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*Comment Received From: Nina Audino
Submitted On: 5/27/2026
Docket Number: 26-OPT-02*

Nina Audino Comments - STOP Lithium BESS in SC County Comment Letter on Developer's Lack of Transparency & Community Engagement

Please accept the attached letter, inclusive of five additional attachments, that documents the developer's consistent lack of transparency and community engagement for the preceding 17 months since they first engaged with our community in December 2024 to propose a grid-scale BESS build, as well as their disregard for a growing opposition movement that disputes the siting of the proposed hazardous BESS in south Santa Cruz County adjacent to dense residential neighborhoods, schools, childcare and elder care facilities, parks, lakes and amidst organic farmlands.

Additional submitted attachment is included below.

May 27, 2026

Eric Veerkamp, Project Manager
California Energy Commission
715 P Street, MS-40
Sacramento, CA 95814

Electronic filing of a 5 Page Letter with 5 Attachments and 2 Video Links in Comment Text.

Subject: Comments by Nina Audino, STOP Lithium BESS in Santa Cruz County, on Developer's Lack of Transparency and Community Engagement

Reference: AB-205 Application Submitted for a Proposed Battery Energy Storage Project in Santa Cruz County, CA.
Docket Number 26-OPT-02.

Dear Mr. Veerkamp:

STOP Lithium BESS in Santa Cruz County respectfully files the following comments pertaining to the applicant's, New Leaf Energy's, consistently demonstrated lack of transparency and community engagement over the course of the last 17 months, during which the applicant engaged with the County of Santa Cruz to gain a permit for their proposed BESS build before withdrawing it on May 1, 2026 in order to apply for AB-205 Opt-in Certification.

We are aware that the CEC requires the developer to formally develop and execute a Community Benefits Agreement and that the CEC predicates the success of such an agreement on deep, transparent local collaboration. However, in these preceding 17 months, New Leaf Energy has focused their collaboration on a narrow segment of the community's population, namely on community climate action groups, with small volunteer staffs. STOP Lithium BESS does not dispute the value of climate action work or whether such a group is a good candidate for a CBA. Our concern is with the applicant's focus on local community groups whose standpoint aligns with the proposed project and with their concurrent lack of transparency and community engagement with thousands of community members who dispute the siting of the proposed hazardous BESS adjacent to their homes, schools, childcare and elder care facilities, parks, lakes and amidst organic farmlands. The applicant's lack of transparent engagement with the community is reflected in a history of growing opposition to the project. Therefore, STOP Lithium BESS respectfully asks that these comments be factored into the CEC's evaluation of the applicant's community engagement.

In the last 17 months, the applicant held one community meeting on December 12, 2024, as required by Santa Cruz County Code Section 18.10.113 prior to submitting their application five days later on December 17, 2024. The applicant mailed notice cards without the time of the meeting, as evidenced by the attached scanned postcard copy obtained through a Public Records Act request. (See Attachment 1 below.) Postcards were mailed to a very limited number of residents. Even fewer attended, as evidenced by the applicant's mandated summary report submitted by their PR firm Miller Maxfield after a six-month-long delay on June 26, 2025. (See Attachment 2 below.) Please note that six or more PRA requests have not produced evidence of the second, corrected postcard mailing that the summary report claims occurred. Also note that there is no evidence in the summary report of the SCCC Section 18.10.113 mandated mailing lists. The summary report references questions from a total of five residents and CAL Fire.

With respect to the developer's lack of transparent communication with the community, please note that New Leaf Energy's response to a CAL Fire question at the Community Meeting indicated that the recommended fire response was suppression "in situation." Clearly, this type of response misleads the public to conclude that the recommended fire-fighting tactic is to suppress a BESS lithium fire. We are concerned by this lack of adequate response. The current 2026 NFPA 855 recognizes "controlled burn-out," in which the conflagrated container is allowed to burn itself out and measures are taken to control fire spread to adjacent containers, as an acceptable and often preferred response strategy. The EPA's guidelines in their August 21, 2025 updated "[Battery Energy Storage Systems: Main Considerations for Safe Installation and Incident Response](#)" explicitly advise to "direct fire crews to let the fire burn itself out and to use water to prevent the spread of fire to neighboring batteries or other structures."

Further, in response to a resident's question at the Community Meeting about different lithium battery chemistries, New Leaf Energy focused on the lack of cobalt in LFP batteries, which the developer claimed makes the LFP battery a product of more responsible and sustainable rare-earth mineral extraction practices. Again, we are concerned by the lack of adequate response. While LFP batteries eliminate the severe human rights abuses linked to cobalt mining, they remain susceptible to thermal runaway, emit toxic gases during fires, and depend on resource-heavy extraction processes. As well, both lithium and graphite mining cause significant ecological harm, including habitat destruction, massive toxic waste generation and severe groundwater depletion, threatening drinking supplies and agricultural irrigation. Exclusively relying on critical mineral batteries in an energy transition dominated by lithium is not environmentally sustainable or green. Long-term sustainability can be achieved in part

through a transition to alternative chemistry technologies that make non-flammable batteries with earth-abundant materials.

Further, New Leaf Energy's response to a resident's question at the Community Meeting about a plume study and toxic gas dispersion claimed that their hazardous gasses dispersion study shows that no fumes were predicted to go beyond 100 feet in any direction based on prevailing winds. Please note that this inadequate response was also offered to the Watsonville Wetlands Watch. (Please see Attachment 3, response to question 10.) New Leaf Energy claimed in response to this key environmental group's questions that a potential worst-case scenario is anticipated to only impact areas within the project site due to the use of LFP chemistry and the containerized structural model. Please note also that New Leaf Energy's hazardous gasses dispersion model as submitted to the county lacked any mention of hydrogen fluoride (HF) gas. We will be submitting further comments on New Leaf Energy's claims regarding LFP safety, large-scale fire testing, plume study, AEGL and HF in subsequent comment letters.

Besides the aforementioned Community Meeting, the applicant participated in only one other community meeting specific to this proposed project. At the only Town Hall the county organized for the project on October 27, 2025, New Leaf Energy's project developer Max Christian was featured prominently, speaking at length in response to several community concerns.

In response to a community member's question, "Why was the Minto Road site chosen over the option in Aptos?" Mr. Christian provided the response shared below, documented in the video recording posted on the county's Battery Energy Storage Systems Ordinance webpage, linked [here](#). Mr. Christian's comments begin at 1:04:14.

Mr. Christian's grossly inaccurate response claimed that in 2013 PG&E filed an application for permitting the Santa Cruz 115kV Reinforcement Project with the CPUC and that the CPUC's "very high bar" for approval, did, in fact approve the project. Mr. Christian repeated the words "the PUC approved the project" four times to the public. He further claimed that the project was based on a PG&E identified grid vulnerability, and that it was never resolved. He ended this 'explanation' to the public by reiterating that "vulnerability exists and so when we looked at where to site a battery, where [the] battery would go, that was one of the reasons is because there is a grid issue here."

The actual facts of this CPUC decision, which Mr. Christian misrepresented to the public, are outlined in the attached PG&E Motion to Dismiss A.12-01-012 dated February 9, 2015 and in the CPUC Decision to Dismiss 15-03-030 dated March 27, 2015. (Please see Attachments 4 and 5.) PG&E reasoned that having reassessed their own

forecasts, they determined that the Project was not needed for the next five years. In a letter dated December 17, 2014, CAISO stated that their revised load forecast established that it “is not needed within the 10-year planning horizon, and therefore [they have] approved cancellation of this project.” PG&E filed for a dismissal of the case with the CPUC and President Michael Picker and four commissioners approved the dismissal unanimously. The CPUC never approved the project. Need for the project was never proved. Grid vulnerability was never proved.

In fact, a group of concerned residents worked to demand accountability from the CPUC, PG&E and CAISO. Analysis by the group’s independent power engineer using PG&E’s own data proved that the project was not necessary and triggered a reassessment of load forecasts by PG&E and CAISO. PG&E, CAISO and the CPUC agreed that the project was, in fact, not needed to maintain the reliability of the power grid for Santa Cruz County.

Mr. Christian’s words continue to misinform and mislead the public daily, as the video is widely accessible on Santa Cruz County’s BESS Ordinance webpage. He made the same erroneous justification during his presentation to the Watsonville City Council on October 14, 2025 linked [here](#). Mr. Christian’s comments begin at 2:37:43.

The analysis of Mr. Christian’s misinformation shared here was sent as an open letter to Santa Cruz County elected officials and staff, the Watsonville City Council, fire authorities, other public agency heads and the press. Mr. Christian has never acknowledged it or responded to it.

STOP Lithium BESS is very concerned about the lack of factual accuracy in Mr. Christian’s response and the ways in which New Leaf Energy’s misinformation at the October 27 Town Hall and at other community meetings appears to constitute opportunistic, self-serving behavior and demonstrates a serious lack of ethical accountability both to public process in our community and to the community itself.

Please note also that while Mr. Christian was allotted significant speaking time in response to several questions at the October 27 Town Hall, more than six residents, most of them Hispanic, were directed to sit down, their comments cut off during the public comment segment. Those public comments that were allowed did not start until after the scheduled end of the meeting, and are not available on the recording of the Town Hall.

During the last 17 months, the growing opposition movement to the proposed project has held seven public meetings between April of 2025 and April of 2026, attended by

upwards of 800 community members. To our knowledge, neither Max Christian nor any representative from New Leaf Energy has attended to speak at any of these meetings.

Based on these facts, STOP Lithium BESS in Santa Cruz County does not consider the course of New Leaf Energy's local community engagement over the last 17 months to be predicated on deep, transparent local collaboration. We ask again respectfully that these comments be factored into the CEC's evaluation of the applicant's engagement with residents as demonstrative of a consistent lack of transparency and community engagement.

Respectfully submitted,
Nina Audino
Founder, STOP Lithium BESS in Santa Cruz County

Attachments

1. New Leaf Energy December 12, 2024 Community Meeting postcard image without the time
2. New Leaf Energy June 26, 2025 Community Meeting Summary Report without mailing list
3. New Leaf Energy Responses to Watsonville Wetlands Watch Questions May 2025
4. PG&E Motion to Dismiss Application A.12-01-012 for SC 115kV Reinforcement Project dated February 9, 2015
5. CPUC Decision to Grant Motion to Dismiss 15-03-030 dated March 27, 2015

From: [Nancy Vega Chavez](#)
To: [Stephanie Hansen](#)
Cc: [Julie Newbold](#); [Melissa Nathan](#); [Nancy Vega Chavez](#)
Subject: Exec241202Mtg01/02
Date: Monday, December 2, 2024 11:52:44 AM
Attachments: [Exec241202Mtg01.jpg](#)
[Exec241202Mtg02.jpg](#)

Attached is either a piece of mail addressed to you, or you are copied on this mail according to your section manager's directions.

Please let us know if you are not the correct recipient or if you have any questions.

Thank you.



A New Energy Storage Project in Santa Cruz County
Un nuevo proyecto de almacenamiento de energía en el
condado de Santa Cruz

SEAHAWK

energy storage

Community Meeting on 12/12/24
Reunión comunitaria el 12/12/24



YOU'RE INVITED! ¡ESTÁS INVITADO!

SAN JOSE, CA 95131

New Leaf Energy
c/o Swift Consulting Services, Inc.
500 Chestnut Street, Suite 100
Santa Cruz, CA 95060

26 NOV 2024 PM 11:11



Amesti Elementary School Multipurpose Room
25 Amesti Road, Watsonville
12/12/24, Thursday | Jueves

The Seahawk Energy Project is envisioned to store clean energy using battery technology at a site near College Lake in the Pajaro Valley. The project will establish important new infrastructure that will strengthen our local electricity grid, reduce the potential for rolling blackouts, and support California's evolution to clean, renewable energy to replace carbon-based energy sources.

El proyecto Seahawk Energy está pensado para almacenar energía limpia mediante tecnología de baterías en un sitio cerca de College Lake en el valle de Pajaro. El proyecto establecerá una nueva infraestructura importante que fortalecerá nuestra red eléctrica local, reducirá la posibilidad de cortes de luz y apoyará la evolución de California hacia una energía limpia y renovable para reemplazar las fuentes de energía basadas en el carbono.

Spanish interpretation available
95060-400000

Learn More
seahawkenergystorage.com

Stephanie Hansen
County of Santa Cruz,
Planning Department
701 Ocean St.
Santa Cruz, CA 95060



Seahawk Community Meeting Report

Dec. 12, 2024

A community meeting was held at Amesti Elementary School, 25 Amesti Road in Watsonville, on Dec. 12, 2024, from on Wednesday, Nov. 3, 2021, from 5:30-7 p.m. to discuss the battery energy storage proposal for 90 Minto Road.

The meeting was noticed with two bilingual postcard mailings to a ¼-mile radius of the project site. Mailings were sent two weeks and one week prior to the community meeting. About 20 people attended, including staff from local fire agencies, elected officials and the property owner.

Comments and questions were received and responded to in two ways:

- Attendees engaged with project staff in one-on-one and small group conversations throughout the night, providing opportunities for in-depth conversations about topics of interest.
- Attendees were offered comment cards to write additional questions; none were utilized.

What our takeaways are

We spoke with a variety of people who attended the meeting, including some residents in the neighborhood and representatives from the fire department. Discussions focused on education on what BESS is and why it is important, and fire safety and response in the event of an emergency. Community members expressed some concerns over fire safety and potential toxic fumes in the event of a fire, and we walked them through the various safety measures incorporated into the BESS containers. Some specific technical questions around the fault line nearby were addressed, and project timelines and proposed construction schedule were discussed with some members of the neighborhood. Other various questions regarding visual impact, potential noise, and other items were addressed with the community.

Overview of comments and questions

Comments and questions covered a range of topics, including fire risk, battery energy storage technology, seismic fault lines and community benefit.

Here are summaries of the questions and comments received by project staff during the meeting.

Name	Questions/Comment
Nancy	She had questions about different lithium-ion technologies, specifically nickel manganese cobalt (NMC) and lithium iron phosphate (LFP). Response: Max confirmed that the Seahawk project proposes to use LFP batteries. In addition to being more thermally stable than NMC batteries, LFP also benefits from more responsible and sustainable rare earth mineral extraction practices. Much of the humanitarian and safety concerns around lithium-ion batteries center around cobalt mining. Max

	reinforced that cobalt-based batteries will not be used at the Seahawk project. There also was a brief discussion about sodium-ion batteries.
Leocadia Alanis	<p>He had questions about the interplay between standalone energy storage systems and intermittent renewables like solar and wind. We discussed how they are part of a more complete vision for a carbon free and sustainable grid.</p> <p>Response: Staff responded with how energy can be plentiful in the middle of the day when all the solar farms in the state are producing energy. BESS helps shift the abundance of energy in the middle of the day to be available when peak demand is (Typically in the evening).</p>
Efrain Alanis	<p>He brought up how standalone energy storage systems work — drawing power from the existing power grid during times of low load and returning the power during times of system stress.</p> <p>Response: Staff shared how BESS can dispatch power directly to the substation when needed from the grid operator, as well as how BESS adds reliability and stability to the grid operation — and can reduce the need for natural gas or other carbon emitting sources of power.</p>
CAL FIRE representatives	<p>Fire staff had questions about fire suppression systems, specifically including Lion Tamer.</p> <p>Response: Staff discussed recent large-scale fire testing results on similar LFP battery systems (Sungrow PT2). They also talked about alarm systems, energy response plans, and the role of the designated Subject Matter Expert (SME) and incident commander within the ERP. In addition, they discussed defense, firefighting techniques and site access. There was interest in providing additional technical training to go over BESS emergency response strategies and best practices. New Leaf offered to find a subject matter expert to give a presentation to the fire department later.</p>
Bob Lyons	<p>Concerned about the seismic fault line running along the property line.</p> <p>Response: Both John Swift and Max responded that they were aware and would be conducting a geologic analysis, including trenching, to assess what, if any, risk was present.</p>
Nancy	<p>Brought up the fault line, and asked about the visual and noise impact. Expressed environmental justice and climate concerns.</p> <p>Response: Max to follow up to clarify sound wall height (12 feet).</p>
CAL FIRE representatives	<p>Discussed emergency response strategy and concerns. Cal Fire representatives suggested a full loop road around the system to aid in emergency response. Discussed and went over how the batteries work and the built-in fire suppression systems.</p> <p>Response: Will responded with staff will investigate possible secondary access points to be able to give the fire department access to both sides of the parcel in an emergency.</p>
Nancy	<p>Nancy questioned the community benefits of the project, including community benefit agreements (money for schools, climate initiatives, etc).</p> <p>Response: New Leaf typically signs project labor agreements for construction and staff said they will investigate additional community</p>

	benefit options, with the note that they are still in the beginning stages of development.
Alanis family (Isandre, Efrain and Leocadia)	They spoke about the project timeline, next steps in the development, etc. There were no major concerns brought up. They are in support of the project.
CAL FIRE representatives	Wanted to know if part of fire response was using a crane to physically extract any burning containers. Response: No, suppression “in situation” was the recommended approach.
CAL FIRE representatives	Asked about containment of runoff water if water was used in response to a fire. Response: The site includes a catchment basin which would sequester any fire-related runoff to be tested prior to release or disposal
Bob Lyons	Asked about plume of toxic gases if there was a fire. Response: The hazardous gasses dispersion study shows that no toxic fumes were predicted to go beyond 100 feet in any direction based on prevailing winds
Bob Lyons	Asked about fire risk. He seemed to like the response that while there have been several “fires” at BESS facilities. Response: To staff’s knowledge, while there have been several “fires” at BESS facilities, no BESS fire has ever spread to an adjacent structure, forest or residential home.
Nancy	Asked about noise. Response: We described the detailed modelling involved in the sound study, and measure taken to reduce noise from battery containers to the point that there is no significant increase to standard background noises in the immediate vicinity

**WWW Planning & Conservation Committee's
April, 2025**

List of Questions for the "Seahawk" Battery Storage Unit (operated by New Leaf Energy) on 14 acres on Minto Road, Watsonville

1. How would the proposed system differ from the Vistra battery storage facility at Moss Landing?

The Seahawk Energy Storage Project proposed by New Leaf Energy at 90 Minto Rd., near Watsonville, and the Vistra battery storage facility at Moss Landing are vastly different from each other. There are three key ways the Seahawk project differs from Vista's at Moss Landing:

1) Battery chemistry — The Seahawk project will utilize lithium iron phosphate (LFP) batteries with significantly higher thermal stability and reduced risk of fire, compared to the more reactive lithium nickel manganese cobalt (NMC) chemistry of the batteries used by Vistra at Moss Landing.

2) Facility format and safety plans – The Seahawk project will feature batteries housed in a purpose-built, sealed, steel container - each one 8ft wide x 8ft high x 20ft long. Each container will be equipped with its own on-board voltage/temperature/gas monitoring, active coolant system, climate controls and fire suppression systems. These systems will enable remote and automatic shut-off of batteries, as well as notification of emergency services and deployment of the latest aerosol fire suppression technologies if needed. The Seahawk project also will follow the current federal battery fire safety standards (NFPA 855) and adhere to California Senate Bill 38 (Laird), which mandates detailed emergency action plans for battery storage facilities. The Vistra facility at Moss Landing included none of the above. The Vistra facility operated with batteries located in open-air and without separation, inside a converted power plant building that featured an overhead water-based fire suppression system. Further, the Moss Landing facility was built prior to the existence of SB 38 and the current federal fire standards for battery storage systems.

3) Scale – The scale of a potential worst-case scenario fire at the Seahawk project is vastly smaller than what took place at Moss Landing because the number of co-located batteries at Seahawk will be far less than the volume co-located at Moss Landing. The Seahawk project will utilize a safety-focused containerized model, with only 40 batteries housed in each container. Containers are separated from each other by several feet, which –combined with on-board monitoring and fire suppression systems– prevents propagation of fire and restricts thermal runaway to a single container. This model has experienced zero reports of fire in California. Seahawk's 40-battery quantity is a very small fraction of the approximately 100,000 batteries housed at Vistra's facility.

2. Does the project propose preserving intermittent stream 489 as a natural habitat? (Seasonal stream 489 flows into College Lake.)

The Seahawk project area will not have an impact on Seasonal Stream 489.

3. What precautions are proposed to protect the intermittent stream on the site from potential contamination in the case of a mishap?

The entire project site footprint will be lined with an impermeable barrier to prevent water from

draining into the soil, groundwater, creeks or College Lake. Should water be used by first responders on the project site, all water will be collected in a retention basin for testing, and only released from the property if deemed safe.

4. Is New Leaf also the proponent of the other two potential battery storage sites in Santa Cruz County?

No. There are no other projects proposed in Santa Cruz County – by New Leaf Energy or any other developer. The Green Valley substation is the only viable site for grid-scale battery storage in Santa Cruz County. The other two sites in Santa Cruz County that are adjacent to a PG&E substation lack available land and would require lengthy, overhead transmission lines with associated community and environmental impacts. There are also a limited number of substations on the California Independent System Operator's electricity grid where a grid-scale battery storage system can interconnect. The Green Valley substation on Minto Rd. is one such substation and it has been upgraded by PG&E, saving costs for California ratepayers to implement the project.

5. Will any agricultural use remain at the 37-acre Seahawk site after the battery storage unit is constructed?

Yes. The Seahawk project will occupy approximately 14 acres of the 37-acre site. The remaining acreage, including farm buildings, will be placed into a long-term conservation easement to preserve it as agricultural land, with the intent that it will continue to support the existing apple orchard.

6. Will the battery storage facility cover 5,000 sq. ft. or less of the site as required by Section 13.10.312 of the County Code? If it is greater than 5,000 sq. ft., please explain why it is not inconsistent with county zoning regulations.

Section 13.10.312 of the County Code is only applicable to co-generation and microgrid facilities, both of which are a different type of project/use. The County made that distinction some time ago, which is why a new ordinance is being drafted.

7. How is the site designed to contain runoff of water that could be contaminated after a fire?

The ground underneath the entire project site will be lined by an impermeable barrier to prevent water from draining into soil, groundwater, creeks or College Lake. Should water be used by first responders on the project site, all water will be collected in the retention basin for testing, and only released from the property if deemed safe.

8. What are the health concerns from fire-related particulates, potential pollution, to nearby open water sources (College Lake and the Water Treatment Plant)?

A key benefit of the containerized model planned for the Seahawk project is the very small scale of a potential fire – limited to a single container of 40 batteries (vs. the large scale of approximately 100,000 batteries in the Moss Landing fire). A potential worst case scenario fire at Seahawk would be limited to a single container because the containers are UL9540 certified to prevent propagation and would therefore be smaller in scale than a typical house fire. It is anticipated that the only potential particulate pollution would be in the smoke that might escape the container. A dispersion study will demonstrate that any potential pollutants do not exceed California health standards beyond a radius that is well inside the footprint of the project site under all potential wind scenarios at the site.

9. In the event of a fire or contaminated run-off event, can health concerns to wildlife be recoverable with treatment?

No run-off is anticipated from the Seahawk project, given that the entire site will be lined with an impermeable barrier and any water be used by first responders on the project site will be collected in a retention basin, tested, and only released from the property if deemed safe.

10. If there were a fire, who does the testing for fallout for 1) Air, 2) soil 3) plant crops and 4) open water sources?

Though a potential worst case scenario fire is anticipated to only impact areas within the project site due to the limited scale that results from Seahawk's use of the containerized model and LFP chemistry, specific plans related to testing in the event of a fire will be included in the development of the local Emergency Response Plan that is required as part of the project. The Emergency Response Plan will be developed in coordination and collaboration with local agencies.

11. What would they be testing for? How far from the facility would they test?

Please see answer to question #10.

12. Who pays for the testing?

Please see answer to question #10.

13. Would there be any required 3rd party testing?

Please see answer to question #10.

14. Who would be able to conduct the clean-up of water sources?

Please see answer to question #10.

15. Who would pay for the clean-up of water sources? Is New Leaf expecting government agencies to pay for the clean-up? If not, are there any clean-up emergency funds that would be required to be set up by New Leaf to pay for clean-up?

Please see answer to question #10.

16. Which agency would assure that these funds are both adequate and set up?

Please see answer to question #10.

17. Likewise, what are the health concerns from fire-related particles to the soil?

Please see answer to question #10.

18. Who would be able to conduct the clean-up of contaminated soil? How long would this take?

Please see answer to question #10.

19. Who would pay for the clean-up of contaminated soil?

Please see answer to question #10.

20. What is New Leaf’s site-specific design for battery fire safety? How is it designed so that the fire doesn’t spread from battery cell to battery cell? Who does the facility cool down batteries in a heat wave?

The Seahawk project will feature batteries housed in a purpose-built, sealed, steel container - each one 8ft wide x 8ft high x 20ft long - with each container holding 40 batteries. Within each container, the batteries will be separated within the container by airtight metal casings. Each container will be equipped with its own on-board voltage/temperature/gas monitoring, climate controls and fire suppression systems. The monitoring system will continuously evaluate the voltage and temperature of each battery, as well as any gas. The HVAC system will ensure a safe operating temperature is maintained. In the event that a battery overheats or enters “thermal runaway,” the active coolant system will super-cool the individual battery modules to reduce heat. The monitoring system also maintains the ability to instantly shut off any batteries that exceed voltage or heat thresholds. In such an instance, emergency services will be automatically notified. Once deployed, an aerosol (non-aqueous) fire suppression system will rapidly reduce the temperature of the container, remove any available oxygen, and release a clean agent to prevent ignition. The project will follow the fire safety guidelines established by the current national standard for battery storage systems (NFPA 855). Each battery container will be located on a concrete pad and separated by several feet, with a gravel medium between each container.

21. Is dry air, static electricity a concern?

No.

22. What within the facility could potentially spark a fire?

Electrical arcing could produce a spark or fire ignition. However, as with all grid-scale electrical equipment, the battery storage system must pass rigorous testing standards to ensure that the equipment does not produce electrical arcing.

23. If a fire did occur, what is the potential area of fallout impact (where is the fallout likely to occur?)

If a fire occurred, it is anticipated it would be limited to a single container and have a footprint that impacts only the project site, due to the limited scale that results from Seahawk’s use of the containerized model and LFP chemistry.

24. 20 years is a long term for operating and assuring safety. How often is each battery cell inspected for wear and safety?

Batteries are inspected and tested according to vendor specifications. Typically there is, at minimum, regular testing and inspection conducted twice per month.

25. Does New Leaf’s have a site-specific Emergency Response Plan developed for public review?

A robust Emergency Response Plan will be developed as part of the project submittal process, and in coordination with local agencies. It is anticipated the plan will meet or exceed all relevant safety regulations.

26. If so, who is part of the Emergency Response Plan for public notification, testing and clean-up?

Please see response to question #25.

27. Who needs to be included in the Emergency Response Plan?

Please see response to question #25.

28. How are old batteries disposed of and where?

Please see response to question #25.

29. Are there regular 3rd party inspections of the facility?

New Leaf supports regular 3rd party inspections of the facility, though the specific approach to inspections is anticipated to be included in the Emergency Response Plan that will be developed as part of the project submittal process.

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation, for a Permit to
Construct the Santa Cruz 115 Kilovolt Reinforcement
Project Pursuant to General Order 131-D

(U 39 E)

**A.12-01-012
(Filed January 25, 2012)**

**PACIFIC GAS AND ELECTRIC COMPANY'S
MOTION TO DISMISS APPLICATION WITHOUT PREJUDICE**

DAVID T. KRASKA
MATTHEW A. FOGELSON
Pacific Gas and Electric Company
Law Department
P. O. Box 7442
San Francisco, CA 94120-7442
Telephone: (415) 973-7475
Facsimile: (415) 972-5952
E-Mail: MAFv@pge.com

RICHARD W. RAUSHENBUSH
Work/Environment Law Group
351 California St., Suite 700
San Francisco, CA 94104
Telephone: (415) 518-7887
Facsimile: (415) 434-0513
E-Mail: Richard@workenvirolaw.com

February 9, 2015

Attorneys for Applicant
PACIFIC GAS AND ELECTRIC COMPANY

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of PACIFIC GAS AND ELECTRIC
COMPANY, a California corporation, for a Permit to
Construct the Santa Cruz 115 Kilovolt Reinforcement
Project Pursuant to General Order 131-D

(U 39 E)

**A.12-01-012
(Filed January 25, 2012)**

**PACIFIC GAS AND ELECTRIC COMPANY'S
MOTION TO DISMISS APPLICATION WITHOUT PREJUDICE**

Pursuant to Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission) and Administrative Law Judge Robert Mason's January 27, 2015 E-Mail Ruling in the above-captioned matter ("Ruling"), Pacific Gas and Electric Company ("PG&E") respectfully submits this Motion To Dismiss Without Prejudice its Application for a Permit to Construct the Santa Cruz 115 Kilovolt Reinforcement Project ("Application").

BACKGROUND

The California Independent System Operator ("CAISO") approved the Santa Cruz 115 kV Reinforcement Project ("Project") in its 2009 Transmission Plan to mitigate near-term undervoltage conditions in the Santa Cruz area. CAISO staff also recognized that the Project would address future overload conditions during summer peak demand periods in the area. In response, on January 25, 2012, PG&E filed the instant Application to construct the Project. The Project included construction of a third 115 kV power line between Green Valley Substation and Rob Roy Substation in Santa Cruz County.

While the Project underwent environmental review pursuant to the California Environmental Quality Act, PG&E installed local voltage support at area substations that adequately addressed the voltage concerns. However, based on PG&E's then-current load forecasts for the Santa Cruz area, a potential over-loading condition remained extant when summer peak demand in the area approached 157 MW, which was expected to occur within five years. Construction of the Project's third power line between Green Valley Substation and Rob Roy Substation would have mitigated the potential overloading condition.

In the late Fall of 2014, PG&E re-assessed its own load forecasts for the Santa Cruz area in light of (i) new load data, including data from a hot weather event in Santa Cruz County from October 2-6, 2014 that approached a 1-in-10-year event, and (ii) the most recent energy efficiency forecasts prepared by the California Energy Commission. PG&E preliminarily determined that while the Project was still needed, it might not be needed within five years.

Consequently, PG&E requested that the CAISO re-evaluate the need for the Project. As noted in the Ruling, the CAISO, by letter dated December 17, 2014, determined that the Project "is not needed within the 10-year planning horizon, and therefore has approved cancellation of this [P]roject." On December 23, 2014, PG&E wrote to the parties and the assigned ALJ and requested that in light of the CAISO's determination, the Application be dismissed without prejudice. PG&E's request resulted in the Ruling directing it to file the instant Motion to Dismiss Without Prejudice.

RELIEF REQUESTED

For the reasons described above, PG&E requests that the Commission dismiss without prejudice its January 2012 Application for a Permit to Construct the Santa Cruz 115 Kilovolt Reinforcement Project.

The undersigned has met and conferred via email with all of the parties in this proceeding and has been authorized to represent that all parties agree that the Application should be dismissed *without prejudice*.

DATED: February 9, 2015

Respectfully submitted,

DAVID T. KRASKA
MATTHEW A. FOGELSON
Law Department
Pacific Gas and Electric Company
Post Office Box 7442
San Francisco, CA 94120

RICHARD W. RAUSHENBUSH
Work/Environment Law Group
351 California St., Suite 700
San Francisco, CA 94104

By: /s/ Matthew A. Fogelson
MATTHEW A. FOGELSON

Attorneys for Applicant
PACIFIC GAS AND ELECTRIC COMPANY
Law Department
P. O. Box 7442
San Francisco, CA 94120-7442
Telephone: (415) 973-7475
Facsimile: (415) 972-5952
E-Mail: MAFv@pge.com

Decision 15-03-030 March 26, 2015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company, a California corporation, for a Permit to Construct the Santa Cruz 115 Kilovolt Reinforcement Project Pursuant to General Order 131-D (U39E).

Application 12-01-012
(Filed January 25, 2012)

**DECISION GRANTING PACIFIC GAS AND ELECTRIC COMPANY'S
MOTION TO DISMISS APPLICATION FOR A PERMIT TO CONSTRUCT
WITHOUT PREJUDICE**

Summary

This decision grants Pacific Gas and Electric Company's Motion to Dismiss its Application for a permit to construct the Santa Cruz 115 Kilovolt Reinforcement Project (Project), without prejudice, on the grounds that the California Independent Systems Operator has determined that this Project is no longer needed at this time.

This proceeding is closed.

1. Background

1.1. The Application

On January 25, 2012, Pacific Gas and Electric Company (PG&E), filed this Application for a permit to construct (PTC) the "Santa Cruz 115 Kilovolt Reinforcement Project" (Project) pursuant to General Order (GO) 131-D. The Project will add a second 115 kilovolt (kV) circuit between the Green Valley

Substation and the Rob Roy Substation in Santa Cruz County. PG&E asserts that the Project is needed in order to increase reliable electrical service and to prevent potential service interruptions if there are overlapping outages in the existing electricity-supply system.

As this Project has been pending before the Commission for over four years and has gone through various permutations in response to public and Commission staff concerns, it will be helpful to explain how the Project got to the juncture where its dismissal is, for now, appropriate.

1.2. Public Concerns

Though PG&E had done some public outreach prior to filing the application for a PTC, community members learned much more about the Project after the application was filed via PG&E notices pursuant to GO 131-D to property owners and via the Commission's Project website and notices associated with the environmental review. Public interest grew in 2013 as more community members learned about the project from each other. In response to public concerns, Commission staff and the environmental consultant responsible for drafting the environmental documents met with Santa Cruz Second District Supervisor Zack Friend in July 2013 to discuss public concerns and to provide clarification regarding the Commission's and the California Environmental Quality Act's (CEQA) processes.

1.3. The Mitigated Negative Declaration

Consistent with CEQA, the Commission's staff first prepared and released to the public an Initial Study (IS) and Mitigated Negative Declaration (MND) in October 2013. The IS/MND was circulated for an extended 49-day comment period to allow extended time for public review. Key areas of controversy raised

by the public prior to and during the public review of the Draft IS/MND were primarily related to visual impacts, community values, and traffic and safety impacts. Concern came mostly from residents in the Day Valley area along Cox Road, McDonald Road, and Day Valley Road, where up to 89-foot tall wooden poles would replace the existing 39-foot tall wooden poles. Members of the public felt the poles would degrade the visual and aesthetic quality of the area and would not be consistent with the rural and agricultural visual characteristics of the area. The Project would also require removal of up to 165 trees, 60 percent of which would be along the Cox Road to Freedom Boulevard segment. The community was concerned with the visual impacts of tree removal and trimming.

1.3. The Rationale for Preparing an Environmental Impact Report (EIR)

The Commission decided to prepare an Environmental Impact Report (EIR) after review of public comments on the Draft IS/MND revealed the public's concern over the visual impacts of the Project. An EIR (as opposed to an MND) requires consideration of alternative means to meet the project need. Alternatives considered and evaluated in the Santa Cruz EIR included:

- An undergrounding alternative for part of the alignment (Partial Underground Alternative);
- A separate routing alternative along another 115 kV circuit (the Southern Alignment); and
- A partial routing alternative that avoided the heart of Day Valley by following Freedom Boulevard, a major arterial (Freedom Alternative).

Other alternatives were considered but determined infeasible, such as reconductoring the existing power lines, creating energy storage project adjacent to Paul Sweet Substation, and system alternatives.

1.4. The California Independent Systems Operator (CAISO) Involvement

PG&E submitted the project to the CAISO in 2009 based on the load forecasts at the time. The CAISO approves projects submitted by the Investor-Owned Utilities (IOUs) that are less than \$50 million. The PTC application was prepared and submitted to the Commission two and a half years after approval of the Project by the CAISO in January 2012. In response to public opposition and to questions from the Commission about alternatives to the Project, PG&E revisited the load forecasts made in 2009 on which the need for the Project was based. PG&E had, as well, installed equipment at a local substation to reinforce its system in the area. PG&E found these measures effective and also found that the load levels were not as high as initially predicted. PG&E requested the CAISO re-evaluate the need as the CAISO had previously determined that the Project was needed and included it in the amended 2009 CAISO Transmission Plan. In the December 17, 2014 letter forwarded to the Commission on December 23, 2014, the CAISO agreed that the Project “is not needed within the 10-year planning horizon, and therefore has approved cancellation of this [P]roject.”

2. Prehearing Conference (PHC)

A PHC was held on June 11, 2013, to identify issues that may require evidentiary hearings, and to establish a proceeding schedule. The parties filed a Joint PHC Statement on June 10, 2013.

Via e-mail ruling dated October 28, 2014, the assigned Administrative Law Judge (ALJ) set a further PHC for December 12, 2014. In their PHC Statements, the parties were instructed to address the following questions:

- Should this application for a permit to construct be dismissed, without prejudice, while PG&E and the CAISO re-evaluate the need for the Santa Cruz 115 kV Reinforcement Project?
- Will there be any negative impacts in the Santa Cruz area if the application for a permit to construct is dismissed, without prejudice?
- If this application for a permit to construct is not dismissed, without prejudice, what is the timeline for when this matter should be put to the Commission for a vote?

PG&E filed its PHC Statement on December 5, 2014 and advised that the CAISO would provide its reassessment of the need for the Project within a few weeks. Neighbors Organized to Protect Our Community also filed a PHC Statement and asked for the dismissal of the application, without prejudice, if the CAISO reassessment was not forthcoming by the end of December 2014.

The PHC was held on December 12, 2014, and the parties' positions were consistent with the positions taken in their respective PHC Statements.

3. PG&E's Motion to Dismiss, without Prejudice

On January 27, 2015, the assigned ALJ issued an e-mail ruling instructing PG&E to file a motion to dismiss the application, without prejudice.

In response, on February 9, 2015, PG&E filed its motion to dismiss the application, without prejudice. PG&E reasoned that first, it had reassessed its own load forecasts for the Santa Cruz area and determined that the Project, while needed, might not be needed within five years; and second, CAISO determined that the Project is not needed within the 10-year planning horizon.¹

¹ Motion to dismiss at 2.

4. Waiver of Comment Period

As the parties have agreed that the application should be dismissed without prejudice, the 30-day comment period required by Pub. Util. Code § 311 is waived. This decision shall be published 10 days before the scheduled vote by the Commission.

5. Assignment of Proceeding

Liane M. Randolph is the assigned Commissioner and Robert M. Mason, III is the assigned ALJ in this proceeding.

Findings of Fact

1. On January 25, 2012, PG&E filed this Application for a permit to construct the Santa Cruz 115 Kilovolt Reinforcement Project (Project) pursuant to GO 131-D.

2. The Commission's staff first prepared and released to the public an IS and MND in October 2013. The IS/MND was circulated for an extended 49-day comment period to allow extended time for public review.

3. The Commission's staff decided to prepare an EIR after review of public comments on the Draft IS/MND revealed the public's concern over the visual impacts of the Project.

4. PG&E submitted the Project to the CAISO in 2009 based on the load forecasts at the time. The PTC application was prepared and submitted to the Commission two-and-a-half years after approval of the Project by the CAISO in January 2012.

5. In response to public opposition and to questions from the Commission about alternatives to the Project, PG&E revisited the load forecasts made in 2009 on which the need for the Project was based.

6. PG&E requested the CAISO re-evaluate the need as the CAISO had previously determined that the Project was needed and included it in the amended 2009 CAISO Transmission Plan.

7. Per the CAISO's December 17, 2014 letter, the CAISO agreed that the Project "is not needed within the 10 year planning horizon, and therefore has approved cancellation of this [P]roject."

8. On February 9, 2015, PG&E filed its motion to dismiss the application, without prejudice.

Conclusions of Law

1. The motion to dismiss is appropriate under Rule 11.1 of the Commission's Rules of Practice and Procedure and should be granted, without prejudice.

2. In light of PG&E's revised load forecasts and CAISO's reassessment of the amended 2009 CAISO Transmission Plan, the Project is not needed at this time.

3. No hearings are needed.

ORDER

1. Pacific Gas and Electric Company's motion to dismiss its application for a permit to construct the Santa Cruz 115 Kilovolt Reinforcement Project pursuant to General Order 131-D, without prejudice, is granted.

2. The 30-day period for comments is waived. This decision shall be web published 10 days before the scheduled vote by the Commission.

3. No hearings are needed.

4. Application 12-01-012 is closed.

This order is effective today.

Dated March 26, 2015, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners