California Legacy Partnership

Amending Solar Use Easement for Central Valley Growers, Families and Local Governments

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 make money from otherwise unusable farmland and create much-needed clean, renewable energy to help address our climate crisis. The proposal is a win for landowners and local governments, as well as ratepayers, as Californians' utility bills will be reduced as a result.

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. In order to comply with SGMA's requirement to reduce groundwater consumption, nearly a million acres of agricultural land across the state could come out of production.

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 employment in agriculture disappearing, and public revenues declining, if the unused land is not put to new use.

OPPORTUNITY

At the same time, California needs more sources of 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 **about 70 GW** by 2045 to meet state decarbonization goals.

A primary challenge to achieving this goal is land availability. 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 supports the economic stability of these communities.

OUR PROPOSAL

The California Land Conservation Act of 1965, better known as the Williamson Act, was designed to protect farmland – by enabling local governments to enter contracts with private landowners to restrict specific parcels of land to agricultural or open space use, in exchange for a tax benefit. While a vital tool at the time for agricultural land protection, the Williamson Act has not been updated to address modern state priorities, including water constraints on agricultural lands. With SGMA implementation underway, having additional economic tools to support agricultural operations is an important part of conserving existing farmland.

Solar use easements (SUEs) are a legal mechanism created in 2011 to allow for the cancellation of Williamson Act contracts between landowners and local governments in order to install solar energy developments. But SUEs have rarely been used since their inception for a number of reasons, including:

> SUEs can only be used where soil has severe impairments to agricultural uses, whether or not they have sufficient water, which is an exceedingly rare occurrence in the Central Valley.

> SUEs can be unilaterally terminated by a city or county at any time, which represents an unacceptable risk to solar project owners who are placing large financial investments into projects.

> SUEs offer an avenue for citizen lawsuits against solar projects, which provide solar opponents another opportunity to kill projects.

To resolve these issues, while safeguarding key agricultural and environmental resources, the California Legacy Partnership has proposed statutory changes to provide a more seamless path for agricultural land to be repurposed for solar power:

Proposed Amendment	Benefits of Proposal
Eliminate Williamson Act 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 to revert to a Williamson Act contract once solar use ends
Update eligibility requirements to include limitations to water supply rather than just soil impairment	The Sustainable Groundwater Management Act (SGMA) requirements, combined with increasing severity and duration of drought, is currently the primary driver of agricultural land 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 high value grazing lands with rich 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 – 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 city governments