



June 27, 2011

Honorable Supervisors of Riverside County
Submitted by email to: cob@rcbos.org

RE: Opposition to Board Policy B-29 Pertaining to Solar Power Plants

Dear Supervisors of Riverside County,

The Large-scale Solar Association¹ (LSA) writes to you today to express our opposition to Board Policy B-29, which would charge solar generating facilities an amount equal to 2 percent of gross annual receipts. This charge will derail existing projects awaiting their final project approvals and will significantly discourage new solar development in Riverside County. Rather than generating new income for the County, this charge would preclude the County from receiving the economic benefits offered by solar projects.

Despite representations in the analysis offered by the County in support of the policy, the County provides no evidence of a relationship between the proposed charges and any the burden placed on the County by the use of the County's resources. With respect to projects awaiting County approval, the mitigation measures *already* imposed by other agencies could adequately address impacts or, where appropriate, compensate the County. Quite tellingly, the policy does not commit any of the money to be exacted from solar developers to specific projects designed to address the adverse impacts that allegedly necessitate the imposition of additional charges. In short, the County has not provided a justification for its proposed charge.

From a competition standpoint, the proposed charges are completely disproportionate to fees charged in surrounding areas with a similarly strong solar resource. For instance, Los Angeles and Kern County have imposed fees on solar projects on a per-acre basis and Riverside's proposed Board Policy B-29 will cost companies nearly 40 times more compared to the fees levied in other counties.² Solar developers, constrained by the terms of power purchase agreements over which they have little control, cannot absorb these excessive and

¹ LSA represents fourteen of the nation's largest developers and providers of utility-scale solar generating resources. Collectively, LSA's members, whose technologies and models span both photovoltaic and solar thermal applications, have contracted to provide over 7 gigawatts of clean, sustainable solar power in the western United States. LSA, and its individual member companies, are leaders in the renewable energy industry, advancing solar generation technologies and advocating competitive market structures that facilitate deployment of renewable energy throughout the West. LSA actively represents the interests of utility-scale solar development at both the local and state levels in California and other western states.

² Riverside's proposed tax would cost the Desert Sunlight project an estimated \$3,436,856 per year, while applying the Los Angeles and Kern fees would only cost an estimated \$91,680 per year. From First Solar's Presentation to the Board of Supervisors (June 22, 2011).

unreasonable costs. Board Policy B-29 is in direct contrast to the efforts of the state and federal governments to encourage renewable projects.

By adopting Board Policy B-29, Riverside County would signal to developers that the County is not interested in attracting solar development or the economic benefits that solar offers. Specifically, utility-scale solar facilities offer significant economic benefits to the communities where they are located including sales taxes, property taxes, and fees for public safety and use of public right-of-way, not to mention the construction and operations jobs generated by these facilities. To give a sense of the job potential for large-scale solar facilities generally³ –

- A 150 MW photovoltaic plant will create 275 jobs during construction and 7 jobs during operation.
- A 550 MW solar thermal plant will create 995 jobs during construction and 120 jobs during operation.

Two solar projects pending before the Board of Supervisors will provide about 1,500 green jobs and approximately \$1 billion in economic benefits for the County. Riverside County stands to benefit significantly from solar generation, however Board Policy B-29 puts all of these potential economic benefits at risk.

Not only does the proposed policy deter future solar development in the County, but the Board's action could put at risk the currently proposed projects that are relying on Federal loan guarantees for their financing. The Board's recent action to delay pending project approvals threatens these projects' ability to meet deadlines to receive this critical federal funding and affects overall project financing.

In closing, LSA strongly opposes this board policy. We ask that you vote 'no' on Board Policy B-29 and allow pending project approvals to proceed expeditiously.

Sincerely,

Shannon Eddy
Executive Director, Large-scale Solar Association

Cc: Bob Buster, Chair - district1@rcbos.org
John F. Tavaglione, Vice Chair – district2@rcbos.org
Jeff Stone, Board Member – district3@rcbos.org
John J. Benoit, Board Member – district4@rcbos.org
Marion Ashley, Board Member – district5@rcbos.org
Bill Luna, County Executive Officer – ceo@rceo.org

³ Based on the preliminary results of an economic survey conducted for LSA. Jobs reported as full-time equivalents (FTEs).