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*Comment Received From: Victoria Serr
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**Request for Financial Protection and Compensation for
Surrounding Property Owners**

Additional submitted attachment is included below.

To: Chair and Commissioners
**California Energy Commission

Re: Corby Battery Energy Storage System Project — Docket No. 24-OPT-05

Subject: Request for Financial Protection and Compensation for Surrounding Property Owners

Dear Chair and Commissioners:

I am writing to request that the California Energy Commission address, on the public record and before certification of the Corby Battery Energy Storage System Project, an important issue that I believe has not been adequately resolved:

Who will financially protect and compensate surrounding property owners if the Corby BESS project causes a reduction in their property values, increases their insurance costs, or causes their homeowners insurance to be cancelled, non-renewed, or become unavailable?

I am not asking the Commission to speculate about whether these impacts will occur. I am asking the Commission to establish, before certification, **who bears the financial risk if they do occur.**

A large battery energy storage facility can create concerns among prospective purchasers, lenders, insurers, and neighboring property owners because of the potential for thermal runaway, fire, hazardous smoke, evacuation, emergency response, and other risks.

Regardless of whether those concerns ultimately prove justified, they can potentially affect the marketability and insurability of surrounding properties.

The owners of those properties should not be expected to simply absorb those costs without the Commission first addressing the issue.

1. Is a compensation trust or fund being established?

I respectfully ask:

Will the Corby project be required to establish a dedicated trust, compensation fund, bond, insurance policy, or other financial mechanism specifically for surrounding property owners?

If so:

- What is the dollar amount?
- Who will establish and fund it?
- Who will administer it?

- Who will be eligible to make a claim?
- What geographic area will be covered?
- How long will the financial protection remain in effect?
- Will the fund be replenished if claims reduce the available balance?
- Will the financial mechanism remain in place throughout the operational life of the facility?

If **no such fund or trust is proposed**, I respectfully request that the Commission state that fact clearly in the administrative record.

2. Who compensates surrounding landowners for loss of property value?

I ask the Commission to address a straightforward question:

If the market value of a neighboring property decreases because of the presence or operation of the Corby BESS, who is responsible for that loss?

For example, if an otherwise comparable property could sell for \$1,000,000 before the project but only \$850,000 after the project because buyers discount the property due to its proximity to the BESS, what mechanism exists to compensate the owner for that \$150,000 difference?

I am not asking the Commission to assume that such a reduction will occur.

I am asking that the Commission determine **who bears the risk if it does occur**.

I further request that the Commission address whether independent property appraisals will be performed to establish:

1. Pre-project property values;
2. Post-construction property values;
3. Post-operation property values; and
4. Any measurable diminution in value attributable to the facility.

If no such appraisal or compensation mechanism is contemplated, I request that the Commission explain why surrounding property owners should bear that potentially substantial economic risk.

3. Who pays if homeowners insurance becomes more expensive?

I also request that the Commission address homeowners insurance.

If insurers determine that properties located near a large BESS present increased risk, surrounding homeowners could potentially experience:

- Higher insurance premiums;
- Higher deductibles;
- Reduced coverage;

- Additional exclusions;
- Difficulty obtaining coverage; or
- Significantly more expensive replacement coverage.

Accordingly:

Who will compensate surrounding homeowners for increased insurance costs attributable to the Corby project?

For example, if a homeowner's annual premium increases from \$2,000 to \$5,000 because of the property's proximity to the BESS, will that homeowner have any right to reimbursement?

If not, who bears that cost?

4. What happens if insurance is cancelled or not renewed?

An even more serious question is what happens if an insurance company refuses to continue coverage.

If a homeowner's existing policy is cancelled or not renewed because the property is located near the Corby BESS:

Who is responsible for the resulting financial loss?

I respectfully request that the Commission address whether the proposed financial assurance would cover:

- Cancellation of homeowners insurance;
- Non-renewal;
- Inability to obtain replacement coverage;
- Increased premiums for replacement coverage;
- Increased deductibles; and
- Additional exclusions imposed because of the BESS.

If these losses are not covered, I request that the Commission explain why the surrounding property owners should be required to bear them.

5. What if insurance becomes unavailable altogether?

This may be the most serious issue.

If an insurer refuses to insure a surrounding property because of the presence of the BESS, the homeowner could potentially face consequences extending beyond the insurance premium itself.

Lack of insurance can affect:

- Mortgage requirements;
- Refinancing;
- Home sales;
- Property value;
- Ability to obtain a new mortgage;
- Closing a real-estate transaction; and
- The homeowner's ability to protect the property from catastrophic loss.

Therefore, I respectfully ask:

What specific protection will be available to a homeowner who cannot obtain commercially reasonable homeowners insurance because of the proximity of the Corby BESS?

6. Does the project's financial assurance actually protect private homeowners?

I understand that financial assurance may be required or proposed for certain project-related obligations.

However, I respectfully request that the Commission distinguish between:

financial assurance for government, environmental, cleanup, restoration, emergency-response, or decommissioning costs

and

financial protection for private neighboring property owners.

Those are not necessarily the same thing.

A bond or other financial assurance mechanism that pays for environmental cleanup or government expenses does not necessarily compensate a homeowner for a \$100,000 reduction in property value.

Likewise, a general commercial liability policy does not necessarily compensate a homeowner for a loss that consists solely of diminished market value or increased insurance costs.

I therefore request that the Commission identify specifically:

- The amount of financial assurance required;
- The purpose for which it may be used;
- The parties who may make claims;
- The types of losses that are covered;
- The types of losses that are excluded; and
- Whether surrounding private property owners are actual beneficiaries of that protection.

7. Who bears the risk if there is a catastrophic event?

I also request that the Commission address the financial consequences of a major BESS incident.

If a fire, thermal runaway event, explosion, hazardous-material release, or other significant incident damages surrounding properties, who is responsible for compensating:

- Physical property damage;
- Smoke damage;
- Contamination;
- Evacuation-related losses;
- Loss of use;
- Temporary relocation;
- Lost rental income;
- Property-value reductions; and
- Increased or unavailable insurance coverage?

What dollar amount of financial assurance is available for these purposes?

And is that amount sufficient if multiple surrounding properties are simultaneously affected?

8. Will the developer be required to demonstrate adequate financial capacity?

I respectfully request that the Commission consider whether the project owner should be required to demonstrate, before certification, that it has sufficient financial resources to compensate for foreseeable project-related losses.

If the project creates a risk to surrounding private property, it seems reasonable that the entity receiving the economic benefit of the project should retain responsibility for the financial consequences of that risk rather than transferring those costs to neighboring landowners.

The surrounding property owners did not choose to construct the BESS.

They did not choose its location.

They will not receive the project's revenues.

They should not automatically be expected to absorb its economic consequences.

9. Please make these answers part of the administrative record

I respectfully request that the Commission require the applicant to provide clear written answers to the questions above and incorporate those answers into the administrative record for Docket No. 24-OPT-05.

I specifically request that the Commission identify:

1. Whether a dedicated property-owner compensation trust or fund will exist.

- 2. The amount of that fund or other financial assurance.**
- 3. Who will fund it.**
- 4. Who will administer it.**
- 5. Which surrounding property owners will be eligible.**
- 6. What geographic radius will apply.**
- 7. Whether diminution in property value will be compensable.**
- 8. Whether increased insurance premiums will be compensable.**
- 9. Whether cancellation or non-renewal of homeowners insurance will be compensable.**
- 10. Whether inability to obtain commercially reasonable insurance will be compensable.**
- 11. Whether the fund or financial assurance will cover losses from a major BESS incident.**
- 12. Whether independent appraisals will be performed to establish property values before construction.**
- 13. Who will pay for those appraisals.**
- 14. What procedure a homeowner will use to submit a claim.**
- 15. What standards will determine whether a homeowner is entitled to compensation.**
- 16. How long the financial protection will remain in effect.**
- 17. What happens if the available financial assurance is insufficient to compensate all affected property owners.**
- 18. Whether the applicant's proposed financial assurance specifically protects private neighboring landowners, rather than only the project owner, governmental agencies, or cleanup obligations.**

Conclusion

After 46 years in construction, I have learned that responsible planning means identifying foreseeable risks and determining **who is responsible for those risks before construction begins.**

I believe the same principle should apply to Corby.

If the Commission determines that the project is appropriate for this location, then the surrounding property owners should not be left wondering what happens to their homes, property values, and insurance if the project materially affects them.

The project developer should not receive the economic benefits of the facility while surrounding landowners are left to bear potentially significant and uncompensated economic risks.

I therefore respectfully request that the Commission **fully investigate and resolve these financial-protection questions before certification of the Corby BESS project.**

If the Commission believes that no compensation mechanism is legally required, I respectfully request that it state that conclusion explicitly in the administrative record and identify the legal basis for that determination.

Likewise, if the Commission believes that existing financial assurance already protects surrounding property owners, I request that it identify the specific financial instrument, dollar amount, coverage provisions, and claim procedures that provide that protection.

These questions deserve clear answers **before the project is approved—not after surrounding homeowners have already suffered the consequences.**

Thank you for your consideration.

Respectfully submitted,

**California Energy Commission
Corby Battery Energy Storage System Project
Docket No. 24-OPT-05**