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Troublesome Corporate Structure and Liability

Please, look into this and see if you can find means to protect the community from being taken advantage of by big geo-political players.

Additional submitted attachment is included below.

PO Box 74
Aptos, California 95001
May 31, 2026

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

Re: Liability Issues with a Complex Corporate Structure for #26-OPT-02

Dear Mr. Veerkamp:

I am writing today after trying to research the corporate structure supporting the investor-owned utility support project forwarded by New Leaf Energy for their proposed Seahawk BESS project at 90 Minto Road in Watsonville, California.

I have concerns that I would like addressed in your review process. It is clear that the Seahawk project is not governmentally owned, sponsored or financially supported and is clearly an investor-owned project through corporate ownership throughout its development and eventual operation.

Unlike the Vistra Moss Landing project that burned in January 2025, causing severe harm to the environment and many local residents, this project has a much different origin and trajectory for ownership and operation. New Leaf Energy, functioning as facilitator/developer, has indicated it intends to sell the project to another company once the permit is granted. It would seem that entity might be Sequoia Energy LLC who would hold a long-term lease from the landowner and secure the PPA from our local Central Coast Community Energy as the uptaker. This is a bit worrisome as Sequoia Energy, LLC does not have real assets to speak of and operates as a sort of shell company or holding company to buffer liabilities. It is simply not a very secure structure for public oversight or protection from liability in the case of a facility failure. It seems that there is a long train of corporations back to the actual investor owners with assets or liability insurance policies to cover any minor or major site related harm. This would be a serious problem for individuals or jurisdictions seeking compensation in a lawsuit especially since it looks like it would involve negotiations in courts in Canada and abroad. Even if there were not incidents with serious environmental consequences, it would still make compliance and oversight more difficult.

We actually think that Sequoia Energy LLC would merge with Clearway in one of their M&A transactions and with Clearway's roots in foreign and mega-corporation hands, it could make keeping things workable for local governments and plaintiff's extremely hard if not almost impossible.

It would be a positive step to work with the CPUC to put very strict regulations on this project concerning the accountability of the eventual owner-operator, requiring extremely large and readily accessible liability policies kept in place throughout construction and the 30-35 year operating lifespan and the decommissioning. Further, it would be of benefit to only grant the permit if the developer or owner-operator keeps a large decommissioning bond in place to cover the local jurisdictions should the owner-operator somehow mysteriously dissolve or go bankrupt in the project's lifetime.

Since this project is landowner initiated, and it appears the landowner is not selling, but leasing the parcels, that group should also hold large liability policies to protect themselves and their neighbors.

Please, examine the background of this project and make good judgements as far as allowing it to move forward into a small rural neighborhood. We are talking a huge geo-political and mega-economic force burrowing itself into an ill-prepared farming community that will have great difficulty defending itself. I can help you sort some of this out if you need my assistance, so feel free to contact me with any questions.

Thank you for your help with this.

Karell Reader
831-421-1932