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Comments from Santa Cruz County Board of Supervisors

Additional submitted attachment is included below.



County of Santa Cruz

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August 11, 2026

California Energy Commission
715 P Street
Sacramento, CA 95814

RE: Application for Proposed Seahawk Battery Energy Storage System, Santa Cruz County

Dear Chair and Commissioners:

On behalf of the Santa Cruz County Board of Supervisors, I write to respectfully request that the California Energy Commission carefully consider and utilize the County of Santa Cruz's draft Energy Storage System (ESS) Combining District Ordinance as a framework and baseline standard in evaluating any utility-scale battery energy storage system (BESS) proposed within Santa Cruz County, including the proposed Minto Road facility.

Santa Cruz County recognizes the important role that battery energy storage systems may play in advancing California's clean energy goals, supporting grid resiliency, integrating renewable energy resources, and strengthening energy reliability during periods of peak demand and climate-related stress. At the same time, the County believes these facilities must be carefully planned, sited, operated, and regulated in a manner that fully addresses public safety, environmental protection, agricultural preservation, emergency response integration, and long-term financial accountability.

To that end, Santa Cruz County has spent substantial time developing what we believe is among the most protective and comprehensive local utility-scale battery storage ordinances currently under consideration anywhere in the United States. The proposed ordinance was developed through extensive public process, technical review, coordination with fire and emergency response professionals, and examination of emerging lessons from battery storage incidents occurring nationally and internationally.

The draft ordinance is designed not to prohibit energy storage development, but rather to establish rigorous standards under which such facilities may be safely sited and responsibly operated.

To view the draft ordinance, see attached or visit

<https://cdi.santacruzcountyca.gov/UPC/GetInvolved/MajorProjectApplications/BatteryEnergyStorageSystemsOrdinance.aspx>.

Among other provisions, the draft ordinance:

- Embeds compliance with NFPA 855 and related fire protection standards directly into local land use law, including NFPA 1, NFPA 68 and 69, NFPA 70, NFPA 72, NFPA 800, California Fire Code requirements, and State Fire Marshal regulations. (Section 13.10.408(G)(5))
- Requires use of commercially available technologies that minimize the risk of thermal runaway and requires third-party technical analysis of thermal runaway risk for all proposed facilities. (Section 13.10.409(B))
- Prohibits the use of nickel manganese cobalt (NMC) battery chemistry due to associated thermal runaway concerns (Section 13.10.408(G)(3))
- Requires comprehensive Fire Risk Assessments and Failure Modes and Effects Analyses (FMEA), including smoke drift and toxic plume modeling studies evaluating worst-case release scenarios and identifying potentially impacted communities (Section 13.10.409(C)(8)(e))
- Requires extensive setbacks from sensitive receptors, including:
 - 300-foot setbacks from sensitive receptors as defined in California Health and Safety Code Section 42705.5;
 - 1,000-foot setbacks from hospitals, schools, daycare centers, and residential care facilities for the elderly; and
 - 100-foot setbacks from exterior roadways and property lines (Section 13.10.408(A)(3))

- Requires battery monitoring systems with continuous monitoring and audio/visual alarm systems for smoke, heat, and hydrogen detection (Section 13.10.408(G)(4))
- Requires that access roads encircle the facility and provide multiple ingress and egress points sufficient for emergency response apparatus and turnaround operations (Section 13.10.408(G)(6))
- Requires dedicated fire water supply infrastructure unless specifically waived by fire authorities consistent with NFPA 855 (Section 13.10.409(C)(12))
- Requires engineered runoff capture and containment systems capable of retaining all liquids and materials associated with fire suppression or hazardous incidents to prevent contamination of surrounding lands and waterways (Section 13.10.408(G)(8))
- Mandates ongoing environmental monitoring, including annual testing of air, groundwater, surface water, and soil conditions compared against baseline environmental data (Section 13.10.408(G)(7))
- Requires installation of PM2.5 air quality monitoring systems and meteorological stations to support incident detection, plume tracking, and environmental response (Section 13.10.408(G)(7)(a); 13.10.409(C)(13))
- Integrates local emergency response agencies directly into project planning and operations by requiring pre-application consultation with fire districts, mandatory emergency response planning, fire district inspection prior to commissioning, and recurring emergency response training exercises funded by the project operator (Section 13.10.409(C)(6); 13.10.408(I)(2))
- Requires formal Emergency Response and Emergency Action Plans coordinated with the County's Office of Response, Recovery & Resilience and local fire agencies, including communications protocols and operational procedures for all phases of the project lifecycle (Section 13.10.409(C)(11))
- Establishes extensive financial assurance and indemnification requirements to ensure that taxpayers are not responsible for costs associated with emergency response, environmental remediation, agricultural damages, post-incident

testing, or long-term cleanup associated with thermal runaway or other hazardous incidents (Section 13.10.409(C)(15))

- Requires decommissioning plans, financial assurances, recycling plans, and restoration of agricultural lands following project closure (Section 13.10.409(C)(18))
- Requires Board of Supervisors approval prior to any transfer of ownership of the facility (Section 13.10.409(I)(2))

The draft ordinance also contains substantial agricultural protection provisions intended to minimize the conversion of productive farmland, require agricultural viability analysis, establish agricultural setbacks and buffering standards, and require permanent agricultural conservation easements to offset impacts to agricultural resource lands. (Section 13.10.408(B)). The ordinance specifies that the balance of the site not used for the facility shall be placed in an agricultural conservation easement and requires a 1:1 replacement ratio. The Board also directed an analysis of the feasibility of a 3:1 replacement requirement.

Collectively, these provisions reflect the County's effort to develop a balanced framework that allows consideration of utility-scale energy storage while ensuring that public health, life safety, environmental stewardship, agricultural preservation, and emergency preparedness remain paramount.

As the California Energy Commission evaluates future utility-scale energy storage proposals in Santa Cruz County, including the Minto Road project, we strongly encourage the Commission to utilize the County's draft ordinance as an important policy and technical framework for evaluating project safety, environmental protection measures, emergency response integration, agricultural compatibility, and operational safeguards. If the provisions of the draft ordinance cannot be met, the Board of Supervisors would appreciate communication that justifies the use of lesser standards. The Board has also directed County staff, who have developed considerable expertise and possess deep knowledge of local conditions, to monitor and participate in the Commission's regulatory process.

We further request that any project considered by the Commission be evaluated against standards that are at least equivalent to those contemplated in the County's draft ordinance, particularly in the areas of thermal runaway prevention, plume modeling, fire

Page 5

RE: APPLICATION FOR PROPOSED SEAHAWK BESS, SANTA CRUZ COUNTY
August 11, 2026

response coordination, hazardous materials containment, environmental monitoring, and financial accountability.

The Board of Supervisors appreciates the Commission's attention to these issues and welcomes continued coordination as California advances its clean energy objectives while protecting local communities and environmental resources.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Martinez", with a stylized flourish at the end.

MONICA MARTINEZ, Chair
Santa Cruz County Board of Supervisors

Enclosures: Santa Cruz Board of Supervisors Battery Energy Storage System Draft Ordinance

General Plan Amendments

PPF-4.6.10 Public Utility-Scale Energy Storage Systems and Other Climate Resiliency Projects. Support improvements that increase the resiliency of the county's electrical energy system by allowing public utility-scale energy storage systems, including Battery Energy Storage Systems (BESSs), and other emerging technologies, in appropriate locations throughout the county outside of the coastal zone.

PPF-4.6l Amend the County Code to create a new Combining District to allow public utility-scale energy storage systems and other climate resiliency technologies to be located adjacent to existing electrical transmission substations outside the coastal zone. Proposed energy storage systems must meet required findings in the Combining District regulations, incorporate state-of-the art technology and safety measures, and may be located on designated agricultural land when an agricultural viability study is prepared to determine the lack of economic viability of farming on the land. Systems shall be sited outside of Prime Farmland, as established by the State Department of Conservation where possible. Where agricultural protection policies within the General Plan or County Code conflict with the siting of an energy storage system within the Combining District, impacts to agricultural resource soils shall be offset through the establishment of an agricultural conservation easement, as provided by County Code.

County Code Amendments

Add note to use charts 13.10.312, 13.10.322, 13.10.332, 13.10.342, 13.10.352, 13.10.362, 13.10.372: For public utility-scale energy storage systems, see specific regulations in SCCC 13.10.405 through 13.10.409 for the Energy Storage Combining District.

13.10.700-P "P" definitions.

"Public/quasi-public community facility" means a publicly or privately operated facility that provides essential community services to benefit the public, such as medical services, governmental services, housing/supportive services, library services, educational services, or utilities. For public utility-scale energy storage systems, see specific regulations in SCCC 13.10.405 through 13.10.409 for the Energy Storage Combining District.

13.10.400 Combining districts.

The following combining designations may be applied to basic zone districts in order to impose particular limitations or exercise some type of planning control. A combining district shall be denoted by the use of a dash and the letter(s) listed below under "Designation," following the basic zoning designation:

Table 13.10.400-1: Combining Districts

SCCC	Designation	Summary of Limitations Imposed
<u>13.10.405 through 13.10.409</u>	<u>ESS (Energy Storage System)</u>	<u>Denotes parcels designated as appropriate for the development of public utility-scale energy storage systems due to proximity to existing electrical transmission substations.</u>
13.10.416 through 13.10.418	D (Designated Park Site)	Denotes parcels designated in the General Plan and Local Coastal Program Land Use Plan in whole or part as proposed park sites.
13.10.421 through 13.10.423	GH (Geologic Hazards)	Denotes the presence of a particular physical hazard on the property; use and development is subject to the Geologic Hazard Ordinance (Chapter <u>16.10</u> SCCC) regulations.
13.10.424 through 13.10.429	PRH (Permanent Room Housing Combining District)	Denotes parcels with structures originally in use as Type A visitor accommodations, nursing homes, residential care facilities, or other transient accommodations or care facilities, which may be used as permanent multifamily rental housing in multifamily structures or dwelling groups, with specific use and development standards. ¹
13.10.431 through 13.10.433	H (Assisted Housing)	General Plan and Local Coastal Program Land Use Plan policies regarding affordable housing priority sites apply.
13.10.434 through 13.10.436	SBE (Seascape Beach Estates) (Combining Zone District)	Denotes parcels in the Seascape Beach Estates neighborhood with special residential development standards intended to maintain characteristics of the existing built environment and ensure protection of the public viewshed.
13.10.437 through 13.10.439, 13.12	AIA (Airport Influence Area Combining District)	Denotes parcels within two miles of the boundary of the Watsonville Municipal Airport; use and development is subject to the Airport Combining Zone District Ordinance (Chapter <u>13.12</u> SCCC) regulations.
13.10.441 through 13.10.443	I (Statement of Intention)	Board of Supervisors has agreed not to rezone the property in the foreseeable future.
13.10.444 through 13.10.448	PP (Pleasure Point Community Design)	Denotes parcels subject to special residential design standards and guidelines specific to the Pleasure Point

		neighborhood, to be applied in addition to the residential site standards found in SCCC 13.10.323(B) .
13.10.451 through 13.10.453	L (Historic Landmark)	Property/structure has been designated a historic landmark and is subject to the regulations of the Historic Resources Ordinance (Chapter 16.42 SCCC).
13.10.456 through 13.10.458	MH (Mobile Home Park)	Denoted property upon which a mobile home park has been established pursuant to an approved development permit or legally established prior to the requirement for a development permit; mobile home park development, operation, rental, sale and conversion are subject to all provisions of Federal, State and County regulations.
13.10.461 through 13.10.463	O (Open Space Easement)	Owner has executed an open space easement contract with the County to maintain the land in its natural state for a period of 10 years. The 10-year period is renewed every year.
13.10.471 through 13.10.473	P (Agricultural Preserve and Farmland Security)	Owner has executed an agricultural preserve contract with the County to maintain the land in agricultural and open space use for a period of 10 years. The 10-year period is renewed every year.
13.10.475 through 13.10.477	R (Regional Housing Need)	Special use and development standards for development of housing at density of 20 units per acre with any RM-2 zoned parcel, or in C-1, C-2, or PA commercial zones, or public facility zones ² .
13.10.481 through 13.10.483	SP (Salamander Protection)	The regulations of the Sensitive Habitat Protection Ordinance (SCCC 16.32) apply and require special site development standards to protect the endangered species.
13.10.491 through 13.10.493	W (Watsonville Utility Prohibition)	Prevention of urban services to undeveloped/rural areas west of the City of Watsonville to protect farmlands and environmentally sensitive areas in the Coastal Zone west of Watsonville.
13.10.494 through 13.10.497	Min (Ministerial Combining District)	Proposed rental or for-sale multi-family housing developments in the -Min combining district shall be processed on a ministerial basis (i.e., a “by-right” or “non-discretionary” development review process), if at least 20% of the total units

		in the multi-family development are restricted lower-income units available for rent or for sale to lower-income households (at or below 80% of Area Median Income). Ministerial projects are exempt from CEQA review pursuant to the Public Resources Code and CEQA Guidelines. Qualifying development applications in this district are subject to and shall be processed consistent with Government Code Subsections 65583.2(c), (h) and (i), or their successor Subsections, and with Programs H-1B and H-1C of the 2023-2031 Housing Element of the General Plan, as further set forth in SCCC 13.10.494 – .497.
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- 1 PRH Zoning Map Amendments in the Coastal Zone are Local Coastal Plan Amendments. Coastal Zone properties are subject to Local Coastal Program policies related to conversion of priority uses.
- 2 Property that is proposed for rezoning into the Regional Housing Need R Combining District shall include a proposed PUD, and an LCPA if located within the Coastal Zone pursuant to SCCC [18.30.184](#)(C) and (D).

13.10.405 Purposes of the “ESS” Energy Storage System Combining Zone District.

- (A) The Energy Storage System (“ESS”) Combining District is established to support the use and expansion of renewable energy resources, energy efficiency, and electrification in the county. The Energy Storage System Combining District denotes those parcels that have been designated as appropriate to accommodate public utility-scale energy storage systems, including Battery Energy Storage System (BESS) facilities, or similar energy storage facilities, capable of storing 200 megawatt hours of electricity or more, and which provide community benefits, such as supporting the county’s electrical needs, climate resiliency, grid stability, peak shaving, backup power, frequency regulation, and energy reliability.
- (B) The regulations applicable to the ESS Combining District are adopted with the intent of advancing and protecting the health, safety, and welfare of the community by establishing regulations for the installation, use, and emergency response protocols of ESS facilities. These regulations are intended to ensure compatible land uses in the areas affected by energy storage facilities, and to mitigate the impacts of energy storage facilities on the environment.

13.10.406 Designation of the “ESS” Energy Storage System Combining District.

The “ESS” Combining District shall apply to parcels that contain a minimum of 10 acres within the unincorporated county and that are adjacent to existing electrical substations. “Adjacent,” includes a parcel sharing a boundary with an existing electrical substation, a parcel that is located directly across a public street or private access from an existing electrical substation, and any entire adjoining parcel that is under the same ownership as the parcel adjacent to the existing substation.

13.10.407 Definitions. For the purpose of interpreting terms used in the County Code provisions applicable to ESS facilities constructed in the Energy Storage System Combining District, the following definitions apply:

- (A) “Commissioning” is a systematic process that provides documented confirmation that an ESS facility functions according to the intended design criteria and complies with applicable code requirements.
- (B) “Decommissioning” is the process of removing equipment and other infrastructure associated with an ESS facility and restoring the site for viable reuse consistent with the zoning district.
- (C) “Energy storage system” carries the same shall meet the definition as that contained in California Public Utilities Code (PUC) Section 2835, as amended. “Energy storage system” is also referred to as “ESS” herein.
- (D) “National Fire Protection Association” (NFPA) is a nonprofit organization that develops and publishes consensus codes and standards intended to minimize the risk and effects of fire by establishing criteria for building, processing, design, service, and installation in the United States and internationally.
- (E) “Public utility-scale” means a facility that is capable of storing 200 megawatt hours of electricity or more and supports, is connected to, or modifies a “public utility” as defined in PUC Section 216, as amended.
- (F) “Thermal runaway” refers to an uncontrollable, self-sustaining exothermic chain reaction within a battery energy storage system, initiated by a failure mechanism (e.g., internal short circuit, overcharging, physical damage, or thermal exposure). This reaction results in a rapid increase in cell temperature, leading to the release of flammable electrolytes, generation of toxic gases (e.g., hydrogen fluoride, carbon monoxide), and

potential cascading failures to adjacent cells. If unmitigated, thermal runaway may cause fire, explosion, or hazardous material release, posing risks to public safety, property, and the environment.

(G) “UL” refers to “Underwriters Laboratories;” an independent product testing and certification organization.

13.10.408 Use and development standards in the “ESS” Energy Storage System Combining District.

(A) Energy storage systems on properties within the “ESS” Combining District shall be subject to the following development standards in lieu of any development standards in the underlying zoning district:

(1) The minimum parcel size shall be 10 acres.

(2) The total development area, including all internal access and improvements, shall be located within a maximum 20-acre site area outside of the Coastal Zone.

(3) Setbacks. Energy storage systems shall comply with all State and NFPA 855 requirements related to setbacks and buffers for such systems, and shall also meet the following County requirements. Where NFPA 855, State, and County standards differ, the more stringent standard shall apply. These setback requirements can be increased at the discretion of the Board of Supervisors based on technical studies required as part of the application.

(a) The minimum distance of an energy storage module from any existing sensitive receptor, as defined in California Health and Safety Code section 42705.5(a)(5), as amended is 300 feet.

(b) All structures containing energy storage modules shall be set back 1,000 feet from any parcel containing a hospital, school, commercial day care center, or residential care facility for the elderly that is existing and operational at the time of complete application.

(c) Battery modules for ESS facilities shall be set back a minimum of 100 feet from all exterior roadways and property lines, except that no setback shall be required from the transmission substation boundary. Perimeter fencing and drainage infrastructure shall have no required setback.

(4) All structures, except for power poles and wires, shall not exceed 25 feet in height.

(B) Environmentally sensitive resources shall be protected as required by SCCC Title 16. Any impacts to environmentally sensitive resources that cannot be protected shall be offset as required by SCCC Title 16, except as noted below.

(1) Agricultural Resources.

(a) Energy storage systems and all associated improvements, except perimeter fencing and drainage, shall be located a minimum of 100 feet from adjacent properties designated in General Plan maps as agricultural resource soil types, unless a lesser distance is determined to better accomplish the objectives of the agricultural buffering standards in SCCC Chapter 16.50, as approved by the Agricultural Policy Advisory Commission.

(b) Energy storage systems proposed on Commercial Agricultural (CA)-zoned parcels in the "ESS" Combining District shall offset impacts to any agricultural resource soils that are identified in an agricultural viability study at a 1 to 1 ratio (e.g., one new acre of viable and accessible agricultural resource land protected for every one acre removed from agricultural production capability).

(i) Where an energy storage system occupies a portion of a site with Types 1-3 agricultural resource soils, the remainder of the site shall be permanently protected under an agricultural conservation easement, regardless of a proposed land division.

(ii) Where the agricultural easement on the remainder of the parcel does not equal the required 1 to 1 ratio, additional Types 1-3 viable and accessible agricultural resource land shall be placed into a permanent agricultural conservation easement, such that the full ratio of required agricultural land is protected.

(iii) In the event that the full acreage of CA-zoned lands within the county cannot be identified, other resource lands, such as lands zone (A), timber lands, or habitat, may be protected within conservation easements at a 3:1 ratio.

(C) In order to ensure that environmental protections are in place with respect to potential discharge of hazardous materials, all energy storage systems shall be subject to the requirements of SCCC Title 7, Chapter 7.100, including but not limited to SCCC Section 7.100.060 and SCCC Section 7.100.110.

(D) Security and Screening. Energy storage system facilities shall comply with the following security and screening requirements.

(1) The facility shall have a non-scalable and transparent perimeter fence of at least 10 feet in height. The perimeter fence shall have at minimum two entrance gates

equipped with a rapid access system chosen in consultation with the fire agency with jurisdiction over the project site.

(2) The facility shall be equipped with a security system to prevent break-ins, including video cameras. The cameras must be monitored 24 hours a day, 7 days a week, with any threats immediately reported to law enforcement.

(3) Signage shall be located on all energy storage modules, perimeter fences and any other security barriers. Signage shall include a site map. Signage shall contain 24-hour emergency contact information, product description, site owner and hazard warnings. Signage or maps should identify isolation distances response personnel shall maintain from energy storage modules during an emergency. Signage shall be provided for grid-interactive energy storage modules operating in parallel with other power generating sources. Signage shall be provided indicating explosion hazard zones. Signage must be compliant with all NFPA 704 standards.

(4) Energy storage systems shall be protected from cyber security attacks with protections regularly updated as necessary.

(E) Sound Levels. The average noise generated from the operation of an ESS facility, its components, and associated ancillary equipment, measured at the occupied structure or public right-of-way, shall not exceed noise thresholds contained in the General Plan.

(F) Below Grade Utility Interconnection. All on-site utility lines shall be placed underground to the extent feasible, except for the main service connection at the utility company right-of-way and any new interconnection equipment, including without limitation, any poles, with new easements and right-of-way as required.

(G) Safety standards. Operator shall comply with the following safety standards during the commissioning process and during operations of any ESS facility.

(1) All energy storage systems shall meet or exceed all state standards for energy facilities, including applicable sections of the Public Utilities Code, the Public Resources Code, the California Building Standards Code, Public Utilities Commission general orders, and any regulations issued by the State Fire Marshal.

(2) Energy storage systems shall be located in non-combustible, dedicated-use buildings or containers, or in outdoor installations.

(3) Energy storage systems shall not utilize nickel manganese cobalt (NMC) chemistry.

- (4) Energy storage systems shall be equipped with a battery management system that features continuous monitoring and audio and visual alarm systems for smoke, heat, and hydrogen.
- (5) Fire protection standards. All energy storage systems shall meet, at minimum, the National Fire Protection Association (NFPA) Standard 1, Fire Code; NFPA 68 and 69, Explosion Protection; NFPA 70, National Electric Code; NFPA 72, Fire Alarm and Signaling Code; NFPA 800, Battery Safety Code; NFPA 855, Installation of Stationary Energy Storage Systems; as well as the California Fire Code and SCCC 7.92 (Fire Code).
- (6) An access road must encircle the entire module array inside the secure perimeter fence. There must be a minimum of two entrances to the access road for ingress and egress. The entrances must be of sufficient width to accommodate any first responder vehicles entering the facility from the nearest public road. Where necessary, the road shall accommodate enough width for fire truck turnarounds.
- (7) All ESS facilities shall test air, surface water, groundwater, and soil on a yearly basis to compare the samples with baseline quantities for all contaminants tested during the commissioning of the facility. Comparative test results shall be sent to the Director of the County's Environmental Health Division and Emergency Management Organization for review.
- (a) All ESS facilities shall include a PM2.5 sensor network around the perimeter of the facility to constantly monitor air quality. In addition, a meteorological station shall be installed at or close the facility (within one quarter of a mile) for the same purposes.
- (8) All ESS facilities shall be supported by an engineered catchment system capable of collecting and retaining on-site all potential runoff of liquids and materials used to combat a fire, a failure of the ESS facilities, or any other emergency incident. The catchment system shall be designed to prevent any liquids or materials from escaping onto and damaging lands surrounding the ESS facilities.
- (H) Landscaping. Except as modified by the fire code or responsible fire district requirements, a 20-foot buffer of mature landscaping shall be provided along the perimeter of the ESS facility and associated improvements. The landscaping shall be installed to screen the development from public view to the extent possible. Landscaping shall include at least 50 percent native or drought tolerant species and shall include 15-gallon sized shade trees which would provide coverage to at least 20 percent of the landscape area within 15 years. Landscaping shall be located 30 feet from any structures

containing batteries and 10 feet from any roadways. Landscaping shall not obstruct the line of site at access roads and any gates.

(I) Additional Obligations Associated with ESS Facility Development and Use.

(1) Testing. Prior to commissioning, energy storage systems shall undergo required testing to meet UL9540, UL9540A, UL1973, and UL1741 standards.

(2) Training. Prior to commissioning, the responsible fire district(s) shall inspect the energy storage system, and staff from responsible fire district(s) and other responding agencies shall receive an initial emergency response training, as well as annual table-top and on-site trainings. The trainings shall be paid for by the ESS facility operator.

13.10.409 Application and approval of energy storage projects in the “ESS” Energy Storage System Combining District.

(A) Applicants for proposed ESS facilities shall submit a Conditional Use Permit application and Conditional Site Development application for approval by the County of Santa Cruz Board of Supervisors, following a recommendation by the Santa Cruz County Planning Commission. Projects impacting agricultural resource land shall require a recommendation from the Agricultural Policy Advisory Commission to the Board of Supervisors. Public hearings, noticing, and community meetings shall be conducted according to the requirements for conditional use permits in SCCC 18.10.

(B) ESS Facility Best Available Technology. ESS facilities shall utilize commercially available ESS technologies that minimize the risk of thermal runaway. Applicants are strongly encouraged to select technologies with no or low thermal runaway risk. All ESS facility applications must include third-party written documentation evaluating the proposed ESS technology’s risk of thermal runaway.

(1) If the proposed ESS technology is determined by the County to present a thermal runaway risk, the applicant shall submit a comprehensive technology comparison analysis. This analysis must include, at a minimum: A techno-economic comparison of alternative energy storage technologies based on publicly available information; an assessment of hazardous chemicals involved in the event of a thermal runaway; qualitative and quantitative risk analysis of thermal runaway; a thermal runaway plume modeling analysis; and any additional information deemed necessary by the Director of Community Development and Infrastructure.

(2) If the proposed battery technology is determined by the County to present no risk of thermal runaway, applicants shall submit third-party verification of system stability (e.g., material safety analysis, abuse tolerance testing results) and basic chemical hazard documentation reduce the risk of thermal runaway propagation to the extent feasible.

(C) Applications for development of proposed ESS facilities shall be accompanied by the following:

(1) Site plan, showing battery locations, setbacks from property lines, water source locations, and proper enclosure spacing based on burn test results.

(2) Landscape plan and other items required by the County's List of Required Information.

(3) Visual simulation of the fully constructed facility from any public viewpoint within 500 feet of the structures, and from each direction on any adjacent right-of-way;

(4) If located on agricultural resource type land, an agricultural viability study confirming that the project minimizes the loss of highest quality resource type land;

(5) Agreement with the substation operator authorizing the storage of energy;

(6) Statement(s) from the local fire district responsible for fire suppression at the site confirming that the applicant met with and conferred with the district at least 30 days prior to submittal, discussed the energy storage system design, sought input on mitigating potential fire and life safety concerns, and sought input on the content of emergency action plans required by Section 761.3 of the Public Utilities Code, as amended. For applications submitted before the effective date of this ordinance, the applicant shall submit the statement(s) within 30 days of ordinance adoption.

(7) Alternatives analysis and: memorandum describing:

____ (a) Alternative sites considered and reason(s) for eliminating these options.

(b) Alternative battery and chemistry analysis and reason(s) for the choice of battery and chemistry.

(8) Technical Reports.

(a) Report addressing noise and electromagnetic field exposure;

(b) Report addressing the community benefit, including climate resiliency, electrical grid stability, and direct benefits to Santa Cruz County residents;

- (c) Geologic and geotechnical report, per SCCC 16.10;
- (d) Report(s) addressing any on-site or otherwise impacted environmental resources, as defined by SCCC Title 16;
- (e) A Fire Risk Assessment (FRA) and Failure Modes and Effects Analysis (FMEA) which include, at a minimum, a smoke drift/plume study to determine the potential travel pathways and communities potentially impacted in the event of a fire, given the technology proposed, scope of event, and atmospheric conditions, and including a community risk assessment showing flammable and toxic extents for worst-case release scenarios; and
- (f) Report(s) analyzing baseline air quality, surface water, groundwater, and soils within one mile of the energy storage system or within the distance analyzed in the smoke drift/plume study, whichever is greater. The report(s) shall address concentrations of relevant chemicals of concern as determined by the County Environmental Health Services Division and/or the California Department of Toxic Substances Control (e.g., nickel, manganese, cobalt, and polychlorinated biphenyls [PCBs], etc.). Soil samples must be analyzed on a dry-weight basis (analyzed for percent solid or moisture) and wet-weight basis, and compared to risk thresholds adopted under state law.
- (9) A hazardous materials management plan and material safety data sheets meeting the requirements of SCCC 7.100 (“Hazardous Materials-Hazardous Waste-Underground Storage Tanks”).
- (10) A liquid run-off mitigation and containment plan for any emergency or incident that requires an emergency response that results in water, fire retardant, or other materials in liquid form from escaping the immediate area of the ESS facility.
- (11) Emergency response and emergency action plan meeting the requirements of PUC 761.3(g), as amended, including applicable optional requirements of that section, and addressing all phases of the project, including construction, commissioning, operations, emergency response and communications protocols and thresholds, and decommissioning. The plan shall be coordinated with the County’s Emergency Operational Area Coordinator (Office of Response, Recovery & Resilience) and responsible fire district(s), and take into account the County’s Emergency Operations Plan and delineating communications during and after an emergency event. The plan shall be updated every two years and submitted to the Office of Response, Recovery & Resilience and responsible fire district(s).

(12) Documentation of a dedicated fire water supply is required. This requirement can be waived if the Director of the Office of Response, Recovery, and Resilience, in conjunction with the fire agency having jurisdiction over the project, confirms that a water supply is not required. The request to omit a water supply shall be in accordance with NFPA 855.

(13) Air, Water, and Soil Quality Inspection, Testing, and Monitoring Plans.

(a) All ESS facilities shall include a PM2.5 sensor network around the perimeter of the facility.

(b) A meteorological station shall be installed at or close to the facility (within one-quarter of a mile).

(c) The applicant shall include a plan for regularly monitoring the quality of air, surface and ground water, and soil at the facility site to compare them to the baseline quality and ensure that any negative impacts resulting from the use of the facility are reported to the Director of the Environmental Health Division of the County's Health Services Agency.

(14) Augmentation plan that prioritizes replacement of any battery packs with non-flammable, non-explosive technology as it becomes available.

(15) A financial assurances plan, including liability insurance that includes coverage for thermal runaway events and other hazardous incidents, pollution and other environmental damages, decommissioning bonds, and an agreement indemnifying the County and all emergency response agencies in the event of an incident associated with the ESS facility that causes environmental damage or causes injury to persons or property. Insurance shall address all phases of construction, development, and operations.

(a) As part of the financial assurances, the applicant shall acknowledge that relevant and responsible agencies having jurisdiction over the site will oversee and coordinate subject matter experts to conduct a root cause analysis related to any hazardous incident, with all costs borne by the ESS facility owner.

(b) As an additional aspect of the financial assurances, the applicant shall acknowledge the responsibility and agreement to reimburse all damaged parties for an assessment of damage to the environment, agriculture, residents, and businesses conducted by one or more third-party consultants selected by the County and all testing, damages, and remediation conducted by responsible entities that is required to return all sites in the path of any plume caused by

thermal runaway or otherwise subject to a hazardous incident to the previous site conditions.

(16) Labor Standards. A commitment from applicant that all aspects of the ESS facility and any associated infrastructure shall be constructed by a Skilled and Trained Workforce as defined in Section 2601 of the California Public Contract Code, as amended. Applicants shall certify in their applications that they will comply with this requirement and shall also provide proof of compliance prior to final inspection. In addition, all apprentices working on ESS facility projects must be enrolled in state-certified joint labor-management programs.

(17) Necessary Public Infrastructure Improvements. A commitment to fully fund any off-site public infrastructure improvements that are reasonably and proportionately related to the proposed ESS and required for safe implementation and operation of the project, including but not limited to widening of external roads, immediate site access, addition or upgrades to water delivery systems, and drainage facilities.

(18) Decommissioning Plan. An ESS applicant shall provide a decommissioning plan that complies with the following requirements. The decommissioning plan shall include any agreements reached between the applicant and other landowners of property on which the ESS is sited that ensures the return of all such properties to a useful condition, including removal of above-surface facilities and infrastructure that have no ongoing purpose. Land that was used for agricultural production within the ten years prior to ESS construction must be restored to a condition conducive for agricultural production.

(a) The decommissioning plan shall also include the following:

(i) An overview of the decommissioning process developed specifically for the ESS that is to be decommissioned.

(ii) Roles and responsibilities for all those involved in the decommissioning of the ESS.

(iii) A detailed description of each activity to be conducted during the decommissioning process and who will perform that activity and at what point in time.

(iv) Procedures to be used in documenting the ESS and all associated operational controls and safety systems that have been decommissioned.

- (v) Guidelines and format for a decommissioning checklist and relevant operational testing forms and necessary decommissioning logs and progress reports.
 - (vi) A description of how any changes to the surrounding areas and other systems adjacent to the ESS facility, including, but not limited to, structural elements, building openings, means of egress, and required fire detection and suppression systems, will be protected during decommissioning and confirmed as being acceptable after the system is removed.
 - (vii) Estimated costs associated with decommissioning.
 - (viii) Evidence of insurance for bankruptcy in the form of a bridge policy. This includes financial assurance in the form of a bond, a parent company guarantee, or an irrevocable letter of credit, but excludes cash. The amount of financial assurance shall not be less than the estimated cost of decommissioning the ESS facility, after deducting salvage or recycling value, as calculated by a third party with expertise in decommissioning ESS facilities, which the County has the discretion to select, to be paid for by the applicant. The entire financial assurance must be posted by the start of full commercial operation of the ESS facility.
 - (ix) Battery disposal plan and acknowledgment of the facility owner's responsibility to recover and recycle battery cells at an authorized recycling facility upon decommissioning.
- (D) If a proposed ESS facility carries a risk of thermal runaway, the application may be subject to mitigation measures at the discretion of the County including, but not limited to, the following:
- (1) Annual contribution for fire response equipment as deemed necessary by the responsible fire district;
 - (2) Annual contribution for training of emergency response agencies and mutual aid partners for emergency responses to hazardous incidents, as deemed necessary by the responsible fire district; and
 - (3) Contribution to radio interoperability to assist in efficient and effective ESS emergency response, as determined by the County Office of Response, Recovery, and Resilience.

- (E) Application review. Given the technical nature of energy storage systems, the County reserves the right to, at the applicant's expense, engage third-party reviewers of any application materials.
- (F) Findings. In addition to applicable findings in SCCC Chapter 18.10, approval of applications shall be based on the following findings:
- (1) That the community benefit of the proposed facility includes climate resiliency enhancing the County's ability to adapt to future climate change;
 - (2) That any conversion of commercial agricultural land/soils is off-set by the community benefits offered by the facility;
 - (3) That public safety and environmental resource protection is addressed to the extent provided by state and local law;
 - (4) The proposed project meets the criteria for the siting of energy facilities in General Plan Policy PPF-4.6.5, except that the "full protection" of agricultural uses shall not apply to the conversion of agricultural lands necessary to site the facility but shall apply to remaining agricultural lands;
 - (5) Impacts to agricultural lands are proposed to be offset by the establishment of an agricultural conservation easement, as required by SCCC Section 13.10.408(B);
 - (6) Documented costs to respond to a thermal runaway or other hazardous incident, including costs incurred by emergency management and fire district responders and post-incident environmental testing, recovery, and clean up, shall be reimbursed to the County and responsible fire district/department; and
 - (7) The application requirements set forth in Section 13.10.409(C) have been satisfied.
- (G) The Community Development and Infrastructure Department shall issue any required building or ministerial permits only upon approval of Conditional Use and Site Development Permits by the Board of Supervisors.
- (H) Final inspection and occupancy shall be contingent upon submittal of an operational plan for the facility and operator's liability insurance that includes thermal runaway events and other hazardous incidents, pollution and environmental damage insurance, decommissioning bonds, and an agreement indemnifying the County in the event of an emergency or hazardous incident. Insurance shall address all phases of the development, and shall be maintained for the life of the project by the operator once the facility is operational.
- (I) Ownership Changes.

- (1) If the owner of an ESS facility changes, or the owner of the property changes, project approvals shall remain in effect, provided that the successor owner or operator assumes in writing all the obligations of the project, site plan approval, and decommissioning plan. A new owner or operator of the ESS facility shall notify the Community Development and Infrastructure Department of such change in ownership or operator prior to the ownership change. A new owner or operator must provide such notification to the Department in writing. The project and all approvals for the ESS facility will be void if a new owner or operator fails to provide written notification to the Department in the required timeframe and fines and penalties may be assessed to the new owner for failure to comply with County Code. Reinstatement of a voided project or approvals will be subject to the same review and approval processes as new ESS facility applications under this chapter.
- (2) Transfer of Ownership of a BESS facility must be preceded by a noticed public hearing at the Board of Supervisors. At the hearing, the BOS will determine whether any additional Conditions of Approval are required or whether those that accompanied the original Conditional Use Permit shall be modified or strengthened in order to meet public health and safety objectives.