

DOCKETED	
Docket Number:	24-OPT-02
Project Title:	Compass Energy Storage Project
TN #:	264029
Document Title:	Michael McGrady Comments - China's Infiltration of ENGIE and the US Power Grid
Description:	N/A
Filer:	System
Organization:	Michael McGrady
Submitter Role:	Public
Submission Date:	6/5/2025 9:35:53 AM
Docketed Date:	6/5/2025

*Comment Received From: Michael McGrady
Submitted On: 6/5/2025
Docket Number: 24-OPT-02*

China's Infiltration of ENGIE and the US Power Grid

Additional submitted attachment is included below.

June 5, 2025

The Honorable David Hochschild, Chair
and the Commissioners of the California Energy Commission
715 P Street
Sacramento, CA 95814

Subject: Urgent Concern Regarding China's Infiltration of ENGIE and the US Power Grid

Dear Members of the California Energy Commission:

I am writing to express grave and urgent concerns regarding the proposed Compass Energy project and its potential reliance on energy storage solutions sourced from China. Recent revelations regarding the presence of undisclosed Chinese communication and control devices within green energy equipment, coupled with the documented close ties of foreign entities to the Chinese government, present an unacceptable risk to California's energy independence, grid security, and ultimately, our national security.

The alarming situation at Camp Lejeune serves as a stark warning. There, Duke Energy was compelled to decommission Chinese-made batteries from CATL due to overwhelming national security concerns, specifically related to cybersecurity vulnerabilities and the direct ties of CATL to the Chinese Communist Party (CCP). Lawmakers rightly highlighted the company's deep association with the CCP, prompting the Department of the Navy to prioritize American or allied-sourced batteries for its installations. This decisive action by a critical U.S. military installation underscores the profound threat posed by compromised equipment.

Furthermore, reports released today have exposed the discovery of "rogue" communication devices on Chinese-made solar power inverters and batteries. These undisclosed devices, including cellular radios, create undocumented communication channels that can circumvent firewalls, providing adversaries with a backdoor to disable power grids, damage energy infrastructure, and trigger blackouts. Security experts confirm that Chinese companies are legally obligated to cooperate with their government's intelligence agencies, granting Beijing control over these critical components connected to foreign grids. This isn't merely a theoretical risk; incidents in November have already shown Chinese-sourced solar inverters being disabled remotely. ***The potential for a "built-in way to physically destroy the grid" is a chilling reality we cannot afford to ignore.***

This leads directly to the Compass Energy project. We understand that ENGIE, a French company, is a key player in this endeavor, and critically, their source for Megapack 2XL units is most likely the Tesla Megapack factory in Shanghai, China. This connection to Chinese manufacturing is deeply troubling, given China's explicit requirement for its spy agencies to access any Chinese-manufactured products. The idea of our energy infrastructure being built with components that could be controlled or compromised by a foreign adversary is a curse on our national interests.

Even more concerning is the extensive and alarming pattern of ENGIE's close collaboration with Chinese entities. ENGIE has made significant investments in Chinese companies like UNISUN, a solar photovoltaic company, and has a long-standing partnership with the China Investment Corporation (CIC), China's sovereign wealth fund.

This partnership includes CIC holding a 30% ownership interest in ENGIE's exploration and production activities, and a Memorandum of Understanding signed in 2015 for co-investment in large energy projects, particularly renewables, and collaboration in new technologies within China.

ENGIE's deep entanglements and strategic alliances with Chinese state-backed entities demonstrate a level of collaboration that fundamentally compromises their suitability for projects critical to California's energy security. **They are, in essence, in bed with the very government posing a documented threat to our infrastructure.**

To approve the Compass Energy project with components possibly sourced from China, particularly through a company with such deeply entrenched ties to the Chinese government, would be an egregious dereliction of the California Energy Commission's duty to protect our state's vital infrastructure and the security of its citizens.

We urge the California Energy Commission to:

- Immediately halt approval of the Compass Energy project until a thorough investigation into the origin and security of all proposed equipment is conducted.
- Mandate that all energy storage and green energy equipment used in California's critical infrastructure projects be sourced from the United States, or from trusted, allied nations, explicitly excluding manufacturers with documented ties to adversarial governments, especially China.
- Establish robust, transparent, and enforceable cybersecurity and supply chain security protocols to prevent any recurrence of "rogue" devices or compromised equipment.
- Re-evaluate the suitability of foreign companies with extensive, compromising ties to the Chinese government for ANY involvement in California's energy infrastructure.

The security of California's power grid cannot be sacrificed for the sake of expediency or cost savings. The risks are too high, and the warnings are too clear. We implore you to prioritize national security and protect California's energy future from foreign adversaries.

Sincerely,



Michael McGrady

