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Docket Number:	24-OPT-02
Project Title:	Compass Energy Storage Project
TN #:	267003
Document Title:	Letter to Honorable Mike Levin Congressman, District 49 United States House of Representatives
Description:	Letter sent on August 20, 2025, in response to Honorable Mike Levin Congressman, District 49 United States House of Representatives on Battery Energy Storage System (BESS) safety
Filer:	Marichka Haws
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	11/3/2025 10:51:14 AM
Docketed Date:	11/3/2025



**CALIFORNIA
ENERGY COMMISSION**



August 20, 2025

Hon. Mike Levin
Congressman, District 49
United States House of Representatives
2352 Rayburn HOB
Washington, DC 20515

Dear Congressman Levin:

Thank you for sharing your concerns about the proposed Compass Energy Storage Project currently being reviewed by the California Energy Commission (CEC) under its Opt-In Certification authority. The safety of battery energy storage systems in California is a top priority for the CEC.

Since its origins 50 years ago, the CEC has licensed energy-generating facilities through its authority under the Warren Alquist Act. More recently, Assembly Bill 205 (Committee on Budget, 2022) established the Opt-In Certification Program, a new pathway for eligible non-fossil-fueled power plants, energy storage, and manufacturing and assembly facilities to optionally seek certification through the CEC. For your reference, I am including a fact sheet on the Opt-In Certification Program to provide additional background information.

In reviewing Opt-In Certification applications, which requires a complete environmental analysis and a preliminary engineering design of the proposed facility, the CEC comprehensively evaluates each proposed project in coordination with other agencies. This includes analyzing the proposed project's impacts on the environment; measures to minimize any significant impacts; reasonable alternatives to the project or its location; conformance with applicable local, state, and federal laws, ordinances, regulations, and standards (LORS); and adherence to additional certification requirements set forth in the Public Resources Code. If a facility is certified following this comprehensive assessment, the CEC monitors its compliance with all conditions of certification imposed by the CEC, from construction and operation through eventual decommissioning.

During the development of the CEC assessment, CEC staff analyze the proposed project for any environmental impacts, including those associated with fire safety. The analysis of fire safety can primarily be found in staff assessment sections focused on (1) Worker Safety and Fire Protection and (2) Hazards, Hazardous

Materials/Waste, and Wildfire. These sections describe the characteristics of the proposed project, evaluate significant impacts of the project as proposed, and identify applicable LORS, safety measures and procedures to minimize any significant environmental effects. The Alternatives section of the staff assessment will present feasible alternatives to the proposed project or its location that could avoid or substantially lessen any significant effects of the project. The merits of each alternative will be compared to the proposed project.

CEC staff use a variety of recent industrial guidelines (e.g., Underwriters Laboratories (UL) Solutions and National Fire Protection Association (NFPA)) and the latest edition of the California Fire Code (CFC) to guide its evaluation of Battery Energy Storage System (BESS) projects that seek a license to construct and operate. The industrial guidelines include NFPA 855: Standard for the Installation of Stationary Energy Storage Systems. Others include UL 9540A-2019: Test Method for Evaluating Thermal Runaway Fire Propagation in Battery Energy Storage Systems, which provides the standard test methodology for determining fire and explosion hazards presented by a given BESS design when undergoing an overheating failure, such as thermal runaway. The latest edition of the CFC, particularly chapter 12, also contains fire safety requirements for stationary lithium-ion battery energy storage systems.

Aside from more stringent safety guardrails, the technology and set up of the technology have continued advancing. For example, the 2025 Moss Landing and the 2024 Otay Mesa incidents involved stacked battery systems within buildings. This configuration is now recognized as more complex to manage in the event of fire. The trend now is toward containerization of battery systems within standalone units similar to shipping containers, as is proposed for the Compass project. Containers minimize the risk of fire spreading to nearby batteries – which happened at Moss Landing and Otay Mesa – and can be constructed to include explosion prevention and fire suppression technologies.

CEC staff was in the process of conducting its comprehensive evaluation of the proposed Compass project but stopped all work following the applicant's letter on July 11, 2025, informing the CEC of plans to submit additional design and technical materials based on geotechnical information. CEC staff will review new information and conduct follow-up discovery as necessary.

If the project is approved, and the environmental review identifies significant safety-related impacts, the CEC will require feasible mitigation measures. For example, batteries would likely be required to have a state of charge of no more than 30 percent during transport to the BESS site to further reduce risk of an incident, as studies have shown that a lower state of charge can significantly reduce

a dangerous incident like fire or explosion during transport. Other safety requirements could include:

- **Deflagration Panels:** The BESS units would be equipped with deflagration panels on the roof that open in the event of gas accumulation to direct overpressure or flames upwards, minimizing lateral damage.
- **Thermal Infrared Cameras:** Thermal infrared cameras would be installed around the site to provide real-time temperature monitoring, crucial for early detection and response to potential fire events.
- **Construction and Operations & Maintenance Fire Protection Program:** A comprehensive program that includes advanced fire protection measures, including detection and alarm systems, and details of major fire hazards would be required.
- **Command and Control Center:** A dedicated command and control center would be required outside of the BESS facility that ensures incident commanders can safely assess and manage fire incidents.
- **Real-Time Environmental Monitoring:** An air and water real-time monitoring and sampling plan would be developed to provide critical data to first responders, ensuring effective and informed emergency responses.
- **Partnerships for Enhanced Safety:** Ongoing collaboration with the County Fire Authority would be required to ensure that local fire services are well-equipped and informed about the specific technologies and potential risks associated with the BESS facility.
- **Passive Fire Prevention:** The BESS would be required to include passive fire prevention features, such as internal sparkers that detect and burn off small amounts of flammable gases to prevent gas buildup.

Beyond these examples, California is proactively addressing safety for BESS through comprehensive state-level collaborations and regulatory updates. The CEC is part of a cross-agency collaborative recently convened by Governor Gavin Newsom to find opportunities to improve safety as the technology continues to evolve. Key initiatives include an update to the California Fire Code happening this year, which is expected to include enhanced BESS safety standards. In March 2025, the CPUC also approved protocols for the maintenance and operation of BESS facilities.

In addition, the Governor's Office of Business and Economic Development (GO-Biz) is performing an assessment of the permitting issues and challenges faced by local governments and project sponsors in deploying energy projects and will focus initial efforts on BESS safety. These and other ongoing efforts are based on the latest studies and consultation with experts to ensure that California remains at the forefront of safe and reliable battery storage technology deployment.

While the safety standards and review process described above reflect the stringent requirements that would apply to any battery energy storage project under the CEC's jurisdiction, their inclusion here should not be interpreted as support for or opposition to the proposed project. At this stage, no decision has been made regarding the Compass project. CEC staff continue to evaluate the application in accordance with applicable laws, regulations, and environmental review requirements.

Sincerely,

A handwritten signature in dark ink, appearing to be 'Drew Bohan', with a stylized, flowing script.

Drew Bohan
Executive Director
California Energy Commission

Cc: Jonathan Gilbert, Chief of Staff, Congressman Mike Levin
David Hochschild, Chair, California Energy Commission
Noemi Gallardo, Commissioner, California Energy Commission
Sarah Brady, Director, CEC Office of Governmental and International Affairs
Robert Chun, Chief of Staff, CEC Chair Hochschild
Erik Stokes, Chief of Staff, CEC Commissioner Gallardo