

## **GO-Biz Clean Energy Permitting Initiative**

## Aligning Community Interests with Clean Energy Project Development

September 10, 2025 12:00 – 1:30 PM

# Webinar Q&A

Ask questions anonymously via <a href="https://tinyurl.com/GO-Biz-Question">https://tinyurl.com/GO-Biz-Question</a> or via this QR Code:





## **AGENDA**

12:00 - 12:20

Overview of the Clean Energy Permitting Initiative

12:20 - 1:00

Aligning Community Interests with Clean Energy Project Development

1:00 - 1:20

Questions and Discussion

1:20 - 1:30

How to Stay Connected

# Overview of the Clean Energy Permitting Initiative



## Drivers for Improved Efficiencies in Permitting Processes



#### California's Energy and Climate Goals

 California has set the nation's first state-wide target of reaching carbon neutrality and to decarbonize the state's electrical grid by 2045.

#### **Expected Growth of New Energy Resources**

- 2025 | ~3500 MWs
- 2026 –2028 | 17,000MWs

#### Tracking Energy Development (TED) Task Force

- Consists of GO-Biz, CEC, CPUC and CAISO
- Provides assistance for clean energy project development needed to meet state's reliability needs
- Information collected shows that long permitting timelines is one of the main issues delaying project deployment



## Clean Energy Permitting Initiative

#### **PURPOSE**

 Provide best practices and set of tools and resources for local planning authorities (LPAs) to accelerate clean energy project development across California

#### **OUTCOME**

- GO-Biz Clean Energy Permitting Playbook and Toolkit
  - Report of findings
  - Resource Toolkit for LPAs

#### **SCOPE**



**Onshore Wind** 



Large-scale Solar



**Battery Energy** Storage Systems



## GO-Biz Clean Energy Project Permitting Initiative

**Process & Timeline** 

Jan - Apr 2025



#### **Discovery & Data** Collection

#### Stakeholder Engagement:

Conduct surveys and interviews with local planning authorities, developers, and community-based organizations.

#### Permitting Process Evaluation:

Evaluate the permitting processes of local jurisdictions for large-scale renewable energy projects.

#### Information Synthesis:

Compile and analyze the gathered data to derive actionable insights.



#### Apr - Sept 2025



#### Playbook and Toolkit Development

#### **Playbook Development:**

Developed based on findings from outreach. Seek feedback through focus groups. Develop actionable recommendations.

#### Playbook and Toolkit Development:

- Best Practices: Methods to streamline and optimize permitting workflows.
- Guidance and Support Resources: Tools, templates, and guidance materials to assist local planning authorities throughout the permitting process.



#### Oct - Nov 2025



#### Playbook and Toolkit Publication

#### Playbook Launch

- Draft Release: Targeted for summer 2025 to allow early engagement and review.
- Final Version: Scheduled for release in late fall 2025, incorporating stakeholder input.

#### Stakeholder Engagement

Solicit feedback on both the draft report and toolkit to ensure relevance, clarity, and usability.





## **Discovery & Data Collection**

Surveys, Interviews, Webinars, Focus Groups & Conferences



#### **SURVEYS**

- ~200 responses across 4 surveys for:
  - Local Planning Authorities (LPAs)\*
  - Developers
  - Community-based organizations and other stakeholders
  - Native American **Tribes**

\*Survey Response Rate for LPAs: 18.7%

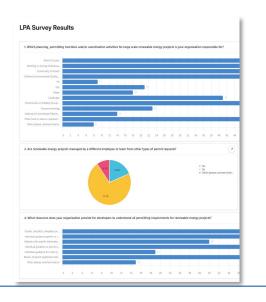
#### **INTERVIEWS**

- Conducted 80+ interviews for indepth insights with:
  - Local Planning Authorities
  - Developers
  - Trade Associations
  - Native American Tribes
  - Community-based **Organizations**

#### WEBINARS, FOCUS **GROUPS & CONFERENCES**

- GO-Biz BESS Webinar
- REACH IE Conference
- Focus groups: Solar Model Ordinance, BESS Model Ordinance, Community Benefits Guide









### Findings: Pain Points for Permitting Authorities

45% of local planners feel equipped to handle an influx of permit applications

#### **Planners:**

- Have responsibilities across all types of projects (not just clean energy) permitting
- Perform time intensive permit reviews including multiple iterations for incomplete permits
- Experience varies with power system and technical clean energy knowledge (e.g. BESS)
- Seek assistance to develop ordinances, codes, & standards.

#### Largest impacts to project development & timelines:

- Assessing the project's wildlife, habitat, environmental impacts and mitigation determined by the state
- Community concerns/opposition including negative media coverage
- Navigating and coordinating with other local (e.g. fire department) and state entities



## Resources in Development for LPAs





- Alignment of community interests and statewide goals
  - Early & collaborative engagement between parties (developer, planner, community)



- Model ordinances for large scale clean energy projects
  - BESS, solar, and onshore wind



- Application resources and checklists
- **Factsheets**
- Clean energy development and permitting processes



# Aligning Community Interests with Clean Energy Project Development

**Introduction & Purpose** 



## Introduction and Purpose of Guide

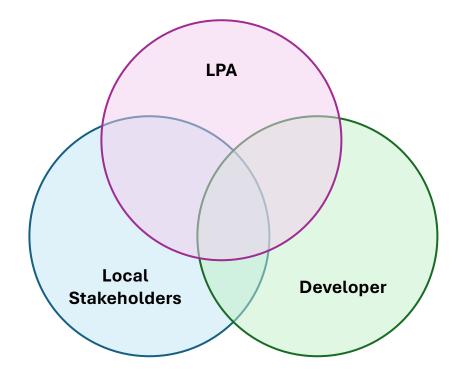
#### **PURPOSE**

 Feedback from stakeholder interviews highlighted common questions in the local permitting process on community benefits of clean energy projects

"Aligning Community Interests with Clean Energy Project Development: A Guide for Local Planning Authorities" will be part of the GO-Biz Clean Energy Permitting Toolkit to serve as a resource for Local Planning Authorities (LPAs).

- Each local jurisdiction will have different needs. This guide aims to provide options and considerations, rather than specific recommendations
- The guide is focused on the **local** permitting process for **large-scale clean** energy projects (solar, wind, BESS)
- The purpose of the guide is to discuss how alignment of differing interests through clear communication and understanding can advance projects through the permitting process and produce successful outcomes

#### How to align interests in clean energy project development?





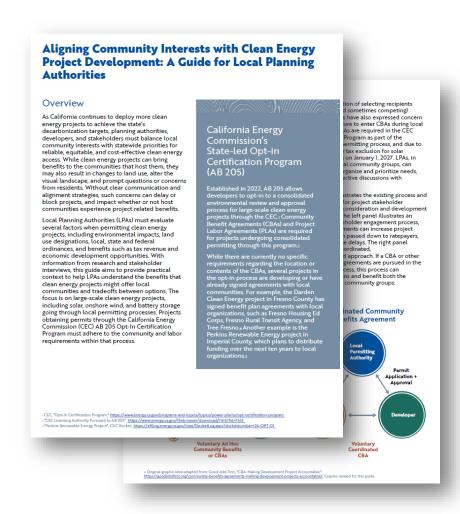
## **Development of Guide**

#### RESEARCH

- The guide was developed based on detailed research on:
  - Benefits of clean energy projects and how communities currently experience or access these benefits, including property tax revenue
  - Community Benefit Agreements (CBAs) used in California and other jurisdictions
  - Other benefit frameworks (such as PILOTs) used in other iurisdictions

#### **OUTREACH**

- Drafts of the guide were presented to focus groups of stakeholders, including LPAs, developers, and community groups
- Feedback from the focus groups was incorporated to ensure the guide presents a range of perspectives, particularly with regards to tradeoffs between benefit types





## **Local Permitting Considerations**

Local Planning Authorities have several factors to consider when permitting clean energy projects:

- **Environmental and other impact mitigation requirements** local air quality and other ecological benefits, as well as requirements under the California Environmental Quality Act (CEQA)
- **Local, state, and federal ordinances** covering fire safety and other regulations
- Land use designations defining allowable, restricted, and potential alternative site uses
- **Tax revenue** including property and sales taxes
- Other community benefits including local job creation and job training opportunities, or funding for local groups nearby development projects

LPAs should evaluate these factors together throughout the permitting process to consider each project's impact holistically



## Additional Context

#### California Energy Commission's Opt-in Certification Program (AB 205)

- Established in 2022, AB 205 allows developers to opt-in to a consolidated environmental review and approval process for largescale clean energy projects through the CEC, requiring the CEC to compete an Environmental Impact Report within 270 days
- Each project undergoing consolidated permitting through this program is required to have at least one Community Benefit Agreement (CBA) and Project Labor Agreement (PLA)
- Projects undergoing permitting through local processes are not required to have CBAs or PLAs

#### California Property Taxes for Active Solar Energy Systems Starting January 1, 2027

- California's Revenue and Taxation Code currently excludes solar energy systems from new property tax assessments.
- This means that the installation of a qualifying solar energy system does not result in an increase in the property tax assessment of the existing property.
- New solar projects will become subject to property tax assessments starting January 1, 2027



# Aligning Community Interests with Clean Energy Project Development

**Content Overview** 



## Overview

Large energy infrastructure projects are complex, and LPAs must consider many different factors in the permitting process.

The guide walks through key questions that LPAs should consider when evaluating the benefits of clean energy projects alongside other permitting factors:

- What benefits, including tax revenues, will clean energy projects provide to local communities?
- Are beneficial impacts communicated effectively to local communities?
- What are the options for projects to provide additional benefits?
- If pursued in the local permitting process, how can Community Benefit Agreements (CBAs) be structured to support both communities and developers?

Each section of the guide provides additional details and considerations.



## **Benefits of Clean Energy Projects**

What benefits, including tax revenues, will clean energy projects provide to local communities?

Beneficial Impact	Description	Considerations
Sales and Use Tax	Local sales tax revenue from purchases of materials, equipment, and services	<ul> <li>Benefits occur primarily during the construction of the project</li> <li>Developers can maximize local benefit by setting up sales and use tax collection at the project site</li> </ul>
Local Economic Development	Support of local economies through procurement of services and materials	Typically, not quantified as a monetized benefit
Local Air Quality and Other Ecological Benefits	Improved air and water quality from displacement of fossil fuels	Non-monetized benefit
Property Tax	Property tax revenue from clean energy project sites	<ul> <li>Wind and BESS projects pay property taxes.         Beginning January 1, 2027, the value of solar energy systems will also be included in property tax assessments.</li> <li>Due to government allocation formulas, funds are not directly allocated to the specific community hosting the clean energy project.</li> </ul>



## Property Tax Revenue

Clean energy projects can contribute significantly to local tax revenue through their property taxes.

Property taxes are typically allocated through the local government to school districts, county government, cities, and special districts.

Leveraging or modifying property taxes can be a way to fund community benefits in a costneutral way, but these techniques require legislative action or special local government approval:

The Darden Clean Energy Project, which will include 1,150 MW of solar coupled with 4,600 MWh of BESS, is estimated to provide at least \$232 million in property tax revenue over ten years.<sup>1</sup>

#### Payment in Lieu of Taxes (PILOTs):

- Projects pay reduced property taxes, in exchange for providing other financial benefits to local communities
- Common approach in other states (e.g., New York)
- PILOTs face legal questions in California and would likely require legislative action to enable.

#### **Enhanced Infrastructure Financing District (EIFD):**

- A special financing mechanism that freezes the base-level property tax revenue and puts future incremental revenue in a dedicated funding pool, which can be used to finance community initiatives
- Requires state and local government approval. May be limited in impact since funds are from incremental increases in taxes over time



### **Communication of Benefits**

Interviews with LPAs, developers, and other industry stakeholders indicate that the beneficial impacts of clean energy projects are not always understood or recognized by local communities.

This disconnect may stem from a lack of transparency about how these benefits directly impact the local area, as well as limited communication about the scope and nature of those benefits.

#### LPAs should seek to communicate beneficial impacts to their local communities:

- ✓ Distribute information as widely as possible, using tactics such as factsheets, brochures, public workshops, webinars, or online dashboards
- ✓ Coordinate with local community-based organizations to deliver information in methods that are best suited for the local community
- ✓ Provide quantitative details whenever possible (tax revenue, job creation, etc.)



## **Negotiated Community Benefits**

What are the options for projects to provide additional benefits?

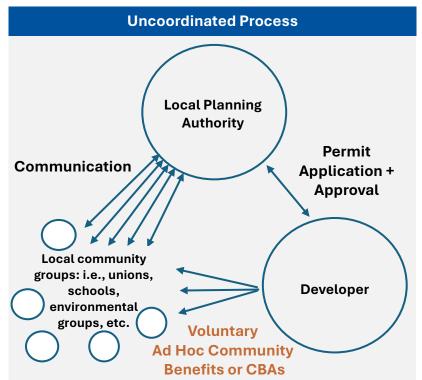
Additional Community Benefits	Description	Considerations
Community Benefit Plan (CBP) or Ad Hoc Benefits	Provides additional benefits to identified local groups without the legally binding structure of a CBA	<ul> <li>May not be seen as credible or sufficient by stakeholders</li> <li>Requires evaluation and coordination across stakeholder groups</li> </ul>
Community Benefit Agreement (CBA)	A legally binding agreement between a developer and community representatives to provide specific benefits (e.g., funding, programs, jobs), typically in exchange for a shorter permitting timeline	<ul> <li>Requires identification of appropriate and representative community spokesperson(s)</li> <li>Needs evaluation and coordination across stakeholder groups</li> <li>Can potentially increase project cost, which is ultimately passed through to electric customers, if not negotiated through an efficient process</li> </ul>
Project Labor Agreement (PLA)	An agreement between a developer and labor union(s) to ensure fair wages, training opportunities, and other labor practices	Requires participation between developer and labor union(s)



If CBAs are pursued in the local process, an uncoordinated approach may cause delays and increase project costs, which are ultimately passed to electric customers.

This type of uncoordinated process can also put developers in an uncomfortable position of selecting benefit recipients among many worthy (sometimes competing) causes.

A coordinated approach can help give local stakeholders a voice in the process and gain local acceptance of the project. This approach help streamline permitting and align objectives of local communities, developers, and LPAs.







## Webinar Q&A

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## **How to Stay Connected**



## Feedback on this Webinar & Provided Tools

#### Downloadable Draft Guide:

- https://business.ca.gov/wpcontent/uploads/Aligning-Community-Interests-with-Clean-Energy-Project-Development-Draft-Sept-5-2025.pdf
- Send comments to <u>energyunit@gobiz.ca.gov</u> by October 10th, 2025.



#### **Upcoming Webinars**

Supporting Land Use Permitting Processes: A Guide to Developing Clean Energy Ordinances 9/17

Overview of the Clean Energy
Permitting Playbook and Toolkit – A
Walkthrough
10/15



#### **Email**

Contact for any questions: energyunit@gobiz.ca.gov