



January 28, 2025

County of Ventura Board of Supervisors

SUBJECT: Report Back Regarding Reserving Acres Toward the 100 Acres Limitation for Energy Storage Projects; All Supervisorial Districts

RECOMMENDED ACTIONS:

1. **RECEIVE AND FILE** Planning staff's presentation.
2. **PROVIDE DIRECTION** to Planning staff regarding potential measures to reserve acreage available for the potential approval of proposed energy storage facility projects that are being processed and are subject to the existing 100-acre cumulative limitation for such projects in the Open Space, Agricultural and Rural Agricultural Zones.

FISCAL IMPACTS/MANDATES:

The preparation cost of this report is funded through the Planning Division's adopted FY 24-25 program budget (2910), and current administrative procedures can be completed with existing staff and budget.

The County's financial obligation shown in the tables below represents existing Planning Division staff time, potential consultant costs for the options identified in the Discussion section below and represent an internal expense that will not be fully recovered through cost recovery mechanisms.

Option 1	FY 2024-25	FY 2025-26
Revenues	\$ -	\$ -
Costs	\$ 36,600	\$ 8,400
Net County Cost	\$ (36,600)	\$ (8,400)

Option 2	FY 2024-25	FY 2025-26
Revenues	\$ -	\$ -
Costs	\$ 28,600	\$ 8,400
Net County Cost	\$ (28,600)	\$ (8,400)

Option 3	FY 2024-25	FY 2025-26
Revenues	\$ -	\$ -
Costs	\$ 2,000	\$ 4,600
Net County Cost	\$ (2,000)	\$ (4,600)

Funding Source(s): General Fund - Planning Division Budget
Match Requirement: None

EXECUTIVE SUMMARY

On May 21, 2024, your Board approved amendments to the Non-Coastal Zoning Ordinance (NCZO) to incorporate “energy storage” into the allowed uses matrix and include a cumulative 100-acre limitation on energy storage projects in the Agricultural Exclusive (AE), Open Space (OS), and Rural Agriculture (RA) zones. Your Board adopted these amendments and also directed staff to consider and return to the Board with a proposal for reserving the acres toward the 100-acre allocation at some other point during the entitlement process prior to project approval. The idea was that this may help provide more certainty for developers that acres will be available for energy storage projects in the AE, OS, and RA zones.

This report provides an update to Division informational webpages and application materials to assist potential applicants regarding the number of acres remaining under the 100-acre limitation in AE, OS, and RA zones. This report contains potential options for Board consideration including which ones may have technical challenges in implementation and which ones may require legislative amendments, in addition to a monitoring option. Regardless of any option selected, the County’s industrial zones and the State’s AB 205 process are still available for energy storage projects and there is no acre limitation for these permit pathways. Planning Division staff could develop the scope of work and adjustments to the Division Work Plan depending on your Board’s direction.

BACKGROUND

On December 19, 2023, your Board received a staff presentation regarding options for NCZO amendments to address General Plan policies and programs that apply to renewable energy production and battery energy storage land uses. Program COS-O and Policy EV-4.4 encourage the development of renewable energy facilities consisting of ground-mounted solar arrays, wind turbines, battery energy storage projects, and other facilities. Program HAZ-O supports restrictions for solar concentration arrays and other types of facilities that can cause glare affecting Naval Base operations. After deliberation at this December 2023 meeting, and review of data¹ showing that 100 acres of energy

¹ The following is an excerpt from the December 19, 2023 Board letter describing options for the acres allocation in OS, AE, and RA zones, from which the Board selected option “c” to allocate 100 acres:

- a. *Limit the total amount of battery energy storage in OS, AE, and RA zones to 30 acres. This amount would be sufficient to meet the energy needs of Ventura County with 2035 population growth projections (including the cities).*

storage is more than enough to meet current and mid-range future regional renewable energy needs of the unincorporated county and local cities, your Board directed staff to proceed with amendments for a three-phase “Renewable Energy Program” that includes the following:

- Phase 1: Amend the NCZO to codify the November 29, 2023, Planning Director Use Equivalency Determination and limit the cumulative number of acres that can be developed for energy storage projects in the AE, OS, and RA zoned lands to 100 acres.
- Phase 2: Amend the General Plan and NCZO to add an exception to lot coverage restrictions for renewable energy facilities located on AE- and OS-zoned lots, draft development standards for production from renewable energy uses, and prohibit solar concentration arrays.
- Phase 3: Amend the General Plan and NCZO to add a renewable energy restriction overlay zone.

On May 21, 2024, your Board adopted Ordinance No. 4630, which completed the Phase 1 amendment described above. NCZO Articles 2, 5, 7, and 19 were amended to include a cumulative 100-acre limitation for “energy storage” facilities in AE, OS, and RA zones. The Phase 2 amendments are underway and tentatively scheduled to go before your Board during the second half of 2025.

At the May 21, 2024 hearing on the Phase 1 amendments, staff recommended that acres in the AE, OS, and RA zones be counted toward the 100-acre limitation contemporaneously with a project obtaining the required Conditional Use Permit (CUP). Your Board, in taking action on the Phase 1 amendments, adopted this approach. There was also direction for staff to consider and return to the Board with other options for when to count the acres. Specifically, your Board asked staff to “prepare and report back with a proposal to allocate 100-acres subject of the acreage limitation set forth in NCZO Section 8107-49.1 when CUP applications are deemed complete or at some other point during the entitlement process prior to project approval.” The impetus for this request was to help provide more certainty for developers when they propose energy storage projects by reserving some of the 100-acre limitation for energy storage projects in the AE, OS, and RA zones at an earlier stage in the development application review process. With such a change, a developer could have more transparency whether to proceed or not with the expenses of preparing detailed project plans and the various technical reports necessary to support a CUP application.

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- b. Limit the total amount of battery energy storage in OS, AE, and RA zones to 50 acres. This amount would be sufficient to meet projected energy needs based on item (a) above and includes additional holding capacity for future economic development opportunities and increased electrical demands (e.g., increases in electric vehicle charging at night). Furthermore, this would also accommodate the phasing out of local natural gas power plants.*
 - c. Limit the total amount of battery energy storage in OS, AE, and RA zones to 100 acres. This amount would be sufficient to meet projected energy needs based on items (a) and (b) above but also includes space for other potential new green technology and can accommodate potential new renewable energy goals from the State.*

After the Phase 1 amendments were adopted, informational webpages and application materials were developed to inform potential applicants regarding the number of acres remaining under the 100-acre limitation as energy storage projects in AE, OS, and RA zones are approved, as described below:

- A Renewable Energy Program webpage² (Exhibit 1) provides easily accessible informational materials regarding the application process and includes a “frequently asked questions” section. This “FAQ” section also describes that there is no 100-acre limitation on energy storage projects in the Industrial zones, and that the State has established an alternative permit process under Assembly Bill 205 (AB 205; passed in 2022) through the California Energy Commission for qualified renewable energy generation, storage, and manufacturing projects. This process is still available for potential applicants to utilize in the event that the NCZO’s current 100-acre limitation is exhausted.
- An “Acres Tracker” webpage³ (Exhibit 2) provides a convenient summary for all NCZO uses that have an acres limitation, specifically energy storage, food processing, and commercial organics processing. This page provides each project’s case number and location, and then identifies the acres counted in a three-column table with the following categories:
 - *Acres In Submitted Applications.* A project’s applicable acreage is shown in this column after the application has been deemed complete. This allows potential applicants to see how many acres the unincorporated county is currently reviewing for potential permit approval.
 - *Permitted Acres Authorized.* A project’s applicable acreage is then moved to this column when the permit is approved. This allows potential applicants to see how many acres of the 100-acre limitation on energy storage have been allocated.
 - *Acres Inaugurated.* Once a project has been inaugurated, which means that all building permits and other necessary conditions have been met and construction begins, the project acres are moved to this column.
- An Acknowledgment of Acreage Limitation Form⁴ (Exhibit 3) is required to be completed for a CUP application for all new “energy storage” projects proposed in the in the AE, OS and RA zones. This form ensures that the applicant is aware of the 100-acre limitation and that the remaining acres available may change while the permit is being processed.
- A letter is issued to energy storage project applicants at the time their application is submitted, detailing the availability of acres and providing the website as acreage tracking tool for their use.

² Renewable Energy Program webpage: <https://vcrma.org/divisions/planning/renewable-energy-program/>

³ Acres Tracker webpage: <https://vcrma.org/divisions/planning/land-use-tracker-for-certain-permitted-uses-with-acres-limitations/>

⁴ Acknowledgment of Acreage Limitation form: <https://vcrma.org/wp-content/uploads/2024/10/acknowledgment-of-acres-limitation.pdf>

A benefit of this current process is that it provides meaningful information about the number of acres available compared to the 100-acre limitation for energy storage projects in the AE, OS, and RA zones while allowing for efficient use of staff time and resources, with monthly webpage updates requiring minimal effort.

DISCUSSION

As of the date of this Board letter, approximately 19.44 acres of the 100-acres limitation have been allocated. This acreage is entirely for one project, the Shoals Battery Energy Storage System (PL24-0024), for which a CUP was approved by the Planning Commission on December 19, 2024. A total of 80.56 acres remains available for other energy storage projects in the AE, OS and RA zones.

As more energy storage CUPs are granted, and the remaining acreage available for new projects shrinks, uncertainty about whether acreage will remain available for all submitted applications would increase, potentially dissuading the submittal of new applications. While this is not the case today, with 80.56 acres remaining available for energy storage projects in the combined AE, OS, and RA zones, should all the conceptual projects described in the next section advance through the development review process, no new applications for energy storage in the AE, OS, and RA zones could be approved. In that event, the County's industrial zones and the State's AB 205 process would still be available for potential projects should the 100-acre limitation in the AE, OS, and RA zones be reached.

Energy Storage and Development Review Committees

The County Planning Division provides a conceptual project review process by way of a Development Review Committee (DRC) application. Planning staff have recommended energy storage project applicants utilize this service prior to a formal development application submittal. The DRC process provides information about how a given project could best be designed to be compliant with local regulations. Energy storage project applicants that have availed themselves of the DRC process provides an indicator of demand for the remaining available acreage. The table below notes the approved Shoals project, as well as three other energy storage projects that have undergone a DRC. These latter three projects cumulatively total approximately 81 acres.

Project Name	Case Number	Project Size (Acres)	Project Location
Shoals Energy Storage	PL24-0024	19.44 Acres	~0.5 miles west of the intersection of Victoria Avenue and Gonzales Road
This project was approved by the Planning Commission on December 19, 2024. The project consisted of a 400 MW energy storage project located on 19.44 acres.			
Rosa BESS	AD24-0018	~64 Acres	NE corner of Grimes Canyon Road and Highway 118
This DRC was on April 15, 2024, for a 1,000 MW energy storage project located on 64 acres. The primary staff comment was that the project would exceed the allowed building lot coverage. The applicant anticipates application filing in 2025.			
Olivas Park Energy Farm	AD24-0073	~4 Acres	3401 Olivas Park Drive
This DRC on August 6, 2024, was for a 45 MW energy storage project located on 4 acres. The primary staff comment was that an easement crossing the railroad tracks is needed to connect to a substation within the City of Ventura. The applicant team met with the Planning staff in November 2024 discussing further design changes and discussed the CUP process.			
Goldbeck BESS	AD24-0134	~13 Acres	11018 Los Angeles Avenue
This conceptual review on November 21, 2024, was for a 500 MW energy storage project located on 13 acres. The primary staff comment was regarding the availability of water for fire suppression.			

It should be noted that these DRC projects are conceptual and have not been formally submitted to the Planning Division through a CUP application. Should these DRC projects advance to full development applications and be approved, the entire 100-acre allocation for projects within the AE, OS, and RA zones would be used.

Reserving Acres at an Earlier Stage in the Application Process

As directed by your Board at the May 21, 2024, hearing, Planning Division staff have reviewed potential methods to reserve acres toward the 100-acre allocation in the AE, OS, and RA zones at an earlier stage in the permitting process than the CUP authorization date.

Option 1: Allocation Tied to CAISO Process

Prior to the May 2024 hearing for the Phase 1 amendments, an energy storage developer submitted testimony that the County should prioritize energy storage projects based on their position in the State's California Independent System Operator (CAISO) queue, such that concept projects that are to be reviewed by the State for connections to the statewide grid sooner than another concept project proposed in the AE, OS, and RA zones would also be reserved some of the 100 County acres sooner. However, the State's CAISO process integrates local permitting approvals into its decisions whether to authorize energy storage projects to connect to the grid. The CASIO process does

not integrate local CUP development applications at earlier stages in the entitlement process: i.e., application submittal or once an application is deemed complete.

Overall, industry experts⁵ have advised against incorporating the CAISO process into local codes as it is subject to changes and includes steps reliant on a local jurisdiction's permitting process. Planning staff attended battery energy storage working group meetings that focused on the permitting process for county planners, attended a focused American Planning Association conference session with industry professionals, and inquired with the CAISO. Over the course of these interactions, industry experts have stated that local land use permits are one step in a complex and evolving process to build projects that receive, store, and transmit energy to the statewide grid and only about one or two grid scale projects out of every ten make it through the CAISO process and are authorized to connect to the energy grid.

Option 2: Legislative Amendments to Reserve Acres Earlier

Should your Board direct staff add a process that allows applicants to reserve acres toward the 100-acre limitation for energy storage projects in the AE, OS, and RA zones, an NCZO amendment would be needed to deviate from the County's standard approval process. One or both of the following options are available:

a. Limitation on Applications Accepted

This option would not change how or when the acres are counted toward the 100-acre limitation for energy storage projects in the AE, OS, and RA zones but could provide another step to the processing of applications when it is reasonably foreseeable that the remaining acres allowed under 100-acre limitation may be exhausted. If the Planning Division receives applications that, in addition to approved and use-inaugurated⁶ projects, would cumulatively add to 120-acres or more of energy storage, then the NCZO amendment would regulate that new applications would not be accepted. All Planning staff would be notified of this policy and relay this information when approached by potential applicants.

A benefit of this "pending and approved energy projects" 120-acre limitation on accepting new applications is that it would reduce the chances of a potential applicant spending significant funds drafting project plans, studies and applications while the 100-acre limitation is close to being reached by other pending and approved projects. Additionally, this option would help avoid Planning staff having to review an energy storage project proposal while other energy storage projects have progressed further toward approval and utilization of remaining acres under 100-acre limitation.

⁵ County staff attended two separate trainings and one meeting in which representatives from Southern California Edison, energy storage developers, land use lawyers, and City of Riverside staff all advised against incorporating the CAISO process into the County's process.

⁶ "Use inauguration" is a term used to describe the final phase of a development project, when all permits are granted and necessary conditions are met, and the project developers can begin construction.

b. Phased-Application Timeline

This option would amend the NCZO to require the applicant to complete various milestones associated with the application review process to reserve and maintain the acres reservation for an energy storage project. If a milestone is missed, then the acreage reservation would no longer be retained for a that specific project. Such milestones could include but would not be limited to any of the following: application submittal, an application completeness determination (within three months of submittal), CUP permit authorization, completion of conditions of approval needed before use inauguration (within six months of permit authorization) and use inauguration (within a year of permit authorization).

There could be some implications from these legislative changes for reserving acres toward the 100-acre limitation for energy storage projects in the AE, OS, and RA zones earlier in the development application review process:

- Codification in the NCZO takes time and the 100 acres may be used by the time the amendments are adopted and effective;
- Acres reservations at the time of an application being deemed complete could affect applications that have not yet been deemed complete but actively processing for some duration of time;
- Energy storage applications require significant investments of private capital and incur significant costs to plan and design; and
- Acres could be reserved for less viable energy storage projects while applications for more viable projects could be rejected.

Option 3 – Monitor the Use of the 100 acres Limitation and Report Back

Alternatively, your Board could direct Planning staff to continue to monitor the current administrative steps taken, as explained in the Background section above, and to check-in with industry leaders on the website tracking and applicant letters as transparency tools are sufficient and working as intended. Your Board could also direct staff to report back on the 100-acre limitation when the reaches a certain point, or as part of the annual status of the General Plan programs review that typically heard in March by your Board.

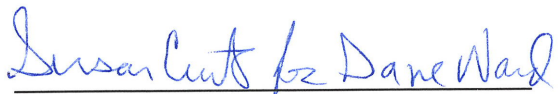
In summary, reserving acres in advance of CUP approval would require an NCZO amendment and would not follow a proven track record in terms of the County's permitting process, nor elsewhere in the State to the best of Planning staff's knowledge. Instituting such a reservation process could potentially lead to litigation and may require third party technical expertise to implement. Should your Board direct Planning staff to proceed with Option 2 to reserve acres toward the 100-acre limitation the in the AE, OS, and RA zones earlier in the permit process, staff would prepare the scope of work, adjustments to the Planning Division Work Plan and potential technical consultant services cost to perform the legislative amendments and/or administrative policy changes in the 2025/2026 Fiscal Year.

STRATEGIC PLAN

The “100-acre limitation” discussed in this letter is a component of the “Renewable Energy Program,” which implements General Plan Policy EV-4.4 and Programs COS-O and HAZ-O, as described above in Executive Summary and Background sections. The program supports the 2024-2027 County Strategic Plan Priorities of “Fiscal Responsibility and Economic Vitality” and “Reliable Infrastructure and Sustainability” because it 1) creates a customer service-focused and business-friendly environment while helping to stimulate industry growth, and 2) helps investment in sustainable infrastructure, renewable energy for our county and local cities, and preservation of the County’s natural resources.

This letter has been reviewed by the County Executive Office, the Auditor-Controller’s Office, County Counsel, the General Services Agency, and the Information Technology Services Department.

If you have any questions regarding this item, please contact Donald Nielsen at Donald.Nielsen@ventura.org or at 805-650-4047.

A handwritten signature in blue ink that reads "Susan Cuthbert for Dave Ward". The signature is written in a cursive, flowing style.

Dave Ward, AICP, Director
Ventura County Planning Division

Attachments:

- Exhibit 1: Renewable Energy Program Webpage
- Exhibit 2: Acres Tracker Webpage
- Exhibit 3: Acres Acknowledgement Form