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Another Boost for Renewables: 17 “Solar Energy Zones” Promise Fast-Track Development

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The U.S. Secretary of the Interior has finalized a new solar energy roadmap that has the potential to mitigate permitting risks that have stymied solar development on federal land. The program creates an initial set of 17 Solar Energy Zones (SEZs) on 285,000 combined acres of public land that will serve as priority areas for utility-scale solar development. The zones are located in six western states, with more than half of the designated acreage in California's Riverside County. The Department of the Interior characterized the sites as having excellent solar resources, access to existing or planned transmission, and relatively low conflict with biological, cultural and historic resources.

The SEZ Program includes incentives for solar development within the zones, including streamlined permitting. It is anticipated that most, if not all, right-of-way authorizations will be approved by high-level officials at the Bureau of Land Management, and not be subject to administrative appeal. Financial incentives to develop within the SEZs include phase-in rental fee schedules and fixed rental payments for the life of the right-of-way authorization. Additionally, the Bureau of Land Management plans to actively facilitate transmission planning processes at the state and regional level, and provide incentives to projects that will bring transmission to SEZs.

Perhaps the greatest value of the program is that the SEZ sites have already undergone programmatic environmental review and public comment pursuant to the National Environmental Protection Act (NEPA). Many renewable energy projects struggle with complex, multiyear permitting processes and onerous mitigation requirements. The protection of sensitive species and cultural resources has led to time-consuming and costly litigation for many of these projects. The SEZ Program's prescreening of potential sites promises to significantly reduce the likelihood of these conflicts, and should resonate with the renewable development community, as well as its investors and lenders.

The Programmatic Environmental Impact Statement (PEIS) for the SEZ Program was prepared collaboratively by the Bureau of Land Management and the U.S. Department of Energy. During review of the Draft and Supplemental Draft PEIS, approximately 200,000 comments were submitted by industry, conservationists, and outdoor recreationists, as well as tribal, state, and local governments.

Solar developers applying for right-of-way authorizations will be able to tier off of the PEIS. This means that they can utilize the relevant portions of the existing PEIS and focus only on unique, site-specific issues in their own NEPA environmental review. Additionally, the PEIS includes design features that projects must incorporate to minimize adverse impacts. This advanced mitigation strategy will provide increased certainty to developers that compliant designs will ultimately be approved.

Solar Energy Zones: The following is the list of SEZ sites.

Arizona: 5,966 acres / 663 MW

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- Brenda (Lake Havasu / La Paz)
- Gillespie (Lower Sonoran / Maricopa)

California: 153,627 acres / 17,070 megawatts

- Imperial East (El Centro / Imperial)
- Riverside East (Palm Springs – South Coast / Riverside)

Colorado: 16,308 acres / 1,812 megawatts

- Antonito Southeast (La Jara / Conejos)
- De Tilla Gulch (Saguache / Saguache)
- Fourmile East (La Jara / Alamosa)
- Los Mogotes East (La Jara / Conejos)

Nevada: 60,395 acres / 6,711 megawatts

- Amargosa Valley (Southern Nevada / Nye)
- Dry Lake (Southern Nevada / Clark)
- Dry Lake Valley North (Ely / Lincoln)
- Gold Point (Battle Mountain / Esmeralda)
- Millers (Battle Mountain / Esmeralda)

New Mexico: 29,964 acres / 3,329 megawatts

- Afton (Las Cruces / Doña Ana)

Utah: Total 18,658 acres / 2,073 megawatts

- Escalante Valley (Cedar City / Iron)
- Milford Flats South (Cedar City / Beaver)
- Wah Wah Valley (Cedar City / Beaver)

The White House estimates that the 17 SEZs could produce as much as 23,700 megawatts of solar energy, if fully utilized. Efforts are already underway to expand or add additional zones to the program, including California's Desert Renewable Energy Conservation Plan and the West Chocolate Mountains Renewable Energy Evaluation, as well as Arizona's Restoration Energy Design Project and other efforts in Nevada and Colorado. In addition to approved and pending SEZs, the program also designated 19 million acres of federal land as variance areas where individually sited solar projects will be approved on a case-by-case basis.

Based in part on public comment submissions, the Final PEIS excludes approximately 79 million acres from the SEZs to

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protect key resources and to avoid sites with the highest probability for significant conflict. The Final PEIS also identifies best practices for solar energy development, establishes a framework for regional mitigation plans, and provides strategies for monitoring and adaptive management. The Final PEIS was finalized in July 2012, and the Record of Decision was signed in October.

The SEZ Program promises to streamline the development of solar energy projects on federal lands while reducing some of the risks associated with these projects. Although no site is completely immune from litigation and permitting risks, the program provides a simplified roadmap for environmental review and permitting that will reduce the cost and uncertainty faced by potential developers, and give an important boost to the solar sector.

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