Notice of Preparation

Date: March 1, 2010
To: Interested Parties and Responsible Agencies
Subject: Notice of Preparation of a Draft Environmental Impact Report

Lead Agency: County of San Benito
Phone: (831) 637-5313
Fax: (831) 637-5334
Contact: Michael Krausie, Associate Planner
Email: mkrausie@planning.co.san-benito.ca.us

Project Title: Panoche Valley Solar Farm
Project Applicant: Solargen Energy, Inc., Eric Cherniss

Notice is hereby given that the County of San Benito will be the Lead Agency and will prepare a Draft Environmental Impact Report (EIR) under the California Environmental Quality Act (CEQA) for the Panoche Valley Solar Farm project. The County of San Benito is interested in knowing your views regarding the scope and content of the environmental information germane to your agency’s statutory responsibilities in connection with the proposed project. Please provide the following information:

1. Name of the contact person for your agency, mailing address, e-mail, and telephone number;
2. Permit(s) or approval(s) under your agency’s authority;
3. Environmental information that must be addressed in the EIR to enable your agency to use this documentation as a basis for your permit issuance or approval;
4. Permit stipulations or conditions that your agency will apply to this project;
5. Alternatives that your agency recommends be analyzed in the EIR; and
6. Reasonably foreseeable projects, programs, or plans under your agency’s authority that may have an overlapping influence with the proposed project.

The project description, its location, and its probable environmental effects are contained in the attached materials. Due to the time limits mandated by State law, your response must be sent no later than 30 days after receipt of this notice, or postmarked by April 1, 2010, whichever is later. Note also that two public scoping meetings will be held at the dates, times, and locations listed below.

Please mail your comments to:

    Michael Krausie, Associate Planner
    c/o Aspen Environmental Group
    235 Montgomery Street Suite 935
    San Francisco, CA 94104

Alternatively, you may submit scoping comments via email or fax to the email address or telephone number shown in the table on the following page.
Notice of Preparation

PUBLIC SCOPING MEETINGS

<table>
<thead>
<tr>
<th>Panoche Valley Meeting</th>
<th>Hollister Meeting</th>
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<tbody>
<tr>
<td><strong>– Monday, March 15, 2010</strong></td>
<td><strong>– Tuesday, March 16, 2010</strong></td>
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<tr>
<td>6:00 PM to 8:00 PM</td>
<td>6:00 PM to 8:00 PM</td>
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<tr>
<td>Panoche School</td>
<td>Veterans Memorial Building</td>
</tr>
<tr>
<td>31441 Panoche Road</td>
<td>649 San Benito Street, Room 218</td>
</tr>
<tr>
<td>Paicines, CA 95043</td>
<td>Hollister, CA 95023</td>
</tr>
</tbody>
</table>

EIR TEAM CONTACT INFORMATION

| Hotline for phone messages and faxes: (888) 467-1863 | Project email address for comments or questions: panochesolar@aspeneg.com |

A Scoping Report will be prepared, summarizing all comments received (including oral comments made at the scoping meetings). This report will be posted on the County’s website (http://www.san-benito.ca.us), and copies will be placed in local document repository sites listed below.

REPOSITORY SITES

<table>
<thead>
<tr>
<th>Panoche Inn</th>
<th>29960 Panoche Road, Paicines, CA 95043..........(831) 628-3538</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Benito County Department of Planning and Building Inspection Services</td>
<td>3224 Southside Road, Hollister, CA 95023 .........(831) 637-5313</td>
</tr>
<tr>
<td>San Benito County Free Library</td>
<td>470 5th Street, Hollister, CA 95023 ..................(831) 626-4107</td>
</tr>
<tr>
<td>San Benito County Administration Building</td>
<td>481 4th Street (First Floor) Hollister, CA 95023.........(831) 636-4000</td>
</tr>
</tbody>
</table>

Date: 3/1/10 Signature: Michael Krausie, Associate Planner
Notice of Preparation

Project Title: Panoche Valley Solar Farm
Project Applicant: Solargen Energy, Inc., Eric Cherniss
Project Location: The Panoche Valley Solar Farm site is located along Little Panoche Road in the Panoche Valley, in southeastern San Benito County. The project site consists of approximately 4,717 acres currently used for livestock grazing and open space. The site is located approximately 2 miles southwest of the Fresno County Line and the Panoche Hills, and approximately 15 miles west of Interstate 5. The project would be located within Township 15S, Range 10E, Sections 3-5, 8-11, 13-17, and 20-25 and Township 15S, Range 11E, Sections 18, 20, 29, and 30 of the United States Geologic Survey’s Cerro Colorado, Llanada, Mercy Hot Springs, and Panoche 7.5-minute topographic quadrangle maps.

Project Description
Solargen Energy, Inc. (hereinafter “applicant”) proposes to construct the Panoche Valley Solar Farm project (hereinafter “proposed project”), a 420 Megawatt (MW) solar energy generation facility consisting of 1,822,800 pole-mounted, silicon-based solar photovoltaic (PV) panels and associated electrical equipment, an electrical substation, and an operations and maintenance building. The proposed project would deliver electricity to the regional transmission system by interconnecting to the Pacific Gas and Electric Company (PG&E) Moss-Panoche/Coburn-Panoche 230 kilovolt (kV) transmission line on site. The proposed project would be considered a renewable energy generation facility, and according to the applicant would support California in meeting the Renewable Portfolio Standard (RPS) mandate.

The proposed project would be constructed in five phases, and would be constructed as follows, subject to minor adjustment:

- The first 20 MW phase beginning construction in late 2010 and finishing in late 2011
- The second 100 MW phase beginning construction late 2011 and finishing in late 2012
- The third 100 MW phase beginning construction in late 2012 and finishing in late 2013
- The fourth 100 MW phase beginning construction in late 2013 and finishing in late 2014
- The fifth 100 MW phase beginning construction in late 2014 and finishing in late 2015

Two ephemeral streams, Panoche Creek and Los Aguilas Creek, traverse the site, entering from the northwest and converging in the southern portion of the site. Several other unnamed washes are also located on the site. The PG&E Moss-Panoche transmission line traverses the site in a northwest-southeast direction. Surrounding land uses primarily include livestock grazing. There are scattered rural residences adjacent to the site. The Panoche Inn is located south of the project site near the intersection of Panoche Road and Little Panoche Road. Panoche School is located approximately ¾ mile from the project’s southeastern boundary.

Maps illustrating the location of the proposed project and the proposed layout are presented on the following pages.
Notice of Preparation
Panoche Valley Solar Farm EIR

Potential Environmental Issues of Concern

Solargen Energy, the applicant, submitted an Initial Study in October of 2009 identifying potential environmental issues of concern. The Initial Study is available on the County’s website (http://www.san-benito.ca.us) under the heading “Solargen Application Materials.” The impact conclusions presented in the Initial Study will not be used to guide the preparation of the EIR, as the EIR will be prepared by an independent consulting firm under County direction, but the Initial Study does include useful reference materials.

All CEQA environmental topic areas will be addressed in the EIR; however, the following areas of project review are anticipated to be of particular importance. The level of analysis for these subject areas may be refined or additional subject areas may be analyzed based on responses to this Notice of Preparation (NOP) and/or refinements to the project that may occur subsequent to the publication of this NOP.

1. Aesthetics
2. Agricultural Resources
3. Air Quality and Greenhouse Gases
4. Biological Resources
5. Cultural Resources
6. Traffic and Circulation

Construction impacts (e.g., noise, dust, vehicle emissions) will be evaluated for all environmental issue areas. The EIR will include a cumulative impact analysis that will consider past, present, and reasonably foreseeable projects with impacts that could combine with those of the proposed project. Initial assumptions for each of the major areas of analysis are provided below.

Aesthetics
The proposed project would result in a large-scale conversion of an agricultural valley landscape to an alternative energy use. Solar PV panels would be dark in color, and the project would not introduce highly prominent vertical features. However, the project would dominate the plain of the Panoche Valley and would be visible from the elevated slopes surrounding the project site. The EIR will provide visual photo simulations of the proposed project and evaluate impacts to sensitive visual receptors.

Agricultural Resources
The proposed project site and adjacent lands in the Panoche Valley currently support livestock grazing operations, and a portion of the parcels on which the proposed project would be located have active Williamson Act contracts. The project’s compatibility with continued grazing operations at the site and its potential to displace agricultural operations will be evaluated in the preparation of the EIR. In addition, the possible cancellation of a portion of the existing Williamson Act contracts in the area proposed for construction may be analyzed.

Air Quality and Greenhouse Gases
Most of the air quality impacts associated with the proposed project would occur during the construction phase, and would consist of fugitive dust emissions and other criteria pollutant emissions. In addition, emissions of greenhouse gases would result from vehicular emissions during construction. The air quality analysis will assess short duration (i.e., construction and demolition) and long-term (i.e., operational) regional air pollutant emissions associated with the proposed project. Greenhouse gas emissions of the project will also be quantified and analyzed for potential effects related to climate change.
Biological Resources
Many special-status species are known to occur on the project site: California tiger salamander, blunt-nosed leopard lizard, San Joaquin antelope ground squirrel, giant kangaroo rat, San Joaquin kit fox, San Joaquin coachwhip, mountain plover, golden eagle, northern harrier, burrowing owl, loggerhead shrike, and American badger. In addition, suitable habitat for the following special-status species exists at the project site: vernal pool fairy shrimp, Swainson's hawk, western spade-foot, California horned lizard, merlin, pallid bat, and western mastiff bat.

The biological resources analysis will identify and describe the current baseline conditions of the project site using the results of field surveys and research. The EIR will analyze the potential impacts of the proposed project to biological resources, including potential impacts to wildlife movement corridors, and provide mitigation measures that would reduce potential impacts to biological resources to the extent feasible. The analysis will be used by the United States Fish and Wildlife Service and the California Department of Fish and Game in their own permitting processes for the project.

Cultural Resources
The cultural resources section of the EIR will include consideration of archaeological and historic resources and Native American concerns. It will present results of a records search at the Northwest Information Center of the California Historical Resources File System; analysis of sacred lands identified through consultation with the Native American Heritage Commission; and consultation, as appropriate, with Native Americans and other interested parties (e.g., local historical societies). It will also address paleontology, using existing collections databases and geologic maps to determine the sensitivity of the area for the presence of paleontological resources. An archaeological survey of the Area of Potential Effect will be conducted.

Traffic and Circulation
The project site is served by several one/two-lane paved and unpaved roads. Access to the Panoche Valley from the west is via State Route 25 to Panoche Road, and from the east via Interstate 5 to Panoche Road or via Little Panoche Road. Construction traffic will consist of work and delivery trucks and construction personnel vehicles. The EIR will present a traffic impact analysis and address the level of service at key study intersections and roadway segments within the study area under existing, background, project, and general plan conditions with implementation of the proposed project.