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August 4 2023

To: State Land Use Planning Advisory Council

From: Scott Carey, AICP, State Lands Planner

RE: <u>Review of Proposed Renewable Energy Rule and Approval of Comment Letter</u>

Background

In June, the Bureau of Land Management (BLM) published a <u>notice in the Federal</u> <u>Register</u> proposing new regulations that would amend its existing right of way regulations and reduce fees for solar and wind energy on public lands. According to the BLM the purpose of these amendments would be to facilitate responsible solar and wind energy development on public lands. The rule would adjust acreage rents and capacity fees for solar and wind energy, provide the BLM with more flexibility in how it processes applications for solar and wind energy development inside designated leasing areas, and update agency criteria on prioritizing solar and wind applications.

The rule would also make technical changes, corrections, and clarifications to the existing ROW regulations. This rule would implement the authority granted to the Secretary of the Interior (Secretary) in the Energy Act of 2020 to "reduce acreage rental rates and capacity fees" to "promote the greatest use of wind and solar energy resources" and achieve other enumerated policy goals. There is currently a 60-day public comment period on the proposed regulations, comments are due to the BLM on August 15, 2023.

For additional information about the proposed Renewable Energy rule please see the attached BLM fact sheet that is attached to this memo.

Analysis

The main intent of the proposed regulations is to incentivize renewable energy development on public lands across the country by reducing fees and streamlining the right of way approval process. In 2019, the Nevada Legislature approved Senate Bill 254 which mandated that 50% of Nevada's energy must come from renewable energy or energy efficiency measures by 2030. In recent years. Nevada has made significant strides with the development of innovative renewable energy projects that support Nevada and the Nation's energy goals. Today, there are nearly 100 renewable energy and transmission projects that are under construction or planned in every county of the state. Additionally, these projects encompass several hundred thousand acres of public lands

and that if completed would nearly achieve the entire desired gigawatt energy capacity of the Energy Act of 2020.

Given the existing and potential new land use planning implications associated with renewable energy development across the state, staff has prepared a proposed comment letter for the Council's consideration. The proposed letter is roughly 6 pages long and contains language the emphasizes the following points taken from previous Council deliberations and approved comment letters.

- 1) Stresses the importance of keeping renewable benefits close to the source.
- 2) Promotes a Smart from the Start approach to renewable energy development.
- 3) Reiterates the need for the BLM to update Resource Management Plans in Nevada
- 4) Stresses the importance of consistency between local land use plans and renewable energy development.
- 5) Expresses concern for the proposed changes to public meetings and input.
- 6) Reiterates the need for the BLM to combat speculative leasing practices.

A copy of the Council's proposed scoping comment letter is attached to this memo. Per NRS 321.750 (4), the Council is authorized to advise any federal or state agency or local government on land use planning and policy. If approved, the Chair would be authorized to sign the letter on behalf of the Council and a copy of the letter would be posted on the Council's website. Additionally, a copy of the letter would be sent to Governor Lombardo, Senator Catherine Cortez Masto, Senator Jackie Rosen, Congresswoman Dina Titus, Congressman Mark Amodei, Congresswoman Susie Lee, Congressman Steven Horsford, the Senate Committee on Energy & Natural Resources, the Houst Committee on Natural Resources, BLM Director Tracy Stone-Manning, BLM Nevada State Director Jon Raby. Additional copies of the letter may be sent to any other officials or agencies as directed by the Council.

Recommendation: Staff recommends that the Council review and discuss the proposed comment letter and recommend and changes to the letter. If approved, staff recommends that the Chair be authorized to sign the scoping letter and transmit a copy to the individuals and agencies included in the letter and to others as directed by the Council.

U.S. Department of the Interior Bureau of Land Management

Proposed Renewable Energy Rule

Fact Sheet

The Bureau of Land Management has announced a proposed update of its renewable energy regulations to promote the development of solar and wind energy on public lands. The proposed Renewable Energy Rule would reduce fees for these projects by around 80%, facilitate development in priority areas by streamlining review of applications, and deliver greater certainty for the private sector.

Following are key provisions of the updated Rule, an amendment to the BLM's existing right-of-way regulations:

Reduce Costs

- The Energy Act of 2020 authorized the BLM to reduce acreage rents and capacity fees to promote wind and solar development. The BLM initially reduced these fees through <u>guidance in 2022</u>. The proposed rule would codify further reductions, improving financial predictability for developers pursuing long-term projects on public land.
- The proposal would improve predictability of rates long term to spur interest in developing solar and wind energy on public lands, while maintaining appropriate project requirements.
- BLM expects that lower acreage rental rates and capacity fees for solar and wind energy generating facilities will translate into lower costs for energy deployment, increasing the renewable energy share of domestic energy production, while maintaining high environmental standards.

Streamline Review for Applications

- The proposed rule would clarify and formalize BLM's processes for prioritization, processing, and permitting of applications for proposed solar and wind energy development on public land, providing consistency for project proponents.
- This would provide certainty for developers, while continuing to focus agency efforts on projects capable of delivering clean energy to American communities.

Facilitate Priority Development

- The proposed rule would provide the option to make public lands inside designated leasing areas available for leasing without a competitive auction. The BLM would retain discretion to conduct competitive auctions where there is a competitive interest, either within or outside of designated leasing areas.
- By allowing this greater flexibility, the BLM believes it can maximize interest in renewable energy leasing in the most environmentally appropriate areas and accelerate deployment of solar and wind energy.
- The proposal seeks input on additional incentives to promote public lands' renewable energy projects developed with American-made parts and materials or constructed using union labor.

Publication of the proposed rule in the *Federal Register* begins a 60-day public comment period, which will include public meetings (times and dates to be announced). For more information, or to provide comment on the proposal, please visit <u>blm.gov/renewable-energy-rule</u>.