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# **CESA support for Compass Energy Storage Project**

Additional submitted attachment is included below.



May 29, 2025

California Energy Commission 715 P Street Sacramento, California 95814

## RE: Informational and Environmental Scoping Meeting for Proposed Energy Storage Project (Docket Number 24-OPT-02)

Dear Commissioners:

On behalf of the California Energy Storage Alliance (CESA), I enthusiastically support the Compass Energy Storage Project. The project is ideally located on privately owned, previously disturbed land in San Juan Capistrano.

By way of background, CESA is a 501(c)(6) membership-based advocacy group committed to advancing the role of energy storage in the electric power sector. We strive to advance a more affordable, efficient, reliable, safe, and sustainable electric power system for all Californians. CESA supports measures for battery energy storage systems (BESS) to protect public safety. ENGIE North America is a CESA member company that is well-known and established in the rapidly growing battery storage industry. ENGIE constructs and operates BESS projects throughout the United States.

## The Compass Energy Storage Project is ideally situated.

The Compass Energy Storage Project is a proposed 250-megawatt (MW) BESS project that will use state-of-the-art modular lithium-iron-phosphate (LFP) batteries. The project will be able to provide safe, reliable, and clean power to approximately 250,000 homes when the energy is most needed.

The location of the Compass project site is ideal for interconnecting BESS. It will connect to SDG&E's grid without requiring any new transmission upgrades, which are often costly and can take years to complete. The project is located next to Interstate 5 in San Juan Capistrano and adjacent to SDG&E's existing energy delivery lines. Additionally, the project will utilize only 13 acres of a 41-acre parcel, with the remaining land dedicated to open space.

## Safety is a key feature of BESS.

California has deployed nearly 16,000 MW of energy storage, including 214 utility-scale facilities and over 250,000 customer-sited residential and commercial systems. We recognize that recent incidents have raised concerns about BESS safety within the community. Although a few incidents of overheating or thermal runaway have occurred in California since 2021, they have resulted in no injuries or damage to external property. Additionally, no air, water, or soil analyses conducted during or after these incidents have found levels of contaminants of concern to public health.<sup>1</sup>

<sup>&</sup>lt;sup>1</sup> California Energy Storage Alliance. Studies of Battery Storage Fires Show No Public Health Impact. <u>https://40108211.fs1.hubspotusercontent-na1.net/hubfs/40108211/safety/CESA%20Fact%20Sheet%202025%20-</u>%20Environmental%20Public%20Health%20-%20ISSUU.pdf

Furthermore, it is essential to understand that current BESS technologies are less prone to thermal runaway and projects designed with modular containers of batteries inherently limit the potential severity of fires, if they do occur, to less than one percent of the battery capacity destroyed in the Moss Landing fire.<sup>2</sup>

In response to safety concerns typically raised by communities, ENGIE's Compass project will employ industry best practices. ENGIE is working closely with the Orange County Fire Authority on site design and an Emergency Response Plan. The project features a non-combustible perimeter wall, vegetation management, a landscaping buffer, infrared cameras, air monitors, and a battery management system. Furthermore, a detailed hazard mitigation analysis and air dispersion modeling have been completed. Both highlight the project's low risk.

CESA supports the development of emergency response plans, as established by Senate Bill 38 (Chapters 377, 2023). This law requires BESS owners and operators to work with local jurisdictions to develop comprehensive safety plans. Additionally, the California Public Utilities Commission recently adopted rules for a BESS inspection program. Together, these requirements ensure that BESS facilities adhere to the highest safety standards and that adequate safety protocols are in place.

## Energy storage is essential for maintaining a reliable grid.

BESS is a crucial piece of the energy mix for California and local jurisdictions to meet their electric reliability and decarbonization goals. The thousands of megawatts (MW) of energy storage deployed since 2020 have been critical in preventing grid emergencies, despite 2024 being the hottest summer in California history.<sup>3</sup> However, much more energy storage is needed. Thousands of additional MW of BESS will be necessary in the next few years to meet load growth due to electric vehicles and data centers. The state must retire thousands of MW of nuclear and ocean-cooled gas-fired power plants in the next few years.

## Energy storage is crucial for achieving state and local environmental objectives.

BESS will play a critical role in helping the city's electricity provider, Central Coast Community Energy, achieve its clean energy goals. The Governor's Office estimates the state will need 52,000 MW of energy storage by 2045 to accomplish our greenhouse gas mitigation goals, but only 16,000 MW are currently operational.<sup>4</sup> Attaining these goals, which will help mitigate the negative impact of fires, droughts, and floods due to climate change, depends on the aggressive deployment of BESS to store renewable energy for use when customers need it.

<sup>&</sup>lt;sup>2</sup> California Energy Storage Alliance. Battery Energy Storage Technologies and Safety Standards Are Constantly Improving. <u>https://40108211.fs1.hubspotusercontent-</u>

na1.net/hubfs/40108211/safety/Evolution%20of%20BESS%20Tech%20and%20Standards.pdf

<sup>&</sup>lt;sup>3</sup> Storrow, Benjamin. "What Heatwave? Batteries Keep the Lights on in California." E&E News. September 10, 2024. https://www.eenews.net/articles/what-heat-wave-batteries-keep-the-lights-on-in california-2/

<sup>&</sup>lt;sup>4</sup> California Energy Commission. California Energy Storage System Survey. Data updated September 11, 2024. <u>https://www.energy.ca.gov/data-reports/energy-almanac/california-electricity-data/california-energy-storage-system-survey</u>

CESA respectfully urges you to support ENGIE North America's Compass Energy Storage Project. It is the right project, in the right location, at the right time. If you have any questions, please contact me at scott@storagealliance.org.

Sincerely,

Scott Murtishaw Executive Director, CESA