

March 28, 2013

Dear DRECP Stakeholders:

As part of our commitment to foster transparency, you will find below a discussion of some working concepts that we have developed on two aspects of the DRECP: 1) streamlining within proposed development focus areas (DFAs) and 2) development outside the DFA. As the REAT agencies are still evaluating concepts or policies that may be appropriate for the DRECP, this information should be considered to be conceptual, and may change as we move forward.

We are not asking for additional comment on these concepts at this time. These ideas are being provided to you now as early information. The draft DRECP is scheduled for public review later this year, at which time we will welcome your comments on these concepts.

1. Streamlining within Development Focus Areas

A key goal of the DRECP is to streamline the permitting processes under the California Natural Community Conservation Planning Act, the federal Endangered Species Act, and the Federal Land Policy Management Act, as well as the environmental review processes under the National Environmental Policy Act and California Environmental Quality Act for utility-scale renewable energy development in the California desert. The DRECP aims to meet this goal by streamlining projects located within development focus areas (DFAs). These areas, to the extent practicable, shall provide high-quality renewable energy resource potential, access to existing or planned transmission and other supporting infrastructure, and where impacts to wildlife and natural communities can be appropriately managed and mitigated.

While all covered activities within DFAs would enjoy the benefits from permit streamlining, DFAs contain Minimal Biological Requirement Areas and Moderate Biological Requirement Areas. Minimal Biological Requirement Areas allow for the maximum possible permit efficiency since natural resource conflicts would be minimal. They would have the greatest timing predictability, minimal survey requirements, minimal mitigation requirements, and lowest siting costs. Moderate Biological Requirement Areas would have additional survey requirements, relatively more mitigation requirements than the Minimal Biological Requirement Areas, and require siting design criteria that accommodate the ecosystem function in the area.

The DRECP reserve design will identify what geographical areas, natural communities, species, and other sensitive resources must be protected to achieve the DRECP's biological goals and objectives. The extent to which the reserve design, including the significant conservation achieved through designations on BLM plans within the reserve, contributes to or achieves the biological goals and objectives developed pursuant to the DRECP, the mitigation requirements for projects located within the DFAs will be substantially reduced.

In addition to the efficiency instruments above, the Bureau of Land Management (BLM) is proposing a variety of activities and incentives to facilitate and further streamline development within DFAs on BLM-administered lands.

2. Flexibility for Renewable Energy Development outside of Development Focus Areas

As indicated above, the DRECP offers a unique opportunity for renewable energy developers to reduce permit process and mitigation timelines and increase process timing certainty for projects located in DFAs. The DRECP *does not prohibit* development on private or some public land outside DFAs, however permit efficiencies will not be available for these projects.

Proposed projects on private land outside of DFAs that are subject to local government jurisdiction would continue to be addressed through existing local, state, and federal permit processes.

Projects proposed on private lands that have been included in the reserve design pursuant to agreements with the respective counties in the DRECP area, may also still be developed in conformance with the conservation criteria set forth for the reserve. These projects would not be eligible for DRECP permit streamlining.

Renewable energy projects proposed for BLM lands outside of DFAs would be governed by the requirements of the respective BLM Resource Management Plans and California Desert Conservation Area Plan, as amended by the DRECP.

Some DRECP alternatives include BLM land that is not part of a DFA, and is not part of a land allocation that prohibits development- these lands are designated as “DRECP Variance” lands. The rules that apply to variance areas in the federal Solar Programmatic Environmental Impact Statement (PEIS) will apply to all types of renewable energy in these new BLM DRECP Variance lands. Individual project applications would be accepted in these areas, but would not be streamlined under the DRECP until such time the area is amended into the DRECP as a DFA.

It is important to note that all individual projects will still need to comply with section 106 of the National Historic Preservation Act, as well as consult with the U.S. Department of Defense for assessment of conflicts.

DRECP Permit Streamlining Concepts and Features

The current project-by project process of obtaining development permits can be inefficient and ineffective, both for purposes of regulatory streamlining and for minimizing impacts on biological resources. Project proponents must obtain approvals from many agencies, and permit processes are often poorly coordinated, resulting in project delays, uncertainty regarding the timing and terms of regulatory approvals, and increases in project costs. Where projects are sited and developed in areas of higher biological sensitivity, biological impact avoidance and mitigation costs are substantial.

DRECP implementation will provide regulatory certainty for projects that are proposed within Development Focus Areas (DFAs). Certainty will come from implementation of an integrated and coordinated multi-agency permitting process, with clear terms and conditions for permits and clear requirements for permit application from DRECP participating agencies. ESA and NCCPA take permits for DFAs, where required, will be in effect at the time the Federal and State agencies permit the DRECP. The DRECP also is designed to facilitate ESA Section 7 analysis and approvals on BLM lands. These features provide for expedited permitting and certainty for project development timing, financing, and construction schedules.

The identification of DFAs with high renewable energy values and relatively low biological resource conflicts enables the DRECP to establish clear, standardized requirements for species surveys, and project mitigation. And, where it is necessary for natural community or species and habitat conservation, clear, specific and standardized project siting and design criteria can be provided. These features will provide certainty for project planning and reduce project related biological mitigation costs.

Creating regulatory incentives to site projects within DFAs also creates an opportunity to cluster renewable energy projects in a way that can improve transmission planning. In addition to the streamlining instruments above, the Bureau of Land Management (BLM) is also proposing a variety of activities and incentives for the DFAs to facilitate and further streamline development inside the DFAs on BLM-administered lands.

DRECP DFAs contain two areas for purposes of streamlining – areas with minimal requirements for development and areas with moderate requirements for development. These areas will be delineated in the DRECP, and specific, streamlined project requirements will be developed for each area.

- **Minimal Biological Requirement Area:** will allow for the maximum possible permit streamlining and efficiency since natural resource conflicts would be minimal. They would have the greatest timing predictability, minimal survey requirements, minimal mitigation requirements, and lowest siting costs.
- **Moderate Biological Requirement Area:** will have survey requirements, more robust mitigation requirements than the primary area, and siting design criteria that accommodate the ecosystem function in the area.

The high level of streamlining within DFAs is facilitated by conservation commitments within the reserve. To the extent that the reserve design contributes to or achieves the biological goals and objects (BGOs) developed pursuant to the DRECP, mitigation requirements on projects within the DFAs for those impacts can be substantially reduced or even eliminated. Survey requirements would also be greatly reduced within DFAs in comparison to the current requirements.

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Development Area Type	Summary of Development DRECP Streamlining Concepts and Features
DRECP DFA Minimal Biological Requirement Area	<p>Development is streamlined:</p> <ul style="list-style-type: none"> • Areas are evaluated biologically and identified in the DRECP • Lowest biological resource effects • Maximum possible permit streamlining efficiency • Minimal survey requirements • Minimal mitigation requirements • Greatest project development timing predictability • Lowest project environmental siting costs • Lowest project biological mitigation costs • Fee-based mitigation program • Programmatic permit coverage for incidental take upon DRECP permit issuance • Project specific NEPA/CEQA environmental work can be tiered from the DRECP Programmatic EIR/EIS • On private lands, assurances that there will be no additional mitigation required by the REAT agencies for the purposes of ESA and NCCPA beyond that required by the DRECP and permits • On BLM lands, assurances under NCCPA, and certainty under FLPMA with the LUPA that there will be no additional mitigation beyond that required by the DRECP
DRECP DFA Moderate Biological Requirement Area	<p>Development is streamlined:</p> <ul style="list-style-type: none"> • Areas are evaluated biologically and identified in the DRECP • Greater biological resource effects than in primary development area • Some additional survey requirements, but they are standardized, species specific and identified with certainty; requirements are less that required w/o the DRECP • Standardized Siting and project design criteria that accommodate the ecosystem function in the area • Potential for more robust mitigation requirements, but they are species specific, and identified with certainty; requirements are less than required w/o DRECP • Fee-based mitigation program available • Programmatic permit coverage for incidental take upon DRECP permit issuance • Project specific NEPA/CEQA environmental work can be tiered from the DRECP Programmatic EIR/EIS • On private lands, assurances that there will be no additional mitigation required by the REAT agencies for the purposes of ESA and NCCPA beyond that required by the DRECP and permits • On BLM lands, assurances under NCCPA, and certainty under FLPMA with the LUPA that there will be no additional mitigation beyond that required by the DRECP
Project Development w/o DRECP (Business as Usual)	<p>Development is not Streamlined:</p> <ul style="list-style-type: none"> • Degree of biological effect unknown; full biological effects analysis required for each project. • Surveys required to cover a full range of species, developer responsibility Survey requirements determined on project-by-project basis, in

	<p>consultation with wildlife/regulatory agencies</p> <ul style="list-style-type: none">• On-site avoidance required for listed and sensitive species Specific avoidance requirements determined on project-by-project basis, in consultation with wildlife/regulatory agencies• Project design criteria required for impact avoidance Specific requirements determined on project-by-project basis, in consultation with wildlife/regulatory agencies• On-site habitat enhancement/restoration often required as a mitigation element along with required offsite mitigation Specific requirements determined on project-by-project basis, in consultation with wildlife/regulatory agencies• Fee-based mitigation <u>not</u> available; permittee responsible for implementing all compensatory mitigation• Less certainty on permitting timelines. Permit coverage for ESA/CESA incidental take determined on project-by-project basis, multiple permit processes begin at the time of filing a project application with each agency that has permitting jurisdiction• No NEPA/CEQA document tiering from DRECP• No Regulatory Assurances from DRECP
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