

Voluntary Emission Reduction Agreement (VERA) with Fifth Standard Solar PV, LLC

San Joaquin Valley Air Pollution Control District
Governing Board Meeting

September 16, 2021

VERAs - Key Concepts

- VERA is an innovative California Environmental Quality Act (CEQA) mitigation measure that has been utilized since 2005 to reduce air quality impacts from development projects
- VERAs are designed to provide an enforceable mechanism for Lead Agencies to mitigate project emissions through their environmental review processes
 - Developers implement onsite mitigation measures and project design elements
 - VERAs then serve as an additional mitigation measure to compliment project design elements and achieve additional emissions reductions
 - A VERA can be implemented to address air quality impacts from both construction and operational phases of a project
- Your Board's approval of any VERAs assure proper mitigation of air quality impacts, but in no way signify approval or endorsement of the development project by the District
 - Approval discretion of the development project continues to rest with the Lead Agency

VERA - Key Concepts (cont'd)

- Developers provide pound-for-pound mitigation of their project emissions through a process that funds and implements emission reduction projects
- By the way of the District's highly successful emission reduction incentive grant administration program:
 - District administers grants on behalf of the developer
 - VERA mitigation funds are reinvested in the Valley and are awarded to Valley businesses, residents, and municipalities to generate real reductions in emissions
 - The emission reductions secured through VERAs are “surplus” of existing rules
 - Priority near location of the increases
 - Cost-effective reductions
 - District quantifies and enforces the emissions reductions generated by the VERA
- The District will certify that the developer has mitigated the project's emissions required by the Lead Agency

Mitigation Agreements with District

- Agreements are administered by the District and provide funding toward clean air projects in the Valley on behalf of the project developer
- Mature and successful process, 47 agreements
- Over 13,000 tons of emissions reduced
- Reductions go beyond those required by rules (District ISR rule and other applicable local, state and federal regulations)
- Complementary mitigation measure under CEQA for Lead Agencies
- Mitigation achieved before or simultaneously with emission increases
- No refunds if development project is cancelled or downsized and District has already funded emission reduction projects

Mitigation Agreements with District (con'td)

- The following are some examples of how these funds are administered to reduce air pollution in the Valley
 - Grants to Valley businesses to electrify or replace existing diesel-powered off-road equipment and agricultural tractors
 - Grants to Valley businesses to replace old trucks with new low-emission trucks
 - Grants to Valley school districts to replace older and high-polluting school buses
 - Grants to Valley municipalities to replace older transit buses and other vehicles
 - Grants to Valley residents to purchase cleaner personal vehicles
 - Grants to Valley residents to repair older high-polluting vehicles
 - Grants to Valley residents to replace fireplaces and non-certified wood burning stoves with natural gas inserts or clean burning EPA-certified units

District's Grant Programs

- The District's successful incentive grant programs are integral to execution of these mitigation agreements
 - Over \$3.8 billion invested in clean air projects through incentive programs
 - Over 199,000 tons of emissions reduced
 - State audits commend District as “shining example” for effectiveness and efficiency
 - High demand across a variety of incentive programs due to reputation and established relationships with local agencies, businesses, and other stakeholders

Fifth Standard Solar Complex Project

- The Project consists of the construction and operation of a 1,267-acre solar complex located in unincorporated Fresno County, California. The Project includes:
 - A 150-MW PV solar facility
 - Up to 137-MW storage capacity battery storage facility
 - An on-site substation
 - A connection to the existing PG&E Gates Substation
- The County of Fresno (County) served as Lead Agency for the Project under the California Environmental Quality Act (CEQA) and prepared an Environmental Impact Report (EIR)
- Proponent has committed to fully mitigating Project construction-related emissions (ROG, NO_x and PM₁₀)

Today's Agreement

- Satisfies mitigation measure from the certified EIR by mitigating project's construction related criteria pollutant emissions (ROG, NOx and PM10)
- Estimated mitigation to be achieved
 - 1.9 tons of ROG
 - 31.2 tons of NOx
 - 28.8 tons of PM10
- Estimated mitigation funds up to: \$573,012
- District will certify mitigation when emission reductions achieved and VERA fulfilled

Recommendations

- Approve the VERA with Fifth Standard Solar PV, LLC to receive funds in the amount up to \$573,012 to mitigate air quality impacts from the Project
- Authorize staff to identify, fund and manage emission reduction projects to mitigate air quality impacts from the Project