



STATEMENT OF

THE HONORABLE DAWN ROWE

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

MAY 24, 2021

Chairman Lowenthal, Ranking Member Stauber and members of the Subcommittee, thank you for the opportunity to appear before you today to testify in support of H.R. 3326, the Public Land Renewable Energy Development Act (PLREDA). My name is Dawn Rowe and I serve on the San Bernardino County, California Board of Supervisors. Today, I am testifying on behalf of myself and the National Association of Counties (NACo). In the spirit of PLREDA, which NACo supports and its strong bipartisan tradition, we thank Congressman Levin for sponsoring this bill and Congressman Gosar for his leadership on this issue over the years and for sponsoring identical legislation this Congress, H.R. 3330.

San Bernardino County, California, is 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 lower-48 states. Federally managed lands account for 80 percent of San Bernardino County. While these lands come with unique economic and conservation opportunities, 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 every resident and visitor, even though less than 20 percent of our county is taxable land. Our 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 to residents and visitors.

The Public Land Renewable Energy Development Act deserves consideration by this Congress 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 offer some of the best 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 San Bernardino 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, which will also help to meet the President's stated nationwide goal of 100 percent carbon-free power generation by 2035.

Equitable Revenue Sharing With Counties

As an elected official, I must consider not only the positive impacts of policy proposals on my county but also the potential downsides. Although developing renewable energy projects on public lands will create local jobs and promote greater access to clean energy, counties will still be called upon to provide essential services to support these new energy facilities. Nationwide, counties build and maintain 44 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 counties of the West—those counties who could benefit most significantly from PLREDA legislation—the costs of providing these services on public lands is 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 resource development on public lands. For counties nationwide, revenue sharing is a critical component of PLREDA. The bill would establish 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 25 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 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 taxpayers with additional relief from the local costs associated with tax-exempt federal land. Over the past 20 years, the federal government has acquired over 800,000 acres of private land in San Bernardino County for various conservation purposes, removing those parcels from the property tax rolls. This bill will help offset that loss of tax revenue and provide the county with the needed resources to deliver critical 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 fully support it.

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 near renewable energy development sites. This will promote outdoor recreation, tourism and 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.

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 to offset the costs to communities of renewable energy development on federal lands.

On behalf of San Bernardino County and the National Association of Counties, we thank Chairman Lowenthal, Ranking Member Stauber and the members of the Subcommittee for the opportunity to testify and for considering PLREDA. As the United States moves toward a more balanced domestic energy portfolio, counties are committed to working with the federal government as equal partners in the promotion of alternative energy development. PLREDA as an important step in achieving these goals and counties therefore encourage its swift passage.