdiction of the Commission in this inventory.

Participating in the proposed MOU will provide a framework for Commission staff and other State agencies that manage state-owned property to coordinate one or more such statewide solicitations for the development of renewable energy on State land. Participation in the MOU would not obligate the Commission to make any particular

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lands available in a group solicitation; it would simply provide the opportunity to participate in discussions to that possible end. Staff has analyzed the MOU and has concluded that participation in the MOU will be in the best interests of the Commission.

OTHER PERTINENT INFORMATION:

1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines [Title 14, California Code of Regulations, section 15060(c)(3)], the staff has determined that this activity is not subject to the provisions of CEQA because it is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code section 21065 and Title 14, California Code of Regulations, sections 15060(c)(3) and 15378.

2. Representatives of each of the above-referenced agencies have already executed the MOU in counterparts, the original of which is kept on file by ENERGY COMMISSION staff. Upon Commission approval of this item, the Commission's Executive Officer will execute a signatory page which will be sent to the ENERGY COMMISSION, with a copy to each of the other signatory agencies.

PERMIT STREAMLINING ACT:

N/A

EXHIBITS:

- A. Memorandum of Understanding titled "Renewable Energy Opportunities," entered into by the California Department of General Services (DGS), the California Department of Water Resources (DWR), the California Department of Transportation (CALTRANS), the California Department of Fish and Game (DFG), the California Department of Corrections and Rehabilitation (CDCR) and the California Energy Resources Conservation and Development Commission (ENERGY COMMISSION).

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS NOT SUBJECT TO THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15060(c)(3) BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378.

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2. AUTHORIZE THE EXECUTIVE OFFICER TO EXECUTE THE MEMORANDUM OF UNDERSTANDING ATTACHED AS EXHIBIT A, TITLED "RENEWABLE ENERGY OPPORTUNITIES."