

DOCKETED

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CALIFORNIA ENERGY COMMISSION

RESOLUTION: LOCAL ORDINANCE FOR THE CITY OF SANTA CRUZ

RESOLUTION NO: 26-0526-03a

WHEREAS, The State Energy Resources Conservation and Development Commission (CEC) adopts the staff California Environmental Quality Act (CEQA) findings contained in the CEQA analysis (attached below); and

WHEREAS, The City of Santa Cruz adopted Ordinance No. 2025-22, which establishes certain locally adopted building energy efficiency standards; and

WHEREAS, Public Resources Code section 25402(a) and (b) establishes that the CEC shall prescribe, by regulation, statewide building energy efficiency and conservation standards; and

WHEREAS, Public Resources Code section 25402.1(h)(2) provides that nothing in Public Resources Code section 25402(a) or (b) shall prohibit the enforcement of city or county building energy efficiency standards if: (1) the city or county files the basis of its determination that the standards are cost-effective with the CEC and (2) the CEC finds that the locally adopted standards will require the diminution of energy consumption levels permitted by the rules and regulations adopted pursuant to Public Resources Code section 25402(a) and (b); and

WHEREAS, California Code of Regulations, Title 24, Part 1, section 10-106 establishes a process for local governmental agencies to submit an application to the CEC for a determination that locally adopted building energy efficiency standards meet the requirements set forth in Public Resources Code section 25402.1(h)(2); and

WHEREAS, The City of Santa Cruz submitted an application to the CEC that included (1) the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 2025-22 are cost-effective and (2) documentation that the locally adopted energy efficiency standards contained in Ordinance No. 2025-22 will require the diminution of energy consumption levels compared to the 2025 Building Energy Efficiency Standards (Energy Code), as required by California Code of Regulations, Title 24, Part 1, section 10-106, on December 30, 2025; and

WHEREAS, The City of Santa Cruz adopted a determination at a public meeting on November 18, 2025, that the locally adopted energy efficiency standards contained in Ordinance No. 2025-22 are cost-effective; and

WHEREAS, CEC staff has analyzed whether the locally adopted energy efficiency

standards contained in Ordinance No. 2025-22 will require the diminution of energy consumption levels compared to the 2025 Energy Code, and determined that it will do so; and

WHEREAS, California Code of Regulations, Title 24, Part 1, section 10-106(b)(4) requires that the local governmental agency's application include any findings, determinations, declarations, or reports, including any negative declaration or environmental impact report, required pursuant to the California Environmental Quality Act, Public Resources Code section 21000 et seq.; and

WHEREAS, The City of Santa Cruz, in its application to the CEC, submitted the California Environmental Quality Act documentation required by California Code of Regulations, Title 24, Part 1, section 10-106(b)(4); and

WHEREAS, CEC staff has considered the application of the California Environmental Quality Act (CEQA) to approval of the City of Santa Cruz's application to enforce its local energy efficiency ordinance and finds that the approval does not meet the definition of a "project" under California Code of Regulations, Title 14, section 15378(a), because the approval has no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Even if the approval was to be considered a project, the project would either be an exempt ministerial project under the California Code of Regulations, Title 14, section 15286, as the required CEC findings for approval are non-discretionary, or fall under the "common sense exemption" in California Code of Regulations, Title 14, section 15061(b)(3) because it can be seen with certainty that there is no possibility the approval of the City of Santa Cruz's application would have a significant effect on the environment; and

WHEREAS, The locally adopted energy efficiency and conservation standards application filed by the City of Santa Cruz satisfies the requirements of California Code of Regulations, Title 24, Part 1, section 10-106; and

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

With regard to CEQA:

The CEC has considered the application of CEQA to the resolution and concluded that, on the basis of the entire record before it, the CEC hereby adopts staff's finding that the approval of the City of Santa Cruz's application to enforce its local energy efficiency ordinance is not subject to CEQA because the approval is ministerial and does not meet the definition of a "project" as it is not an activity that has the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. Even if it was a project, it is exempt from CEQA pursuant to the "common sense exemption" (California Code of Regulations, Title 14, section 15061(b)(3)) because it can be seen with certainty that there is no possibility that the activity will have a significant effect on the

environment; and

THEREFORE, BE IT RESOLVED, that, pursuant to Public Resources Code section 25402.1(h)(2), the CEC finds the following: (1) The City of Santa Cruz has filed the basis of its determination that the locally adopted energy efficiency standards contained in Ordinance No. 2025-22 are cost-effective, and (2) Ordinance No. 2025-22 will require the diminution of energy consumption levels compared to the 2025 Energy Code; and

THEREFORE, BE IT FURTHER RESOLVED, that the CEC directs the Executive Director to take all actions necessary to implement this Resolution.

APPROVED AND ADOPTED this 26th day of May 2026, by the following vote:

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: None

ABSENT: None

ABSTAIN: None

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on May 26, 2026.



Kim Todd
Secretariat



CALIFORNIA ENERGY COMMISSION

**RESOLUTION: RULEMAKING IMPLEMENTING AMENDMENTS TO THE
DEFINITION OF RELATED FACILITY AND ADDING A DEFINITION OF
APPURTENANT FACILITY**

RESOLUTION NO: 26-0526-04

WHEREAS, that the State Energy Resources Conservation and Development Commission (CEC) adopts regulations amending the definition of related facility and adding a definition of appurtenant facility, an Initial Statement of Reasons (ISOR) describing the rationale for the proposal, and the Economic Impact Statement (Form 399); and

WHEREAS, on October 9, 2025, the CEC staff for the rulemaking held a public workshop, to receive oral and written comments on the regulations; and

WHEREAS, on March 20, 2026, the NOPA was published in the California Regulatory Notice Register, delivered to the Secretary of the California Natural Resources Agency, and distributed to the CEC's Rulemaking and General Siting email subscription lists; and

WHEREAS, on May 5, 2026, the 45-day written comment period established by the NOPA closed; and

WHEREAS, on May 15, 2026, the CEC staff posted a Notice of Adoption Hearing, informing interested parties and the public that the CEC would consider and possibly adopt the regulations at the May 26, 2026, Business Meeting of the CEC; and

WHEREAS, each of the above-referenced documents and notices, as well as a CEQA memorandum, and public comments were provided to every person on the CEC's Rulemaking and Siting email subscription lists and to every person who had requested notice of such matters, and was posted to the proceeding's docket, 25-RULE-01; and

WHEREAS, on May 26, 2026, the CEC considered adoption of the regulations at its Business Meeting.

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

With regard to CEQA:

- The CEC has considered the application of the California Environmental Quality Act (CEQA) to the regulations and concluded that the regulations are

exempt from CEQA requirements under section 15060(c) of title 14 of the California Code of Regulations because the regulations will not result in a physical change to the environment and under the common sense exemption pursuant to section 15061 of title 14 of the California Code of Regulations; and

With regard to the Administrative Procedure Act:

- The regulations will not result in the creation of new businesses or elimination of existing businesses, will not result in the expansion of businesses currently doing business in California, and will not result in a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states; and
- The regulation will not impose direct cost or savings, or direct or indirect requirements or mandates, on state agencies, local agencies, or school districts, including but not limited to costs that are required to be reimbursed under Part 7 (commencing with section 17500) of Division 4 of the Government Code; and
- The regulations will not result in the creation or elimination of jobs within California; and
- The regulations will not result in costs or savings in federal funding to the State of California; and
- The regulations will not result in nondiscretionary costs or savings to local agencies or school districts; and
- The regulations will not have an impact on housing costs; and
- The regulations will not result in cost impacts to representative private persons or businesses in reasonable compliance with the regulations; and
- The regulations will not adversely impact the health and welfare of California residents, or worker safety, or the state's environment; and
- The regulations have no alternatives that would be more effective in carrying out the purpose of the statutes for which it is proposed, that would be as effective and less burdensome to affected private persons in carrying out those purposes, or that would be more cost effective to affected private persons and equally effective in implementing those purposes; and
- The regulations will not have a significant adverse economic impact on small business, and no alternatives were proposed that would lessen any adverse economic impact on small business; and

- It is necessary for the health, safety, and welfare of the people of the state that these regulations apply to business; and
- None of the comments received during the comment period or at the public adoption hearing, and nothing else in the record, justified any changes to the regulations as published on March 20, 2026.

THEREFORE, BE IT RESOLVED, that, on the basis of the entire record before it, the CEC finds that the regulations are exempt from CEQA under Cal. Code Regs., tit. 14, § 15060(c)) and the commonsense exemption because it can be seen with certainty that there is no possibility that the regulations will have a significant effect on the environment; and

FURTHER BE IT RESOLVED, that, after considering all comments received and the staff's responses, and based on the entire record of this proceeding, the CEC hereby adopts the regulations, as set forth in the express terms that were published on March 20, 2026 and incorporating any changes presented and adopted today.

The CEC takes this action under the authority of Public Resources Code Sections 25210, 25213, and 25218(e), which authorizes the CEC to adopt rules or regulations, as necessary, to implement, interpret, and make specific Public Resources Code Chapters 6 and 6.2; and

FURTHER BE IT RESOLVED that documents and other materials that constitute the rulemaking record can be found at the CEC, 715 P Street, Sacramento, California, 95814 and online in [Docket Number 25-RULE-01](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=25-RULE-01), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=25-RULE-01>; and

FURTHER BE IT RESOLVED, that, the CEC delegates the authority and directs CEC staff to take, on behalf of the CEC, all actions reasonably necessary to have the regulations go into effect, including but not limited to making any appropriate non-substantive changes to the regulations; preparing all appropriate documents; compiling and submitting the rulemaking file to the Office of Administrative Law (OAL); making any changes to the rulemaking file required by OAL; and filing a notice of exemption with the Office of Land Use and Climate Innovation. This delegation explicitly includes authority for the Executive Director or Chief Deputy Director to Sign the Form 400 on behalf of the CEC.

APPROVED AND ADOPTED this 26th day of May 2026, by the following vote:

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: None

ABSENT: None

ABSTAIN: None

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on May 26, 2026.

A handwritten signature in cursive script that reads "Kim Todd".

Kim Todd
Secretariat



CALIFORNIA ENERGY COMMISSION

RESOLUTION: PUBLICLY OWNED UTILITY CAPACITY PAYMENT REGULATION

RESOLUTION NO: 26-0526-05

WHEREAS, on Friday, February 27, 2026, the State Energy Resources Conservation and Development Commission (“California Energy Commission” or CEC) mailed and posted on the CEC’s website a Notice of Proposed Action (NOPA) formally notifying the public of the CEC’s intent to adopt proposed regulations for AB 1373 Publicly Owned Utility (POU) Capacity Payment Implementation, an Initial Statement of Reasons (ISOR) describing the rationale for the proposal, and the Economic Impact Statement (Form 399); and

WHEREAS, on Friday, February 27, 2026, the NOPA was published in the California Regulatory Notice Register, delivered to the Secretary of the California Natural Resources Agency, and distributed to the following CEC subscription lists: Electricity Issues, Resource Planning and Reliability, and Disadvantaged Communities Advisory Group.

WHEREAS, on Tuesday, April 14, 2026, the 45-day written comment period established by the NOPA closed; and

WHEREAS, on Tuesday, May 12, 2026, the CEC staff posted a Notice of Adoption Hearing, informing interested parties and the public that the CEC would consider and possibly adopt the proposed regulations at a Tuesday, May 26, 2026, Business Meeting of the CEC; and

WHEREAS, each of the above-referenced documents and notices was provided to every person on the following CEC subscription lists: Electricity Issues, Resource Planning and Reliability, and Disadvantaged Communities Advisory Group, and to every person who had requested notice of such matters, and was posted to the CEC’s website; and

WHEREAS, on Tuesday, May 26, 2026, the CEC considered adoption of the proposed regulations at its Business Meeting.

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

With regard to the California Environmental Quality Act:

- The CEC has considered the application of the California Environmental Quality Act (CEQA) to the proposed regulations and concluded that the proposed

regulations are not a “project” for purposes of CEQA as this action does not result in any direct physical change in the environment, or in a reasonably foreseeable indirect physical change in the environment. Moreover, even if adoption of the proposed regulations were a project, it would be exempt from CEQA under the common sense exemption pursuant to section 15061(b)(3) of title 14 of the California Code of Regulations; and

With regard to the Water Code:

- The proposed regulations will enable the CEC to implement Water Code section 80714(a), which requires the CEC to annually assess a capacity payment in specified circumstances on local publicly owned electric utilities (POU) in the California Independent System Operator (ISO) balancing area. Under section 80714, these capacity payments accrue to a POU in any given month that, as determined by the Department of Water Resources, the POU both procures resources through the Electricity Supply Strategic Reliability Reserve Program and, during the same month, fails to meet its planning reserve margin. The proposed regulations enable the CEC to assess the statutorily required capacity payments under these circumstances and to deposit those payments into the Electricity Supply Strategic Reliability Reserve Fund (Fund); and
- The proposed regulations satisfy the substantive and procedural requirements of Water Code section 80714, including defining the process for assessing the capacity payment, calculating the capacity payment consistent with the methodology specified in Water Code section 80714(b), and depositing the monies into the Fund; and
- The CEC has authority to adopt these proposed regulations under Water Code section 80714(c); and

With regard to the Administrative Procedure Act:

- The proposed regulations will not result in the creation of new businesses or elimination of existing businesses, will not result in the expansion of businesses currently doing business in California, and will not result in a significant statewide adverse economic impact directly affecting business, including the ability of California businesses to compete with businesses in other states; and
- The proposed regulation will not impose direct costs or savings, or direct or indirect requirements or mandates, on state agencies, local agencies, or school districts, including but not limited to costs that are required to be reimbursed under Part 7 (commencing with section 17500) of Division 4 of the Government Code, except for \$207,648 in total costs for POUs in the California ISO balancing area in aggregate over three years for recordkeeping and reporting; and

- The proposed regulations will not result in the creation or elimination of jobs within California; and
- The proposed regulations will not result in costs or savings in federal funding to the State of California; and
- The proposed regulations will not result in nondiscretionary costs or savings to local agencies or school districts; and
- The proposed regulations will not have an impact on housing costs; and
- The proposed regulations will not result in cost impacts to representative private persons or businesses in reasonable compliance with the regulations; and
- The proposed regulations will not adversely impact the health and welfare of California residents, or worker safety, or the state's environment; and
- The proposed regulations will not require completion of any new report, but minimal additional information may be required. It is necessary for the welfare of the people of the state of California that these regulations apply to businesses.
- The proposed regulations have no alternatives that would be more effective in carrying out the purpose of the statutes for which it is proposed, that would be as effective and less burdensome to affected private persons in carrying out those purposes, or that would be more cost effective to affected private persons and equally effective in implementing those purposes; and
- The proposed regulations will not have a significant adverse economic impact on small business and no alternatives were proposed that would lessen any adverse economic impact on small business; and
- No comments were received during the comment period, and nothing else in the record justified any changes to the proposed regulations as published on Friday, February 27, 2026.

THEREFORE, BE IT RESOLVED, that, on the basis of the entire record before it, the CEC finds that adoption of the proposed regulations does not result in any direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment and therefore this is not a project for purposes of CEQA, and even if the adoption of the proposed regulations were a project, it is exempt from CEQA under the common sense exemption because there is no possibility that the proposed regulations will have a significant effect on the environment; and

FURTHER BE IT RESOLVED, after considering all comments received and the staff's responses, and based on the entire record of this proceeding, the CEC hereby adopts the proposed regulations, as set forth in the express terms that were published on February 27, 2026, and incorporating any changes presented and adopted today.

The CEC takes this action under the authority of Water Code section 80714, which authorizes the CEC to adopt regulations to implement the capacity payment requirements specified in Water Code sections 80714(a)-(b); and

FURTHER BE IT RESOLVED, that documents and other materials that constitute the rulemaking record can be found at the CEC, 715 P Street, Sacramento, California, 95814. Many of these documents are also available online in [Docket Number 24-OIR-01](https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=24-OIR-01), <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=24-OIR-01>; and

FURTHER BE IT RESOLVED, the CEC delegates the authority and directs staff to take, on behalf of the CEC, all actions reasonably necessary to have the proposed regulations go into effect, including but not limited to making any appropriate non-substantive changes to the regulations; preparing all appropriate documents, such as the Final Statement of Reasons; compiling and submitting the rulemaking file to the Office of Administrative Law (OAL); making any changes to the rulemaking file required by OAL; and preparing and filing the Notice of Exemption with the State Clearinghouse. This delegation explicitly includes authority for the Executive Director or Chief Deputy Director to sign the Form 400 on behalf of the CEC.

APPROVED AND ADOPTED this 26th day of May 2026, by the following vote:

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: None

ABSENT: None

ABSTAIN: None

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on May 26, 2026.



Kim Todd
Secretariat



CALIFORNIA ENERGY COMMISSION

IN THE MATTER OF MOJAVE SOLAR PROJECT (09-AFC-05C)

ORDER APPROVING POST CERTIFICATION CHANGE

ORDER NO: 26-0526-06

I. BACKGROUND

On December 26, 2023, Mojave Solar LLC, the project owner of the Mojave Solar Project (MSP), filed a post certification petition ([TN 253750](#), [TN 253751](#), [TN 253752](#)) for Changes in Project Design, Operation, or Performance and Amendments to the California Energy Commission (CEC). The project owner is requesting to amend the 2010 Final Commission Decision (Decision) to construct two new permanent evaporation ponds, one at Alpha and one at Beta power blocks. This change will enhance water storage capacity and facilitate the maintenance of the four existing evaporation ponds. On September 25, 2024, the project's owner filed an addendum to the petition requesting to update the description of the project to a 275-megawatt (MW) plant to reflect an increase of 25 MW as a result of an amended Large Generator Interconnection Agreement (LGIA) that was approved by the California Independent System Operator (CalISO) and Southern California Edison (SCE) in 2015.

The Mojave Solar Project is a 250 MW solar electric generating facility located at 42134 Harper Lake Road in Hinkley, San Bernardino County. The project was certified by the CEC in September 2010 and began commercial operation in December 2014.

Based on a review of the petition and addendum, Staff proposes to modify the existing conditions of certification (COCs) and add a new COC, as follows:

- Modify COCs **BIO-1** (Designated Biologist), **BIO-13** (Burrowing Owl Impact Avoidance, Minimization and Mitigation Measures), and **BIO-19** (Evaporation

Pond Monitoring and Adaptive Management Plan) for consistency with the California Endangered Species Act (CESA) for biological resources.

- Add a new COC **BIO-22** (Burrowing Owl Habitat) for consistency with the CESA for biological resources.
- Modify COCs **SOIL & WATER-2** (Waste Discharge Requirements) and **SOIL & WATER-8** (Wastewater Collection System Requirements) to ensure consistency with the Lahontan Regional Water Quality Control Board's (LRWQCB) Waste Discharge Requirements and to better monitor the water balance between water treatment plant intake and discharge to the evaporation ponds.
- Modify COC **WASTE-10** (Heat Transfer Fluid Contaminated Soil Testing) to ensure LRWQCB staff is included in the notification submittal for hazardous material reporting as well as any update to the applicable United States Environmental Protection Agency testing method 8270E.

The COC modifications and additions proposed by the CEC staff would allow the project to continue to operate in compliance with applicable laws, ordinances, regulations, and standards (LORS) and that there would continue to be a less than significant effect on the environment.

II. STAFF RECOMMENDATION

Staff recommends the CEC approve the petition to amend including the new and modified COCs provided herein.

Staff has reviewed the petition for potential environmental effects and consistency with applicable LORS pursuant to California Code of Regulations, title 20, section 1769. Staff concludes that the addition of the new and amended conditions of certification will not result in significant effects on the environment. Staff also concludes that the project would continue to comply with all applicable LORS and that the findings specified in California Code of Regulations, title 20, section 1748(b), do not apply to the changes. Staff also concludes that adding and modifying the COCs do not meet any of the criteria requiring the preparation of subsequent or supplemental environmental review pursuant to Public Resources Code section 21166 or California Code of Regulations, title 14, sections 15162 and 15163. Staff's assessment of the petition was subject to a 30-day comment period.

III. ENERGY COMMISSION FINDINGS

Based on the record, including staff's analysis, the CEC concludes that the modified COCs and new COC will not result in any significant impacts to public health and safety, or to the environment. The CEC finds that:

- The petition meets all the filing criteria of California Code of Regulations, title 20, section 1769(a) concerning post-certification project changes;
- The modifications will not change the findings in the CEC's Final Decision, pursuant to California Code of Regulations, title 20, section 1748;

- The project will remain in compliance with all applicable laws, ordinances, regulations, and standards, subject to the provisions of Public Resources Code, section 25525;
- The project change does not meet the criteria requiring the preparation of subsequent or supplemental environmental review pursuant to Public Resources Code section 21166 or California Code of Regulations, title 14, sections 15162 and 15163;
- Notice of the staff assessment was mailed to the CEC's list of interested parties and property owners of all parcels within 500 feet of any affected project linears and 1,000 feet of the project site as well as emailed to the MSP subscription list; and
- The staff assessment was posted to the docket on April 9, 2026, and was subject to a 30-day comment period. The single comment received during the comment period is addressed in the errata adopted by the CEC.

IV. CONCLUSION AND ORDER

Based on the its independent review of staff's analysis (TN 269451), the CEC hereby adopts the findings set forth herein and approves the petition to amend and the new and modified conditions of certification as set forth in the staff analysis, as amended by in accordance with the Errata Sheet #1 ([TN 269965](#)).

IT IS SO ORDERED.

APPROVED AND ADOPTED this 26th day of May 2026, by the following vote:

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: None

ABSENT: None

ABSTAIN: None

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an order duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on May 26, 2026.



Kim Todd
Secretariat



CALIFORNIA ENERGY COMMISSION

IN THE MATTER OF POTENTIA-VIRIDI BATTERY ENERGY STORAGE SYSTEM, DOCKET NO. 24-OPT-04

ORDER CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT, ADOPTING A MITIGATION MONITORING OR REPORTING PROGRAM, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, CERTIFYING THE RECORD OF PROCEEDINGS, AND GRANTING THE OPT-IN APPLICATION FOR CERTIFICATION

ORDER NO: 26-0526-07

I. BACKGROUND

On August 7, 2024, Levy Alameda, LLC (applicant), filed an Opt-In application, seeking a certification for the Potentia-Viridi Battery Energy Storage System (24-OPT-04) (project) under the California Energy Commission's (CEC) Opt-In Certification Program. The project would include construction and operation of an up to 3,200-megawatt-hour (MWh) battery energy storage system (BESS) facility, an operations and maintenance (O&M) building, a project substation, a 500-kilovolt (kV) overhead intertie transmission (gen-tie) line, and interconnection facilities within the Pacific Gas and Electric Company (PG&E) owned and operated Tesla Substation. The project is proposed to be located on approximately 102 acres in eastern Alameda County.

Under the Opt-In Certification Program, the CEC may grant a certification to an eligible facility if the commission finds that the project meets all applicable requirements under Chapter 6.2 of Division 15 of the Public Resources Code (Chapter 6.2). Moreover, Public Resources Code section 25545.7 designates the CEC as the "lead agency" under the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.) for Opt-In applications.

On January 26, 2026, the CEC staff filed a Staff Assessment on the project (TN 268314), which included a draft environmental impact report (EIR), prepared in accordance with CEQA. The Staff Assessment also included an analysis of the project's engineering, its consistency with all applicable local, state, and federal laws, ordinances, regulations, and standards, and its compliance with mandatory Opt-In requirements.

In the draft EIR, the CEC identified that the project, as submitted, had significant, unavoidable environmental impacts on visual resources. CEC staff concluded that

there is substantial and compelling evidence in the record to support a CEC decision to certify the final EIR and approve the project by issuing a Statement of Overriding Considerations.

On April 24, 2026, CEC staff filed an Updated Staff Assessment (TN 269622). This Updated Staff Assessment includes revisions in response to comments and recommendations received on the Staff Assessment that raised significant environmental issues, to correct typographical errors, or for clarity. The Updated Staff Assessment did not provide significant new information or alter the understanding of the project's environmental impacts.

On May 22, 2026 CEC staff filed the Errata to the Updated Staff Assessment to address concerns raised by the applicant, correct an inadvertent omission, fix typographical errors, and provide clarifying language. (TN 270170). The Errata did not provide significant new information or alter the understanding of the project's environmental impacts.

II. EXECUTIVE DIRECTOR'S RECOMMENDATION

Public Resources Code section 25545.6 and California Code of Regulations, title 20, section 1879(c) require the CEC's Executive Director to file a recommendation on whether the CEC should certify an EIR and issue a certificate for the construction and operation of the facility.

Based on the entire record of this proceeding, the Executive Director recommends that the CEC certify the final EIR, contained in the Updated Staff Assessment, as modified by the Errata, adopt a Statement of Overriding Considerations as set forth in the Updated Staff Assessment, as modified by the Errata, in **Section 11, Override Findings and Recommendations**, adopt a Mitigation Monitoring and Reporting Program, and issue a certificate to construct and operate the Potentia-Viridi Battery Energy Storage System.

III. ENERGY COMMISSION FINDINGS

Based on the exercise of independent judgment and review, and considering the record as a whole, including the Opt-In Application; public comments; Staff Assessment, including the draft EIR; and Updated Staff Assessment, including the final EIR, and Errata, we concur with the Executive Director's Recommendation to issue a certificate to construct and operate the Potentia-Viridi Battery Energy Storage System.

The CEC adopts the following findings under CEQA, the CEQA Guidelines (California Code of Regulations, title 14, section 15000 et seq.), the Warren-Alquist Act (California Public Resources Code, section 25000, et seq.), and California Code of Regulations, title 20, chapter 5, article 4.1:

1. The Potentia-Viridi Battery Energy Storage System is an eligible facility under Public Resources Code, Chapter 6.2.

2. As detailed in the Updated Staff Assessment, as modified by the Errata, applicant's project results in significant and unavoidable impacts in the area of visual resources. Specifically, the project would substantially degrade the existing visual character or quality of public views of the site and its surroundings from three applicant-submitted key observation points (KOP).

3. No feasible mitigation measures were identified in the Updated Staff Assessment that could mitigate or avoid the project's significant effects on visual resources. Specifically, CEC staff concluded that with implementation of conditions of certification, the application of surface colors and finishes, combined with the restoration and revegetation of temporarily impacted areas, would reduce the project's impact on the visual character or quality of public views of the site and its surroundings but not to a level that would be less than significant.

4. There are no feasible alternatives to the project that would avoid or substantially lessen the significant impacts to visual resources and achieve most of the benefits and objectives of the project.

5. The project would provide the following benefits: assist the State of California in achieving its Renewables Portfolio Standard and greenhouse gas emissions reduction objectives, assist the state in achieving its energy storage mandates, contribute to the diversity of renewable generation, contribute to the state's electrical grid reliability, provides a new source of energy storage that assists the state in achieving its energy storage mandates, and support the local economy by investing in the local community, creating local construction jobs, and increasing tax and fee revenue to Alameda and Contra Costa counties.

6. In accordance with California Code of Regulations, title 14, sections 15091 and 15093, and based on substantial evidence in the record, on balance, the project's significant impacts to visual resources are outweighed by the project's benefits.

7. Imposition and implementation of the conditions of certification contained in the Updated Staff Assessment will ensure protection of environmental quality and ensure reasonably safe and reliable operation of the project. The conditions of certification also ensure that changes or alterations have been incorporated into the project that avoid or substantially lessen the project's significant environmental impacts. For components of the project outside the CEC's jurisdiction, the Updated Staff Assessment recommends mitigation measures that can and should be adopted by another public agency.

8. The CEC has not recommended minimum standards of efficiency for the project pursuant to Public Resources Code section 25402(d) because no minimum efficiency standards apply to this project. The applicant is therefore not required to demonstrate compliance with minimum standards of efficiency pursuant to Public Resources Code section 25402(d).

9. Imposition and implementation of the conditions of certification contained in the Updated Staff Assessment (including a final EIR), as modified by the Errata, will ensure that the Potentia-Viridi Battery Energy Storage System will be designed, constructed, sited, operated, and decommissioned in conformity with most of the applicable public safety standards, applicable air and water quality standards, and with other applicable local, regional, state, and federal laws, ordinances, regulations, and standards.

10. To the extent the project and required conditions of certification conflict with any existing local or state laws, including local land use rules, those laws are deemed superseded by the issuance of the CEC's certification under Public Resources Code section 25545.1(b)(1).

11. The site would be restored as necessary to protect the environment if the CEC denies approval of the application, as required by Public Resources Code section 25523(e).

12. The Updated Staff Assessment, as modified by the Errata, contains a discussion of the public benefits from the project, including but not limited to, economic benefits, environmental benefits, and electricity reliability benefits, as required by Public Resources Code section 25523(h).

13. The Updated Staff Assessment identifies the public agencies that received notice of the Opt-In Application.

14. The project site is not located in a prohibited area as identified in Public Resources Code sections 25526 and 25527.

15. There is a rebuttable presumption that the construction or operation of the Potentia-Viridi Battery Energy Storage System will have an overall net positive economic benefit to Alameda County. No evidence was presented in the record that rebuts this presumption.

16. The applicant has entered into a legally binding and enforceable agreement with the Tri-Valley Haven for Women, a California 501(c)(3) non-profit organization, where there is mutual benefit to the parties to the agreement, satisfying Public Resources Code section 25545.10 (see TN 269549). A second agreement with Tri-Valley Alliance was filed to the project docket on May 20, 2026 (TN 270088).

17. The applicant has certified its commitment to implementing the labor requirements of Public Resources Code sections 25545.3.3 and 25545.3.5.

18. In accordance with Public Resources Code section 25901, the CEC's findings are based on substantial evidence and come after an independent analysis of project information contained in the docketed record, consultation with experts in the field, collaboration with other state and local agencies, and independent research as described in each of the technical sections in the Staff Assessment and Updated

Staff Assessment, as well as information from public events held pursuant to Public Resources Code sections 25545.7.2 and 25545.7.6.

19. The final EIR (included within the Updated Staff Assessment), which includes responses to comments and revisions, and as further modified by the Errata, has been completed in compliance with CEQA. The CEC reviewed and considered the information contained in the final EIR prior to approving the Potentia-Viridi Battery Energy Storage System.

20. The proceedings leading to this Order have been conducted in conformity with the regulations governing the consideration of an Opt-In Application and thereby meet the requirements of Public Resources Code section 25545 et seq. This includes circulating the draft EIR (included within the Staff Assessment) for a 60- day public review period in compliance with Public Resources Code section 25545.7.6, subdivision (b).

21. The conditions in Chapter 6.5 (commencing with Section 21178) of Division 13, including Sections 21183.6, 21186, and 21188, have been met for the Potentia-Viridi Battery Energy Storage System, and CEC staff prepared the record of the proceedings concurrently with its review of the Opt-In Application.

IV. CONCLUSION AND ORDER

1. The Updated Staff Assessment (including the final EIR) is hereby modified in accordance with the Errata to the Updated Staff Assessment filed on May 22, 2026 (TN 270170).

2. We hereby CERTIFY that the final EIR (within the Updated Staff Assessment, as modified by the Errata) complies with CEQA, reflects the CEC's independent judgment and analysis, and was considered and reviewed by the CEC before a decision on the certification of the Potentia-Viridi Battery Energy Storage System.

3. We hereby CERTIFY that the CEQA record of proceedings is complete.

4. The CEC finds that the project's significant impacts to visual resources are outweighed by the project's benefits, as set forth in the Updated Staff Assessment, as modified by the Errata. The CEC hereby ADOPTS a Statement of Overriding Considerations.

5. The CEC hereby ADOPTS CEC staff's recommendations and findings and the conditions of certification and compliance verifications set forth in the Updated Staff Assessment, as modified by the Errata, as its monitoring program required by Public Resources Code section 25532 and as the mitigation monitoring or reporting program required by Public Resources Code section 21081.6.

6. All conditions shall take effect immediately upon adoption of this Order and apply to all construction and site preparation activities including, but not limited to, ground disturbance, site preparation, and permanent structure construction.

7. The approval of the Opt-In Application for Certification for the Potentia-Viridi Battery Energy Storage System is subject to the timely performance of the conditions of certification and compliance verifications. The conditions of certification and compliance verifications are integrated within this Order and are not severable therefrom. While the project owner may delegate the performance of a condition or verification, the duty to ensure adequate performance of a condition or verification may not be delegated.

8. The Opt-In Application for Certification for the Potentia-Viridi Battery Energy Storage System, as described in the Updated Staff Assessment (including the final EIR), as modified by the Errata filed on May 20, 2026, and a certificate to construct and operate the project are hereby GRANTED.

9. This Order is adopted, issued, effective, and final on May 26, 2026.

10. The CEC staff shall file a Notice of Determination with the State Clearinghouse within five business days of May 26, 2026.

V. IT IS SO ORDERED.

APPROVED AND ADOPTED this 26th day of May 2026, by the following vote:

AYE: Hochschild, Gunda, McAllister, Gallardo, Skinner

NAY: None

ABSENT: None

ABSTAIN: None

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an order duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on May 26, 2026.

A handwritten signature in cursive script that reads "Kim Todd".

Kim Todd
Secretariat