



SUMMARY

With nearly a million acres of farmland going out of production, how will California's agricultural communities repurpose their land? Solar installation is a fix that allows growers to earn income from otherwise unusable farmland, while generating much-needed, low-cost clean energy. But creating a win for agriculture, open-space, landowners, local governments, and ratepayers is not a certainty. It requires thoughtful public policy that benefits all Californians.



CHALLENGE

Passed in 2014, the Sustainable Groundwater Management Act (SGMA), mandates local water management agencies bring groundwater use to sustainable levels by the early 2040s. To comply with SGMA's requirement to reduce groundwater consumption, nearly a million acres of agricultural land across the state is expected to come out of production by 2040.

According to a Public Policy Institute of California report, "Solar Energy and Groundwater in the San Joaquin Valley," local and regional economies throughout the Central Valley would be under duress, with regular agricultural employment disappearing, and public revenues declining, if the unused land is not put to new use. Meanwhile, open space advocates and rural communities wish to preserve California's prized natural resources for current and future generations.

OPPORTUNITY

California also needs more sources of low-cost, clean, renewable energy to lower skyrocketing electricity rates and meet the state's ambitious plan to achieve a net-zero carbon economy by 2045. Central to this mission is the acceleration of clean energy deployment, particularly utility-scale solar energy, which state planners expect to grow by 70 gigawatts by 2045 to meet state decarbonization goals. Together with storage resources, large-scale solar will make up a whopping 72% of wholesale power generation in the state in two decades' time.

A primary challenge to achieving these critical goals is land availability. Wholesale solar projects must be located relatively close to transmission infrastructure, have largely contiguous land, and avoid sensitive habitat areas. One of the most promising approaches is, according to a 2023 California Energy Commission report, repurposing agricultural lands that are losing groundwater access for much-needed solar energy. This solution minimizes biodiversity impacts and revitalizes the economic potential of these communities.



SOLUTION

The California Land Conservation Act of 1965, better known as the Williamson Act (WA), was designed to protect farmland and open space by enabling local governments to sign contracts with landowners to restrict land uses to agricultural and open space in exchange for a tax benefit. While a vital tool at the time to ensure agricultural land protection, the WA has not been modernized to address current state priorities, including protecting our groundwater aquifer, reducing air pollution, and lowering electricity rates. With SGMA implementation underway, providing new economic tools to landowners and local governments to protect agricultural operations and preserve open space is vital.

Solar Use Easements (SUE) are a legal mechanism created in 2011 to allow for the cancellation of Williamson Act contracts between landowners and local governments to install solar energy developments. But SUEs have rarely been used since their inception because:

SUEs can only be used where soils have severe impairments crop production, whether or not the land has sufficient water for commercially viable agriculture

SUEs can be unilaterally terminated by the city or county at any time, which represents an unacceptable risk to solar project owners

SUEs require cancellation, rather than suspension, of WA contracts, which doesn't protect farmland in the long term

To resolve these deficiencies, yet simultaneously safeguard key agricultural and environmental resources all while facilitating development of the lowest cost energy resource available to the state, the California Legacy Partnership has proposed statutory changes to provide a more seamless path for agricultural land to be temporarily repurposed for solar:

Proposed Amendment	Benefits of Proposal
Eliminate WA contract cancellation in favor of temporary suspension during the term of the solar use easement	State and local Farm Bureaus and growers have repeatedly expressed a desire for a WA contract to "spring back" after a solar use terminates
Update eligibility requirements to include limitations to water supply rather than just soil impairment	SGMA requirements combined with increasing severity and duration of drought is the primary driver of and retirements in California
Require review of water limitations by the Groundwater Sustainability Agency	Ensures the agency with jurisdiction over SGMA implementation weighs in on land eligibility
Precludes solar use easements on land used primarily for grazing, with steeper slopes, or which include land conservation contracts for the purpose of protecting open space or habitat	Ensures that grazing / working lands with high value habitat characteristics are not converted to solar energy production
Update compatibility of solar use easements with AB 205 (2021)	Allows the California Energy Commission to hold the solar use easement where a project is opting into licensing through the Commission
Eliminate unilateral termination by a city or county	Ensures low risk of termination for project developers with long-term power contracts and equipment warranties, which is necessary for project financing
Allow battery energy storage technology to be included in a solar use easement	Modernizes the code to account for the necessary integration of solar into the grid using battery technology
Allows county tax assessors to assess real and personal property at their full value under the law	Ensures long-term and large streams of revenue to county and state government
Provides a CEQA exemption for the finding of land eligibility, but preserves CEQA requirements for all other aspects of a solar project, including land entitlements, licenses, and use of natural resources	Ensures that a finding of land eligibility for a Solar Use Easement can be made before the developer invests too much money in interconnection, environmental permitting, or land acquisition, without undercutting or exempting any other CEQA requirements for solar projects