



Background Information for BOS Hearing September 26, 2023



ROSA PROJECT OVERVIEW

- The Rosa Battery Energy Storage System (BESS) Project (Rosa) is a planned energy storage facility located on private land in Ventura County west of the City of Moorpark.
- Rosa would be an up to 1,000 MW BESS facility, located on about 51 acres of a 118.6-acre parcel.
- The parcel has a Ventura County 2040 General Plan land use designation of 'Agricultural' (AG) and is zoned AE-40ac under the Ventura County Non-Coastal Zoning Ordinance (NCZO).
- Important site characteristics:
 - Flat, disturbed AG ground
 - No homes within 500'
 - Proximity to Moorpark substation
 - No flood zone or wetlands on site



Rosa preliminary overview

PROPOSED PERMITTING PATHWAY

The Planning Department can process the BESS application for approval right now, under the existing General Plan and development standards

The following steps would allow the Ventura County Planning Division to accept and begin processing a Conditional Use Permit Application for Rosa without changes to the General Plan or NCZO:

1. Planning Director finding that a BESS facility is an equivalent land use, either to “energy production from renewable sources” or “public service/utility facility” (Equivalency Determination).
2. Planning Director finding that BESS modules and substation do not meet the definition of “buildings” when determining compliance with the Maximum Percentage of Building Coverage development standard for the AE Zone (5%).
3. Project mitigates temporary impacts to agriculture by placing a conservation easement on similar agricultural land.

Note: Staff’s plan, after programmatic EIR and a Vote of the People, will require BESS to go through the same CUP Application process and CEQA review as proposed here.

RATIONALE FOR SUPPORTING PROPOSED PERMITTING PATHWAY

The proposed pathway would allow the county to maintain local control over BESS applications and receive revenue and grid reliability benefits from the projects.

- The proposed path offers a legally-defensible pathway allowing Planning to begin processing CUP application for Rosa with no changes to the NCZO or General Plan. **Staff has the authority to make these findings now.**
- Encouraging BESS will support other County goals such as the Title 24 Reach Code, county-owned building electrification, and other General Plan policies. **By providing local alternatives to natural gas production, Ormond Beach Generating Facility can come offline sooner while keeping the lights on.**
- The temporary conversion of farmland will be mitigated by a conservation easement. **Local control will give the county discretion of the mitigation land.**
- **County would benefit from increased property tax base.**
- **The proposed path will align standalone BESS projects with the same process for solar projects.**
- Staff will evaluate BESS projects during CEQA and the project will require discretionary approval.
- County would retain control of conditions of approval compared with alternative permitting pathway (AB 205) through California Energy Commission (CEC).

PROPERTY TAX BENEFITS

The project will contribute to local tax base, based on the dollar amount of the investment.

- A standalone BESS facility would increase the assessed value of the land, thereby increasing the local tax base
 - The County will receive the sales tax on all equipment purchased for the project
 - Standalone BESS facilities pay property tax in California (~1% of investment in Year 1)
- Total investment will rely on final size, duration, timing, and technology.
- Where BESS is paired with renewable generation (i.e., solar), the plants are exempt from increased property taxes under state law.
- For example, a 500 MW-4hr project (2,000,000 kWh) would be a \$500m investment in 2025 using the mid-case. This would equate to a \$5m property tax benefit in Year 1.
- Other Economic Benefits:
 - Project will use Local Union Halls to staff construction. A Project Labor Agreement (PLA) will be signed during CEQA.
 - 2-3 full time, permanent employees on site for operations.

The National Renewable Energy Laboratory (NREL) publishes projected costs for battery equipment:

Figure ES-1. Battery cost projections for 4-hour lithium-ion systems, with values relative to 2019. The high, mid, and low cost projections developed in this work are shown as the bolded lines.

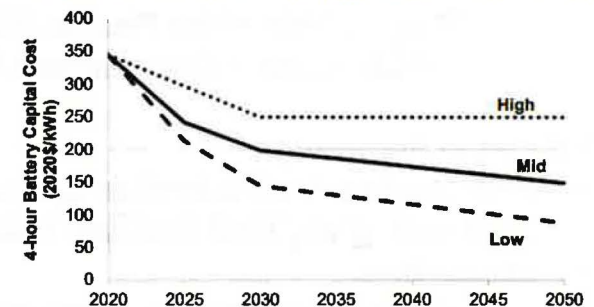


Figure ES-2. Battery cost projections for 4-hour lithium ion systems.

- More information:
 - National Renewable Energy Lab main page:
https://atb.nrel.gov/electricity/2023/utility-scale_battery_storage
 - Info on current pricing:
<https://www.nrel.gov/docs/fy21osti/79236.pdf>

ALTERNATIVE PATHS

Alternative paths undermine the County's General Plan and could result in Ventura County losing jurisdiction over the application.

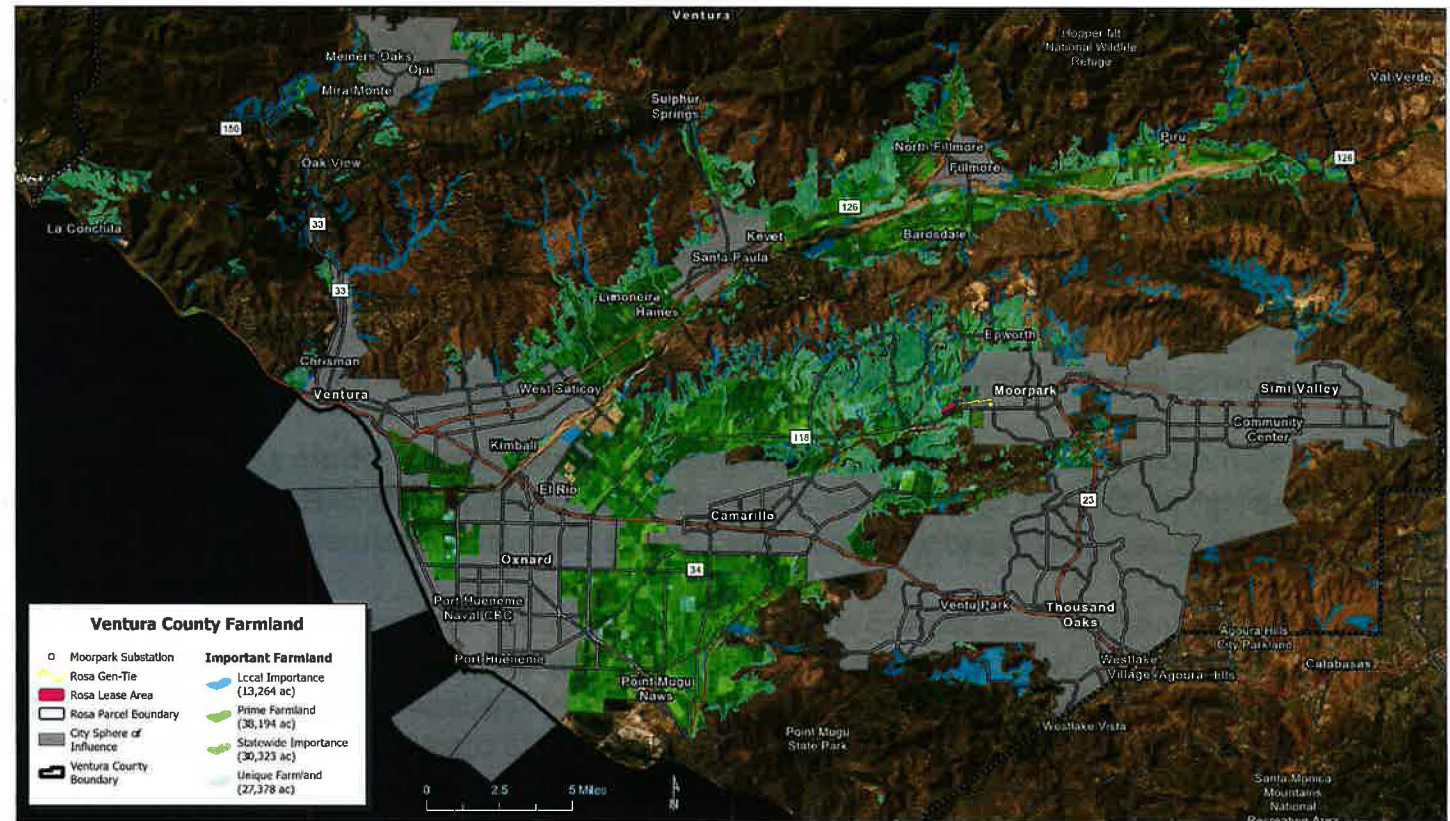
- Planning Staff's recommendation encouraging BESS:
 - Path:
 - Zoning Text Amendment
 - General Plan Amendment
 - Implication:
 - Programmatic EIR
 - Require Vote of the People (SOAR-triggered)
 - CEQA review + Discretionary Approval of individual projects
- CEC Opt-in Permitting
 - Path: Applicant will submit an application to CEC, which is authorized to issue siting certification for BESS facilities, superseding any local land use findings
 - Implications:
 - The primary land use authority (Ventura County) would no longer have authority over the application and EIR process.
 - CEC will have discretion to approve agricultural mitigation requirements.
 - The bill is designed to expedite the review and approval process for California's clean energy transition, while also ensuring grid reliability in the near-term.

Staff's plan is a different means to the same end: BESS projects that go through CEQA and receive an approved CUP.

VENTURA COUNTY FARMLAND

What's the impact?

- To reach CA's goal of 60% renewable energy by 2030, the CPUC has mandated procurement of 14,000 MW of BESS *statewide*.
- If every BESS project in the state was placed in Ventura County, the footprint would be roughly 700 acres.
 - Using Rosa as an example (roughly 20 MW/1 ac)
- This represents well under 0.5% impact on ag lands
- 700 acres represents an overestimate, since it would not be feasible to site all statewide needs in one county.



ADDITIONAL RESPONSES TO STAFF'S SITING ASSESSMENT

- Staff has determined that 705 MW is enough BESS to serve the countywide population. In California, capacity is managed and regulated by the California Public Utility Commission (CPUC), the California Energy Commission (CEC), and the California Independent System Operator (CAISO) on a system-wide level. **The County Planning Staff has no authority to determine whether the pro-rated share of Ventura's load demands are sufficient to replace Ormond Beach generation.**
- In many places, Staff references SB 100, which mandates CA to reach 60% renewable energy by 2030. This was updated by SB 1020 in 2022, **mandating CA to reach 90% renewable energy by 2035.**
- Exhibit 5 (Supporting Factors for Battery Energy Storage in Agriculture and Open Space Lands Designations) provides support for allowing BESS on agricultural lands and provides concrete examples of how BESS can benefit agricultural zones.
- The Staff report states that LAFCo supports BESS as an urban use, which are generally prioritized close to population centers where high demand for services (roads, water, retail electricity) can be met. In contrast, **BESS will not require public services (water lines, retail load) and will not induce an increase to traffic, schools, libraries, and other county services.**
- Solar and wind have been allowed in the county for decades, yet very few of the potential 771 MW of solar the Staff report has identified have been achieved and none of the potential 8 GW of "optimal acreage" for wind has been achieved. **Staff's own analysis calls in to question the validity of 39 GW of "optimal acreage" for BESS.** This is due to additional factors important to renewable developers that were not taken into consideration by Staff (such as small parcel size, land values, distance from utility infrastructure, market opportunity)