



STATEMENT OF

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SUPERVISOR

SAN BERNARDINO COUNTY, CALIFORNIA

ON BEHALF OF

THE NATIONAL ASSOCIATION OF COUNTIES

BEFORE THE

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

UNITED STATES HOUSE OF REPRESENTATIVES

COMMITTEE ON NATURAL RESOURCES

JULY 25, 2019

Chairman Lowenthal, Ranking Member Gosar and members of the Subcommittee, thank you for the opportunity to appear before you today to testify in support of H.R. 3794, the bipartisan Public Land Renewable Energy Development Act of 2019 (PLREDA).

My name is Robert Lovingood and I am serving my second term on the San Bernardino County, California Board of Supervisors. Today, I am testifying on behalf of myself and the National Association of Counties (NACo).

San Bernardino County, California, is located in the Inland Empire and borders both Arizona and Nevada. It is over 20,000 square miles in area, making us the largest county in the contiguous United States. Federally-managed lands account for 80 percent of San Bernardino County. While federal lands come with opportunities that contribute to our local economy, these opportunities also add pressure to local infrastructure and services, including roads, bridges, emergency search and rescue, and law enforcement. San Bernardino County must provide these critical services to 100 percent of our county, even though less than 20 percent of our county is taxable land that can support these services. San Bernardino County's challenge is further exacerbated because most states, including California, impose limitations on counties' ability to increase property taxes, the primary source of revenue for most counties.

Counties with large amounts of federal land ownership must look for creative solutions to promote economic development and provide critical services throughout the county.

H.R. 3794, the Public Land Renewable Energy Development Act is one solution that deserves consideration by this Congress. Counties support this legislation because it:

- Encourages responsible renewable energy development;
- Provides equitable revenue sharing with the counties that provide critical services to renewable energy projects; and
- Takes a balanced approach to renewable energy development and conservation.

### **Responsible Renewable Energy Development**

San Bernardino County's climate and landscape offers some of the highest solar and wind energy potential in the nation. PLREDA will help create good paying, local jobs in the renewable energy sector, diversify rural economies and spur economic growth. PLREDA creates a straightforward and streamlined permitting process tailored to the unique characteristics of renewable energy projects being developed on federal public lands.

For many renewable energy projects in public lands counties, the single greatest barrier to project development is the protracted federal permitting process. This issue was one of the goals of the Desert Renewable Energy Conservation Plan, or DRECP, which was adopted in 2016 to streamline renewable energy development on federal lands in California. PLREDA would further complement the DRECP, which covered more than 22 million acres, of which half are in San Bernardino County. Because of long delays in federal permits, many renewable energy companies prefer to develop their projects on non-federal lands. Currently, only about 5 percent of our nation's wind and solar utility scale capacity comes from sources on federal lands. In our county, through our planning department, we have more than two dozen solar projects completed or in the pipeline, ranging from 20 acres and a few megawatts to hundreds of acres. I am hopeful that the streamlining provisions included in the bill will lead to faster turnarounds in federal permitting.

### **Equitable Revenue Sharing With Counties**

As an elected county supervisor, it is my responsibility to consider not only the positive impacts of policy proposals on my county but also the challenges presented by them. Although developing renewable energy projects on public lands will create local jobs and promote greater access to clean energy, counties will be called upon to provide essential infrastructure and county services to support energy facilities. Nationwide, counties build and maintain 45 percent of America's roads and 39 percent of the nation's bridges and we invest hundreds of millions of dollars annually to provide public safety, health, solid waste disposal and other essential services on federal public lands. Especially in the geographically large, public lands counties of the West – those counties who could benefit most significantly from PLREDA legislation – the costs of providing essential county services on public lands can be significant.

PLREDA strikes a careful balance, encouraging the development of renewable energy resources and sharing rents and royalties with local governments to offset the impacts of renewable energy development, as is already the case with other forms of energy development on public lands. For counties nationwide, revenue sharing is a critical component of the PLREDA legislation. PLREDA establishes a distribution formula for rents and royalties from renewable energy development on public lands where 25 percent would be shared with county governments, 25 percent would go to the state and 15 percent would be reinvested into processing renewable energy development applications.

The revenue sharing proposed in the legislation is not a new concept. Renewable energy projects on private land already share revenues with county governments. For example, on private land in San Bernardino County, we charge a per acre fee to offset the cost of public services and we negotiate for the equipment point of sale to be in the county so we capture that sales tax revenue.

A 2016 study by Utah State University and Southern Utah University found that if PLREDA were enacted, San Bernardino County would receive approximately \$1.2 million in royalty payments from existing and pending renewable energy projects. Statewide, California counties would receive nearly \$8.2 million in new royalty revenue, which would only grow as new projects come online.

Sharing royalties from renewable energy projects with counties will help provide local taxpayers with additional relief from the local costs associated with tax-exempt federal land. San Bernardino County has had nearly 820,000 acres taken off the tax rolls in the past 20 years as private land has been acquired by the federal government for conservation, species mitigation and other purposes. This bill will help offset that loss of property tax revenue and provide the county with the much-needed resources it needs to deliver critical infrastructure and services on public lands.

PLREDA also includes important provisions to ensure that federal Payments in Lieu of Taxes (PILT) are supplemented and not replaced as a result of the legislation. For nearly 2,000 public lands counties in 49 states, PILT payments support critical county services and offset lost property tax revenues due to the presence of federal land within a county's jurisdiction. PILT continues to play a critical role in the budgets of many counties and represents a strong federal commitment to public lands counties across the country. We appreciate that Congress has fully funded PILT in recent years and we urge you to continue to support the program.

### **Balanced Development and Conservation**

Finally, renewable energy development not only has the potential to impact county services but also the landscape itself. Here again, PLREDA strikes a careful balance. In addition to revenue sharing with states and local governments, the balance of rents and royalties generated under PLREDA would be deposited in a fund for fish and wildlife habitat restoration. The fund will be utilized to enhance hunting, fishing and other outdoor recreational opportunities in communities surrounding renewable energy developments. These funds will do much to promote outdoor recreation and tourism and promote local economic growth. This approach once again demonstrates the balanced nature of the PLREDA legislation—accounting for the needs of the environment, and the economy, as well as energy needs. Counties respectfully request that PLREDA be amended to allow counties and other local governments to utilize this fund as well.

### **Conclusion**

The United States is home to some of the world's best wind and solar resources and responsible development of domestic renewable energy projects can spur growth in local economies. The expansion of renewable energy industries will lead to the creation of much needed jobs and sustainable economic

development. PLREDA offers a unique opportunity to expand renewable energy projects throughout the United States, while simultaneously promoting economic diversification in rural communities and striking a balance that equitably offsets the costs to communities of renewable energy development.

As the United States moves toward a balanced domestic energy portfolio, counties are committed to working with the federal government as equal partners in the promotion of alternative energy development, and we support the PLREDA as an important step in achieving these goals.

On behalf of San Bernardino County and the National Association of Counties, we applaud Ranking Member Gosar and Congressman Levin for introducing PLREDA. We also thank Chairman Lowenthal and the members of the subcommittee for considering this legislation and encourage its swift consideration and passage. Thank you for the opportunity to testify.