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STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

**PECHO LD ENERGY STORAGE LLC
APPLICATION FOR CERTIFICATION**

**ORDER FINDING THE APPLICATION
FOR CERTIFICATION INCOMPLETE AND
DIRECTING APPLICANT AND STAFF TO
FILE INFORMATION REGARDING
EXEMPTION FROM THE NOI PROCESS
AND APPOINTING A COMMITTEE**

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I. INTRODUCTION

On November 23, 2021, Pecho LD Energy Storage, LLC, (Applicant), a joint venture of Hydrostor, Inc. and Meridiam Infrastructure Partners, filed an Application for Certification (AFC) with the California Energy Commission (CEC) to construct and operate the Pecho Energy Storage Center (PESC) at 2284 Adobe Road in unincorporated San Luis Obispo County. PESC would be a nominal 400-megawatt (MW), 3,200 MW-hour advanced compressed air energy storage (A-CAES) facility capable of flexibly charging and discharging daily.

II. BACKGROUND

Public Resources Code section 25540.6 identifies which types of projects are exempted from the otherwise required Notice of Intention process (NOI) specified in Public Resources Code section 25502 and, thus, may proceed directly to the AFC process, as provided for in Public Resources Code section 25519. Absent this exemption, a project owner proposing a thermal power plant in California would need to first file an NOI and receive approval through that process before filing an AFC.

If it is determined that an AFC is appropriate, Public Resources Code section 25522 as implemented by California Code of Regulations, title 20, sections 1704 and 1709, sets forth the process for the CEC to determine the completeness of an AFC prior to accepting it as complete and starting the 12-month clock to reach a decision on the AFC, as required under Public Resources Code section 25540.6.

Upon the filing of an NOI or AFC, the executive director determines whether it contains the information required under California Code of Regulations, title 20, section 1704, and, therefore, is complete. If an NOI is proper, California Code of Regulations title 20, Appendix A (Appendix A) provides the information necessary for a complete NOI. If an

AFC is proper, California Code of Regulations title 20, Appendix B (Appendix B) provides the information necessary for a complete AFC. The executive director then files a recommendation to the CEC on whether the PESC filing is complete or needs to be supplemented to conform to the information requirements set forth in California Code of Regulations, title 20, section 1704. The CEC then acts upon the executive director's recommendation.

III. EXECUTIVE DIRECTOR'S RECOMMENDATION

On December 22, 2021, the executive director filed a data adequacy recommendation with the CEC finding that 12 of the 23 technical disciplines required for a complete AFC were deficient based on an analysis under Appendix B. The deficient areas include: Air Quality, Biological Resources, Cultural Resources, Efficiency, Geological Hazards, Land Use, Project Overview, Reliability, Socioeconomics, Transmission System Design, Visual Resources, and Water Resources.

The executive director recommends the CEC adopt the list of deficiencies identified in the recommendation, and not accept the PESC filing as complete until the additional information specified in the data adequacy worksheets attached to the recommendation is provided. The executive director's recommendation also indicates that staff will be investigating whether the application qualifies for an exemption from the NOI process, while treating it as an AFC.

IV. FINDINGS

Under Public Resources Code section 25522 and California Code of Regulations, title 20, sections 1704 and 1709, the CEC concurs with the executive director's recommendation and finds that filing is deficient in the information required for an AFC under Appendix B, as identified in the executive director's recommendation dated December 22, 2021.

Staff states it will be investigating whether the PESC filing qualifies for an exemption from the NOI process, while treating it as an AFC. To address this threshold question of whether the filing qualifies for an exemption from the NOI process, the CEC hereby directs the applicant to file into the proceeding's docket, information supporting an exemption from the NOI process by February 9, 2022, and directs staff to file a response to the applicant's information in the form of an executive director's recommendation no later than February 23, 2022.

The CEC hereby also establishes the Pecho Energy Storage Center Committee to preside over the PESC filing and any other proceedings arising from it, pursuant to Public Resources Code section 25211 and California Code of Regulations, title 20, sections 1204 and 1205. The committee shall have the authority and duties necessary to conduct these proceedings as set forth in CEC regulations, including the authority of a presiding member to manage the proceedings in accordance with California Code of Regulations, title 20, section 1203. The scope of the committee shall include managing the conduct of all aspects of the proceedings required for thermal powerplants, including

but not limited to the qualification of the PESC filing for an exemption from the NOI process, the data adequacy of the filing, and the NOI or AFC proceeding itself, as appropriate, and making recommendations to the CEC on final action(s) in these proceedings, including on findings of an exemption from the NOI process, data adequacy of the filing, and whether to approve or deny the NOI or AFC. Unless otherwise ordered by the CEC, this committee shall dissolve 35 days after a final action in the proceedings arising from the PESC filing.

After review of the executive director's recommendation regarding exemption from the NOI process, and prior to any action on the matter by the Commission, if deemed necessary by the presiding member, the committee may hold a hearing on the matter or issue its own recommendation.

The Committee members are as follows:

Presiding: Commissioner Karen Douglas
Associate: Commissioner Andrew McAllister

IT IS SO ORDERED.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the CEC held on January 26, 2022.

AYE: Hochschild, Gunda, Douglas, McAllister, Monahan
NAY: NONE
ABSENT: NONE
ABSTAIN: NONE



Liza Lopez
Secretariat