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MEMORANDUM OF UNDERSTANDING BETWEEN THE STATE OF CALIFORNIA AND THE DEPARTMENT OF THE INTERIOR ON RENEWABLE ENERGY

I. INTRODUCTION AND BACKGROUND

The Governor's Executive Order S-14-08 establishes a State policy goal of producing 33 percent of California's electrical needs with renewable energy sources by 2020. A substantial increase in the development of qualified Renewable Portfolio Standards (RPS) energy projects is needed to meet this policy goal. The RPS energy projects, including wind, solar, and geothermal, also contribute to the State's climate change goals of reducing greenhouse gases to 1990 levels by 2020 and 80 percent below 1990 emissions levels by 2050, making the success and expansion of RPS energy generation a key priority for California's economic and environmental future.

The Secretary of the Interior's Secretary's Order 3285 establishes a policy encouraging the production, development, and delivery of renewable energy as one of the Department's highest priorities. In furtherance of this policy, agencies and bureaus within the Department will work collaboratively with each other and with other Federal agencies, departments, states, local communities and private landowners to encourage the timely and responsible development of renewable energy and associated transmission while protecting and enhancing the Nation's water, wildlife, cultural, and other natural resources.

The President and Congress have intensified the need for accelerated development of renewable energy projects in California with the passing of the American Recovery and Reinvestment Act (ARRA) of 2009. The Act specifically directs economic stimulus funding to qualified projects that begin construction by December 1, 2010.

II. PARTIES

This Memorandum of Understanding (MOU) is entered into by and between the State of California and the Department of the Interior and will become effective as of the latest date shown below on the signature page.

III. PURPOSE

The purpose of this MOU is to direct California Agencies and Department of the Interior Agencies (hereafter referred to as "the Agencies") to take the necessary actions to further the implementation of the Governors Executive Order S-14-08 and the Secretary's Order 3285 in a cooperative, collaborative, and timely manner.

IV. AUTHORITY TO ENTER INTO THIS MOU

A. California Department of Fish and Game (DFG) Authority: Public Resources Code Section 21000, et seq. (CEQA); Fish and Game Code Sections 1600, 1802, and 2050, et seq., (CESA); Fish and Game Code Section 2800 et seq.; Code of California Regulations, Title 14; Fish and Game Commission Policies.

B. California Energy Commission (CEC) Authority: Public Resources Code Sections 25302, 25324, and 25500, et seq.

C. Bureau of Land Management (BLM) Authority: Section 307(b) of the Federal Land Policy and Management Act of 1976 (43 USC § 1737), the National Environmental Policy Act of 1969 (42 U.S.C. §§ 4321-4347), and the Endangered Species Act of 1973 (16 U.S.C. §§ 1531-1544).

D. U.S. Fish and Wildlife Service (FWS) Authority: The Endangered Species Act of 1973 (16 U.S.C. §§ 1531-1544), the National Environmental Policy Act of 1969 (42 U.S.C. §§ 4321-4347), and the Migratory Bird Treaty Act (16 U.S.C. § 703 et seq.).

V. OBJECTIVES

The Parties shall work in cooperation to achieve the following specific objectives:

1. Convene a Renewable Energy Policy Group (REPG) consisting of senior policy representatives of the Department of the Interior, the California Governor's Office, and the California Natural Resources Agency. The REPG will be led jointly by a high level designee of the Governor and a high level designee of the Secretary of the Interior, who will report directly to the Governor and Secretary on the progress of MOU implementation. Beginning within 10 days of the signing of this document, the REPG will meet monthly to oversee implementation of this MOU through December 2010 and monitor progress toward achieving its objectives; the REPG will meet every other month thereafter. The REPG will seek input from staff of the applicable State and Federal entities as well as from stakeholders and local government officials involved in the process.

2. Commit to maintain adequate staffing and resources to implement the provisions of this MOU.

3. Distribute permitting milestone guidance that provides applicants with permitting schedules required for meeting the December 1, 2010, construction date and subsequent annual permitting windows. Working with the Renewable Energy Action Team (REAT), made up of FWS, BLM, CEC, DFG and the California Natural Resources Agency, identify and develop the mechanisms to prioritize and focus available agency permitting resources on near term projects to facilitate the permitting schedules. Based on this milestone table, the REAT shall meet at least every other week through December 2010, and at least monthly thereafter, to monitor progress of projects on meeting milestone schedules. The REAT shall produce and maintain a joint list of projects in California that have met the milestone requirements for possible permitting and may meet the December 1, 2010, ARRA deadline, and subsequent lists for subsequent annual permitting windows, and provide a monthly update to the REPG on the progress of each project, including remaining steps and anticipated completion dates.

4. As part of the Desert Renewable Energy Conservation Plan (DRECP), the FWS and DFG will determine the appropriate permitting mechanisms under the authorities of the Federal Endangered Species Act and the California Natural Community Conservation Planning Act. Using a transparent stakeholder process, they will identify renewable energy zones based on renewable energy development potential, environmental, wildlife, and conservation criteria.

5. Prepare, under the leadership of the REAT, an initial conservation strategy by December 31, 2009, that identifies areas most suitable and acceptable for renewable energy development, REZs, and areas most suitable for regional multispecies and habitat conservation, with input for criteria for such areas from renewable energy developers and environmental and wildlife organizations. Develop mitigation incentive options in association with the renewable energy zones. Jointly produce maps that contain these coordinated areas.

6. Place a high priority on processing applications for solar development in any areas deemed most appropriate, especially in areas that do not require new transmission. Also place a high priority on processing applications for solar development in any areas ultimately identified as solar energy zones through the Solar Energy Programmatic Environmental Impact Statement (Solar PEIS) and renewable energy zones identified in the DRECP and in the Renewable Energy Transmission Initiative (RETI).

7. Coordinate and cooperate during the development of the DRECP, BLM's Solar PEIS, as it relates to California, and in the development of Best Management Practices (BMPs) and other appropriate interim guidelines to the extent appropriate and allowed by law. By September 30, 2009, the parties will identify interim guidelines to assist solar project developers to design and site projects in an environmentally suitable manner. Work products from the DRECP process available during development of the Solar PEIS, scheduled for completion in

2010, can help inform development of the interim guidelines and the Solar PEIS. As a partner in the DRECP, BLM will, consistent with its planning requirements, evaluate the need for necessary amendments to existing Resource Management Plans in the area of the DRECP for improved compatibility in advancing solar development.

8. Coordinate the development and work products of the Department of the Interior, BLM-led Solar PEIS as it relates to California and the State of California's multispecies conservation strategy for the Mojave and Colorado Desert Regions, the DRECP.

9. Complete a draft DRECP and begin an environmental review process by December 31, 2010. A final DRECP is expected by June 30, 2012. The FWS, as the lead Federal wildlife agency, will partner with DFG on the development and completion of the DRECP.

10. Identify and designate transmission corridors to facilitate development of renewable energy resources by December 2010. Place a high priority on processing applications and permitting for transmission upgrades needed to serve any areas ultimately identified as solar energy zones through the Solar PEIS and renewable energy zones by the DRECP and by RETI.

11. Identify and publish top priority areas in California where other Natural Community Conservation Plans (NCCPs) or similar plans may be developed based upon their renewable energy development potential.

12. Coordinate with the Department of Defense (DOD), Department of Energy (DOE), and the U.S. Forest Service (USFS) to identify energy and transmission needs and opportunities on DOD, DOE, and USFS lands that will lead to a joint MOU highlighting future cooperative action.

VI. GENERAL PROVISIONS

1. Nothing in this MOU is intended to or shall be construed to limit or affect in any way the authority or legal responsibilities of the State of California or the Department of the Interior.

2. Nothing in this MOU binds the State of California or the Department of the Interior to perform beyond their respective authorities.

3. Nothing in this agreement may be construed to obligate the Department of the Interior or the United States to any current or future expenditure of resources in advance of the availability of appropriations from Congress. Nor does this agreement obligate the Department of the Interior, the United States, or the State of California to spend funds on any particular project or purpose, even if funds are available.

4. The mission requirements, funding, personnel, and other priorities of the State of California or the Department of the Interior may affect their ability to fully implement all the provisions identified in this MOU.

5. Specific activities that involve the transfer of money, services, or property between or among the Agencies will require execution of separate agreements or contracts.

6. Nothing in this MOU is intended to or shall be construed to restrict the State of California or Department of the Interior from participating in similar activities or arrangements with other public or private agencies, organizations, or individuals.

7. This MOU is not intended to, and does not, create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the United States, its Departments, agencies, or entities, its officers, employees, or agents, or any other person.

8. Any information furnished between the Agencies under this MOU may be subject to the Freedom of Information Act, 5 U.S.C. § 552 et seq. (FOIA) and the California Public Records Act, Gov. Code § 6250 et seq. (CPRA). The Agencies agree to consult each other prior to releasing potentially privileged or exempt documents.

9. This MOU is subject, as applicable, to the laws of the State of California and the laws of the United States of America.

10. All cooperative work under the provisions of this MOU will be accomplished without discrimination against any employee because of race, sex, creed, color, national origin, or any other legally protected class as identified in Federal or California State law, the California State Constitution, or the United States Constitution, as applicable.

11. The State of California and the Department of the Interior, through their respective applicable Agencies, may each terminate its participation in this MOU at any time through written notification to the other party.

12. The State of California and the Department of the Interior, through their respective applicable Agencies, may each amend or modify this MOU if the other party agrees.

13. This MOU shall remain in effect for an initial term of three (3) years after its effective date and may be renewed if both parties agree.

14. Either party to this agreement will obtain prior approval of the other party of all press releases, published advertisements, or other statements intended for the public that refer to this agreement, to the Parties in connection with this agreement, or the name or title of any employee of the Parties in connection with this agreement.

15. No Member of Congress shall be admitted to any share or part of any contract or agreement made, entered into, or accepted on behalf of the United States of America, or to any benefit to arise thereupon.

16. Nothing in this agreement may be interpreted to imply that the United States or the Department of the Interior endorses any product, service, or policy of the State of California. The State of California will not take any action or make any statement that suggests or implies such an endorsement.

17. The State of California and the Department of the Interior will comply with the Federal Advisory Committee Act to the extent it applies.

VII. CONTACTS

The primary points of contact for carrying out the provisions of this MOU are:

- California Governor's Office: Deputy Cabinet Secretary
- U.S. Department of the Interior: Counselor to the Secretary

VIII. APPROVALS

Ken Salazar

Ken Salazar
Secretary
U.S. Department of the Interior

OCT 12 2009
Date

Arnold Schwarzenegger
Governor
State of California

OCT 12 2009
Date