

EXHIBIT 1, PC-1

Planning Commission Staff Report

County-Initiated Proposed Ordinance Amending
Articles 2, 5, 7, and 19 of the Ventura County Non-
Coastal Zoning Ordinance to Include a Definition,
Use Category, and Acres Limitation for Phase I of
the Renewable Energy Program

Case No. PL24-0019

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County of Ventura • Resource Management Agency

800 S. Victoria Avenue, Ventura, CA 93009-1740 • (805) 654-2478 • www.vcrma.org/divisions/planning

Subject: Public Hearing to Consider Ventura County Initiated Text Amendments to Articles 2, 5, 7 and 19 of the Ventura County Non-Coastal Zoning Ordinance to Amend the Definition for "Energy Production from Renewable Sources" and Include a Definition, Use Category, and Acreage Limitation for "Renewable Energy Storage" Facilities in Certain Zones (collectively, "Proposed Amendments"); and Consider a Finding that Adoption of the Proposed Amendments is Exempt from the California Environmental Quality Act (CEQA) Pursuant to CEQA Guidelines Sections 15061(b)(3) and 15308 (Case. No. PL24-0019).

A. PROJECT INFORMATION

1. **Applicant:** County of Ventura, Resource Management Agency (RMA), Planning Division, 800 South Victoria Avenue, Ventura, CA 93009.
2. **Location:** The proposed amendments to the Non-Coastal Zoning Ordinance (NCZO) would be applicable to the non-coastal unincorporated areas of Ventura County and all Supervisorial Districts.
3. **Request:** Planning Staff requests that your Commission review this staff report and its attachments and adopt a resolution (Exhibit 2) recommending that the Board of Supervisors (Board) adopt the recommended actions in Section E of this staff report, including approval of the proposed amendments to the NCZO (Exhibits 3 and 4). The proposed amendments to the NCZO would complete Phase 1 of the Renewable Energy Program, which includes the following: (1) codifies a Planning Director Use Equivalency Determination that finds battery energy storage as equivalent to the "energy production from renewable resource" use category (Exhibit 5) and clarifies that battery energy storage is allowed in Industrial M1, M2, and M3 zones with a Planned Development Permit; and (2) establishes, pursuant to the Board's direction, a limitation of up to 100 acres for battery energy storage facilities located in the Agricultural Exclusive ("AE"), Open Space ("OS"), and Rural Agriculture ("RA") zones. These amendments are proposed in Articles 2, 5, 7, and 19 of the NCZO and are shown in Exhibits 3 (clean version) and 4 (legislative version with staff explanations).
4. **Review/Decision-Making Authority:** Pursuant to NCZO Section 8115-3.1 and Government Code Section 65853, the Planning Commission is required to review, conduct a public hearing on, consider and make recommendations to the Board regarding the proposed NCZO amendments. The Board, at a subsequent public hearing, will consider your Commission's recommendations and decide whether to adopt, not adopt, or adopt with modifications the proposed amendments.
5. **Project Background and Description:**
 - a. **Project Background**

On September 15, 2020, the Ventura County Board of Supervisors adopted the 2040 General Plan and certified its Environmental Impact Report. The adopted 2040 General Plan became effective on October 15, 2020, and is currently in the

implementation stage. The following General Plan policies and program support renewable energy and battery energy storage:

- Policy COS-8.10, Battery Energy Storage Systems,
- Policy EV-4.4, Renewable Energy Facilities, and
- Program COS-O, Assessment of Land Near Electrical Transmission and Distribution Lines.

Policies COS-8.10 and EV-4.4 and Program COS-O specifically encourage the development of facilities consisting of ground-mounted solar arrays, wind turbines, battery energy storage projects, and other renewable energy facilities.

On November 29, 2023, the Planning Director issued a Use Equivalency Determination that found battery energy storage as equivalent to the “energy production from renewable source” use category in the NCZO (Exhibit 5). Through this Use Equivalency Determination, battery energy storage is allowed within the Agricultural Exclusive (“AE”), Open Space (“OS”), Rural Agriculture (“RA”), Limited Industrial (“M2”), General Industrial (“M3”), and Industrial (“I”) zoning districts with either a Conditional Use Permit (CUP) or a Planned Development Permit (PD).

On September 26, 2023 and again on December 19, 2023, the Board of Supervisors heard staff presentations on options for regulatory amendments to address the policy and programs described above. After deliberation, the Board voted to create a “Renewable Energy Program” and directed staff to initiate amendments to the Ventura County General Plan and NCZO. The Board-directed Renewable Energy Program will be implemented over the following phases:

- Phase 1: Amend the NCZO to codify the November 29, 2023, Planning Director Use Equivalency Determination and limit the number of acres that can be dedicated to energy storage in the OS, AE, and RA zoned lands to 100 acres. These amendments are before your Commission today.
- Phase 2: Amend the General Plan and NCZO to add a lot coverage exemption for renewable energy facilities located on Agriculture or Open Space designated lands, simplify the permitting process for renewable energy facilities located on Industrial designated lands, prohibit solar concentration arrays¹, and draft development standards for photovoltaic solar arrays and battery energy storage projects. These amendments will be presented before your Commission at a future date.
- Future efforts include the renewable energy restriction overlay zone project in the next Division Work Plan commencing in Fiscal Year 2026-27.

¹ Program HAZ-O, Solar Concentration Restriction, states: “The County shall modify the NCZO and CZO, if necessary, to prohibit the placement and use of facilities that use solar concentration for generation of commercial power that could generate glare and potential to disable pilots and impact flight or test operations at Naval Base Ventura County”. This type of solar facility was reviewed by Planning Staff and the Board of Supervisors supported a recommendation to prohibit these facilities countywide due to the large scale, excessive aesthetic impacts, and other siting and design factors that make them unlikely to be built in the unincorporated areas.

b. Project Description

Renewable Energy Program Phase I includes NCZO amendments that would codify the Planning Director Use Equivalency Determination (Exhibit 5) and establish a 100-acre limitation on the development of energy storage allowed in OS, AE, and RA zoned lands, as further described in Section 6 below.

6. Summary of Proposed Ordinance Amending the NCZO:

The following is a summary of the proposed amendments to Articles 2, 5, 7, and 19 of the NCZO.

a. Article 2 – Definitions

As the Planning Director found that energy storage systems, specifically batteries, are equivalent to the “energy production from renewable resources” use category, the existing definition for “energy production from renewable resources” in Section 8102-0 of the NCZO is proposed to be amended to include “storage”. The current definition limits this land use to a facility intended to produce energy from natural sources, such as a windmill, hydroelectric unit, solar collecting or concentrating array. However, energy storage has become a critical component of renewable energy production because it stores renewable energy for use at night and during emergencies.

The Board also supported amending the definition of “energy production from renewable resources” to allow flexibility for different types of technology, including other types of renewable energy storage; therefore, “battery” is not specified. In addition to incorporating “storage” into the existing definition, the examples of different types of facilities would be removed because the definition also lists the types of naturally replenishing energy sources which can be used for energy production/storage, which is more accurate. The proposed amendment also clarifies that “energy production and storage from renewable resources” is a principal, and not accessory, use.

The proposed amendment also includes a definition for “renewable energy storage” which would be defined as a type of energy storage from renewable resources that is limited to “the storage of renewable energy primarily for off-site use”. The definition would be used in the Article 5 and Article 7 amendments described below.

b. Article 5 – Uses and Structures by Zone

In accordance with the Renewable Energy Program Phase 1, the proposed amendments to Article 5 include modifications to both the Open Space, Agricultural, Residential and Special Purpose Zones Use Matrix in Section 8105-4, and the Commercial and Industrial Zones Use Matrix in Section 8105-5, as described below.

- 1) Section 8105-4 – The proposed amendments to the Open Space, Agricultural, Residential and Special Purpose Zones table in NCZO Section 8105-4 would add an asterisk (*) to “energy production and storage from renewable resources” that indicates special development standards apply to this use, as set forth in greater detail in Article 7 – Standards for Specific Uses. As

described below, a new section is proposed to be included in Article 7 to add development standards for this use and would include a 100-acre limit for new principal use energy storage in the OS, AE, and RA zones.

- 2) Section 8105-5 – The proposed amendments to the Commercial and Industrial Zones table in NCZO Section 8105-5 would add a new use category row of “renewable energy storage” under “energy production and storage from renewable resources”. This amendment would allow a renewable energy storage project in the M1, M2, and M3 zones with a Planning Director-approved Planned Development (PD) permit instead of a Conditional Use Permit (CUP) because the PD permits do not expire and these industrial zones are suitable sites for renewable energy storage facilities. The requirement of a PD permit may encourage more applications in the Industrial zones because it eliminates the need for future permit renewals, as compared to the CUP permits required in OS, AE, and RA zones that expire after about 10 years. This meets the intent of General Plan Policy LU-11.9 – Alternative Energy and Alternative Fuel Production, which directs the County to allow for alternative energy production on land with industrial designations to reduce the reliance on petroleum-based fuels and greenhouse gas emissions.

c. Article 7 – Standards for Specific Uses

In accordance with the Renewable Energy Program Phase 1, a new subsection, Section 8107-49, is proposed that would regulate “energy production and storage from renewable resources” uses. In order to ensure that energy storage uses do not result in substantial impacts to the OS, AE or RA zoning districts, this section includes a cumulative 100-acre limit for these zones when energy storage is allowed as a grid-scale principal use (not an accessory use). To ensure the most efficient applicability of the acreage limitation, it includes accessory equipment and storage, but excludes the area for ingress and egress to renewable energy storage facilities such that access roads are not included in the cumulative acreage limitation. Eventually, during Phase 2 of the Renewable Energy Program, additional development standards for long-term renewable energy facilities will be added to Section 8107-49.

d. Article 19 – Old Town Saticoy Development Code

In accordance with the Renewable Energy Program Phase 1, the use table in the Old Town Saticoy Development Code, as set forth in NCZO Section 8119-1.2, would be amended to include a new use category row of “renewable energy storage” under “warehousing and storage”. This amendment would implement the Planning Director Use Equivalency Determination (Exhibit 5) by allowing energy storage to be processed as a “warehousing and storage” project in the Industrial (“IND”) zone with a Planning Director-approved PD permit.

7. Regulatory Setting

Renewable Energy Program Phase 1 supports state goals for reducing Greenhouse Gas (GHG) emissions that contribute to climate change. Senate Bill 32 established a goal of 40 percent reduction in GHG emissions below 1990 levels by 2030, and, in 2022, Assembly Bill 1279 set a goal for net-zero GHG emissions by 2040. To meet the State’s

GHG emissions reduction goals, the Legislature passed several laws aimed at increasing renewable electricity generation and accelerating the transition to a clean energy grid.

As discussed above in the Background section, in addition to General Plan Program COS-O and Policies COS-8.10 and EV-4.4, the General Plan contains various programs and policies that make up the County's Climate Action Plan, supporting the need for renewable energy facilities, including energy storage. Please see section C.3 below and Exhibit 5 for a greater discussion of this regulatory setting.

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) COMPLIANCE

Pursuant to CEQA (Pub. Resources Code, § 21000 et seq.) and the CEQA Guidelines (Cal. Code Regs., title 14, § 15000 et seq.), the lead agency must determine if a project is subject to environmental review.

The proposed amendments, which are summarized above, constitute a "project" as defined by CEQA and the CEQA Guidelines. Planning Division staff has determined that the adoption of the proposed amendments (Exhibits 3 and 4) is exempt from CEQA review pursuant to the CEQA Guidelines under Section 15308 and Section 15061(b)(3). Section 15308 (Class 8, Actions by Regulatory Agencies for Protection of The Environment) applies and provides an exemption from CEQA review because the proposed amendments are a regulatory action to codify a Planning Director Use Equivalency Determination that already allows battery energy storage in the OS, AE, and RA zones. The proposed amendments limit the number of acres that are allowed to be utilized for energy storage in these zones, thereby maintaining and protecting the environment. No unusual circumstances or other exceptions set forth in CEQA Guidelines section 15300.2 apply to preclude application of the Class 8 exemption. Section 15061(b)(3) applies and provides an exemption from CEQA review because it can be seen with certainty that there is no possibility the proposed amendments may cause a significant effect on the environment. As explained above, the proposed amendments limit the number of acres in the OS, AE, and RA zones that can be used for renewable energy storage facilities; therefore, the proposed amendments are protective of the environment and do not cause a significant effect upon it.

Additionally, the proposed amendments are programmatic so subsequent individual projects will also be reviewed for environmental impacts through the discretionary approval process.

C. NON-COASTAL ZONING ORDINANCE AMENDMENT FINDINGS AND SUPPORTING EVIDENCE

The Board of Supervisors must make certain findings to amend the NCZO pursuant to Section 8115-0, which states in relevant part that the NCZO "may be amended by the Board of Supervisors whenever the public health, safety, or general welfare, good zoning practice, and consistency with the General Plan justify such action."

The Board's ability to make the required findings to adopt the proposed amendments is evaluated below for your Commission's consideration in making its recommendations to the Board.

1. The proposed amendments would not be detrimental to the public health, safety, or general welfare.

The proposed amendments would not be detrimental to the public health, safety, or general welfare because:

- a. The amended definition for “energy production from renewable sources” ensures that the use category stays consistent with changing state regulations and is responsive to the County’s General Plan objectives to increase renewable energy production as a tool to address climate change; and
- b. Establishment of an acreage limitation for renewable energy storage within the OS, AE, and RA zones protects and preserves open space, agricultural, and rural lands from being extensively developed by renewable energy storage projects.

If the amendments are adopted by the Board, the authorization of a permit for a renewable energy storage facility would occur through a discretionary review process that includes environmental review and findings of approval by County agencies, such as the Fire Department and the Public Works Agency, to ensure the safety of new development.

2. The proposed amendments are in conformance with good zoning practice.

Good zoning practice requires periodic updates to the zoning ordinance to maintain consistency with current planning practices, other County policies or ordinances, state laws, and building codes affecting planning and land use.

The proposed amendments to the NCZO represent good zoning practice because they ensure that the zoning ordinance reflects and implements changing state regulations regarding renewable energy production and energy storage as well as the policies and programs of the General Plan and its Climate Action Plan. Further, the proposed amendments have been designed to minimize the potential conversion of agricultural, open space, and rural lands by establishing an acreage limitation within the AE, OS, and RA zones.

3. The proposed amendments are consistent with the Ventura County General Plan.

Planning staff evaluated the proposed amendments with the applicable General Plan policies and determined that the proposed amendments are consistent with the Ventura County General Plan because they implement Program COS-O and Policies COS-8.10 and EV-4.4 which encourage the development of renewable energy facilities consisting of ground-mounted solar arrays, wind turbines, battery energy storage projects, and other facilities. The proposed amendments are further consistent with the General Plan policies listed in the table below because they support renewable energy facilities, including battery energy storage, and protect open space, agriculture, and rural lands:

Policy or Program	Description
Goal EV-5	<i>To promote a strong local economy by improving critical infrastructure, including water, transportation, broadband, and renewable energy.</i>
Policy EV-4.2	Green Economy <i>The County shall support the development of industries and businesses that promote and enhance environmental sustainability, greenhouse gas reductions, decarbonization, climate change adaptation, resiliency, and renewable energy generation, storage, and transmission, including solar power, wind power, wave energy and other appropriate renewable sources. The County shall promote the efforts of existing businesses that meet green business criteria; job training in green building techniques and regenerative farming; and strive to build green technologies into and decarbonize existing government buildings and facilities.</i>
Policy EV-4.4	Renewable Energy Facilities <i>The County shall identify appropriate locations to allow for development of renewable energy generation and storage facilities and encourage the development of innovative approaches to renewable energy deployment, including solar power, wind power, wave energy, distributed power systems and micro-grids, and other appropriate renewable sources and storage and distribution systems.</i>
Policy LU-11.9	Alternative Energy and Alternative Fuel Production <i>The County shall allow the production of alternative energy and alternative fuels on land within the Industrial designation to reduce the reliance on petroleum-based fuel and greenhouse gas emissions.</i>
Policy COS-8.10	Battery Energy Storage Systems <i>The County shall encourage battery energy storage systems as an option for optimizing the management of electricity generated by renewable resources.</i>
Policy COS-9.3	Open Space Preservation <i>The County shall place a high priority on preserving open space lands for recreation, habitat protection, wildlife movement, flood hazard management, public safety, water resource protection, and overall community benefit.</i>
Program COS-O	Assessment of Land Near Electrical Transmission and Distribution Lines <i>The County shall conduct a study and prepare a publicly available assessment of suitable undeveloped lands near electrical transmission and distribution lines that serve as priority areas for the development of utility-scale solar energy generation and storage projects. If suitable locations are identified, the County shall establish a new zone, if necessary, called a Renewable Energy Priority Zone, for these sites in the County's Coastal and Non-Coastal Zoning Ordinances.</i>
Policy AG-1.1	Agricultural Land Protection and Preservation <i>The County shall continue to protect and preserve agricultural land by directing growth away from productive agricultural lands into cities, unincorporated urban areas, or existing communities and by supporting the acquisition or voluntary dedication of agriculture conservation easements.</i>

Policy or Program	Description
Program AG-I	<i>Fossil Fuel-Powered Equipment Replacement</i> <i>The County shall coordinate with the Air Pollution Control District and electric utilities to develop a program to establish a countywide fossil fuel-powered equipment conversion target, track progress on conversions to renewable energy sourced electric powered systems and provide technical assistance to users considering replacement of pumps.</i>
Program AG-J	<i>Alternate Fuel Funding for Agricultural Operations</i> <i>The County shall coordinate with the Air Pollution Control District to develop a program to identify funding sources or develop financial or regulatory incentives to encourage the switch to electric or alternatively fueled agricultural equipment, when feasible.</i>
Policy AG-5.2	<i>Electric- or Renewable-Powered Agricultural Equipment</i> <i>The County shall encourage and support the transition to electric- or renewable-powered or lower emission agricultural equipment in place of fossil fuel-powered equipment, when feasible.</i>
Policy AG-5.3	<i>Electric- or Renewable-Powered Irrigation Pumps</i> <i>The County shall encourage farmers to convert fossil fuel-powered irrigation pumps to systems powered by electric or renewable energy sources, such as solar-power, and encourage electric utilities to eliminate or reduce stand-by charges.</i>

The above General Plan goals, policies, and programs recognize that the proposed amendments help to preserve the public health, safety, and general welfare by reducing GHG emissions, which the State has found to be critical for protecting against adverse impacts of climate change, including an increased frequency of extreme weather events, such as drought, heat, and flooding.

Furthermore, the proposed amendments are not in conflict with Policies AG-1.1 and COS 9.3, or the provisions of the Save Open Space and Agricultural Resources (SOAR) Initiative, as incorporated in the General Plan in Appendix C, because the proposed 100-acre limitation for energy storage is intended to protect open space and agriculture. The proposed amendments have no effect on existing land use designations.

The “energy production from renewable sources” use category was added to the NCZO in 1985 and was previously found to be consistent with the intent and purpose of the General Plan. The proposed amendments do not change the overall intent or purpose of this use category as the amendments ensure the use’s consistency with changing state regulations, technology, and the County policies.

D. PLANNING COMMISSION HEARING NOTICE AND PUBLIC COMMENTS

The Planning Division provided public notice of the Planning Commission hearing in accordance with Government Code section 65090 and NCZO section 8111-3.1 et seq. The Planning Division emailed approximately 1,150 notices of the Planning Commission hearing to the General Plan’s interested parties list and to responsible and affected public

agencies, e.g. all incorporated cities. The Planning Division placed a legal notice in the Ventura County Star on March 8, 2024.

E. RECOMMENDED ACTIONS

Based upon the analysis and information provided above, Planning Division staff recommends that the Planning Commission take the following actions:

1. **CERTIFY** that your Commission has reviewed and considered this staff report and all exhibits thereto, and has considered all comments received during the public comment process; and
2. **ADOPT** a resolution in the form attached as Exhibit 2 recommending that the Board of Supervisors take the following actions regarding the proposed amendments to the Non-Coastal Zoning Ordinance:
 - a. **CERTIFY** that the Board has reviewed and considered the Board Letter and all exhibits thereto, the Planning Commission staff report and all exhibits thereto, and has considered all other materials and public comments received during the public comment and hearing processes;
 - b. **FIND**, on the basis of the entire record and as set forth in Section B of the Planning Commission Staff Report, that adoption of the proposed amendments to the NCZO (Exhibits 3) is exempt from CEQA pursuant to CEQA Guidelines Sections 15308 and 15061(b)(3) because the project consists of regulations for the benefit and protection of the environment and because it can be seen with certainty that there is no possibility the proposed amendments may cause a significant effect on the environment; and **FIND** that no substantial evidence exists precluding the use of the above categorical exemption (CEQA Guidelines Section 15308) based on the presence of unusual circumstances or any other exception set forth in CEQA Guidelines section 15300.2;
 - c. **FIND**, on the basis of the entire record and as set forth in Sections A, B, C and D of the Planning Commission staff report, that the proposed amendments to the NCZO (Exhibit 3) are consistent with the goals, policies and programs of the General Plan and good planning practices and are in the interest of public health, safety and general welfare;
 - d. **ADOPT** the proposed ordinance amending Articles 2, 5, 7, and 19 of the NCZO (Exhibit 3); and
 - e. **SPECIFY** that the Clerk of the Board of Supervisors is the custodian, and 800 S. Victoria Avenue, Ventura, CA 93009 is the location, of the documents and materials that constitute the record of proceedings upon which these decisions are based.

This staff report was reviewed by County Counsel. The Board of Supervisors hearing to consider the proposed amendments to the NCZO is tentatively scheduled for May 21, 2024, in the Board of Supervisor's hearing room.

If you have any questions concerning the information above, please contact Donald Nielsen, Case Planner, at (805) 650-4047 or by email at Donald.Nielsen@ventura.org.

You may also contact Aaron Engstrom, Planning Manager, at (805) 654-2963 or by email at Aaron.Engstrom@ventura.org.

Prepared by:



Donald Nielsen, Project Planner
Area Plans and Resources Section
RMA/Planning Division

Reviewed by:



Aaron Engstrom, Manager
Area Plans and Resources Section
RMA/Planning Division

Reviewed by:



Dave Ward, AICP, Planning Director
RMA/Planning Division

EXHIBITS²

- Exhibit 1 - Reserved
- Exhibit 2 - Planning Commission Resolution
- Exhibit 3 - Clean Version of Proposed NCZO Ordinance Amendments
- Exhibit 4 - Proposed NCZO Ordinance Amendments in Legislative Format
- Exhibit 5 - Planning Director Use Equivalency Determination for Battery Energy Storage

² Within the Board of Supervisors letter, this Planning Commission staff report will be included as Exhibit 1