

**DOCKETED**

<b>Docket Number:</b>	21-AFC-01
<b>Project Title:</b>	Pecho Energy Storage Center
<b>TN #:</b>	241443
<b>Document Title:</b>	Notice of Receipt - Application for Certification Pecho Energy Storage Center
<b>Description:</b>	N/A
<b>Filer:</b>	Lisa Worrall
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	2/7/2022 2:34:05 PM
<b>Docketed Date:</b>	2/7/2022



## **NOTICE OF RECEIPT**

### **APPLICATION FOR CERTIFICATION**

#### **PECHO ENERGY STORAGE CENTER (21-AFC-01)**

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 an advanced compressed air energy storage facility at 2284 Adobe Road in unincorporated San Luis Obispo County, just over one mile east of the City of Morro Bay. The energy storage facility would provide electricity via a new 3.4-mile transmission line (Preferred Route) to an existing substation located at the Pacific Gas and Electric Company (PG&E) Morro Bay Power Plant. The approximately 80-acre energy storage facility would be located on a 303-acre parcel zoned as Agriculture (AG) and currently planted in row crops, and the Preferred Route for the new electric transmission line would be located on land zoned as AG. Land uses surrounding the proposed facility include agricultural with allowances for supporting single family residences, and land uses around the substation include a residential subdivision, light industrial, and a mix of commercial uses. The area of the energy storage facility and transmission line is within the coastal zone designated by the California Coastal Act.

#### **Project Description**

The Pecho Energy Storage Center (PESC or project) would be a nominal 400-megawatt (MW), 3,200 MW-hour (MWh), advanced compressed air energy storage (A-CAES) facility capable of flexibly charging and discharging daily. PESC would compress air into a purpose-built underground cavern, using electricity from the grid, most likely off-peak, excess, or surplus electricity. The heat from the air compression process would be captured and stored in an aboveground thermal storage system. The compressed air would then be stored in the cavern under the pressure of a hydrostatic head created by an onsite, aboveground water reservoir. When electricity is needed by the grid, the compressed air would be released using the assistance of the hydrostatic head pressure, heated using the stored thermal energy, and directed through aboveground turbine-generators to produce electricity. PESC would provide fossil fuel-free and greenhouse gas emissions-free electricity.

PESC's major equipment includes: four all-electric air compressor trains, four 100-MW air-driven power turbine generators, heat exchangers, thermal heat storage, an underground compressed air storage cavern, an aboveground water

reservoir, auxiliary facilities, and a 3.4-mile electrical interconnection to the existing Morro Bay Switching Station.

If approved, the applicant anticipates it would begin the 54-month construction of PESC in the 2<sup>nd</sup> quarter of 2023, startup and testing in the 3<sup>rd</sup> quarter of 2027, and commercial operation in the 4<sup>th</sup> quarter of 2027.

A copy of the AFC as well as other project information, can be found on the CEC's webpage for this project at <https://www.energy.ca.gov/powerplant/caes/pecho-energy-storage-center>

### **CEC Jurisdiction and AFC Process**

The CEC has exclusive authority to certify, or license, all thermal power plants of 50 MW and greater and related facilities (e.g., electric transmission line) proposed for construction and operation in California. The issuance of a certificate by the CEC is in lieu of any local or state permit and federal permit to the extent permitted by federal law. The CEC's facility licensing process carefully examines the public health and safety, environmental impacts, and engineering aspects of proposed power plants and all related facilities. The CEC's licensing process has been certified by the Secretary of the Natural Resources Agency as a "certified program" under the California Environmental Quality Act (CEQA) (Public Resources Code, sec. 21000 et. seq; Cal. Code Regs., tit. 14, § 15251(j)). As a certified program, the CEC produces several environmental and decision documents rather than an Environmental Impact Report.

The first step in the AFC process is for the CEC to determine whether the application contains all the information required by California Code of Regulations, title 20, division 2, chapter 5, article 6, Appendix B. The CEC staff has completed its initial review of the AFC and recommended at the CEC's January 26, 2022, Business Meeting, that the AFC is incomplete, the CEC should adopt the list of deficiencies identified in the executive director's recommendation,<sup>1</sup> and the CEC should not accept the AFC as complete until the additional information specified in the recommendation is provided. The CEC adopted staff's recommendation and deemed the AFC incomplete. The CEC also directed the applicant to file information supporting an exemption from the CEC's Notice of Intention (NOI) process by February 9, 2022; directed staff to file a response to this information filing in the form of an executive director's

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<sup>1</sup> TN 241075,  
<https://efiling.energy.ca.gov/GetDocument.aspx?tn=241075&DocumentContentId=74906>

recommendation by February 23, 2022; and assigned a committee<sup>2</sup> to oversee the PESC filing and any other proceedings arising from it. Public Resources Code section 25540.6(a) identifies which types of thermal power plants are exempted from the otherwise required 12-month NOI process and, thus, may proceed directly to the AFC process. After a review of the executive director's recommendation regarding an exemption from the NOI process, and prior to any action on the matter by the CEC, the committee may hold a hearing on the matter or issue its own recommendation.

If the CEC determines the facility qualifies for an exemption from the NOI process and once the CEC finds the AFC complete, the 12-month clock to reach a decision on the AFC as required under Public Resources Code section 25540.6 will begin. At that time, CEC staff will begin the discovery phase of the proceeding, and a detailed examination of the application will commence.

The CEC staff will prepare and publish both a Preliminary Staff Assessment (PSA) and a Final Staff Assessment (FSA). After allowing for a public comment period of at least 30 days on the PSA and holding public workshop(s), the CEC staff will prepare and publish the FSA, which will serve as the CEC staff's formal testimony in evidentiary hearings to be held by the committee. The committee will consider the testimony presented by the CEC staff, applicant, and any formal intervenors, as well as comments from interested agencies and the public, prior to publishing its proposed decision. The CEC will consider the committee's proposed decision and issue the final decision at a business meeting. The CEC will issue notices for workshops and hearings at least 10 days prior to each workshop and hearing.

As part of the review process, the CEC staff works closely with local, state, and federal agencies to ensure that all laws, ordinances, regulations, and standards applicable to the proposed project are considered in the CEC's final decision.

### **Public Participation**

The CEC welcomes public participation in the AFC review process. To stay informed about this project and receive notice of upcoming meetings and workshops, please subscribe to the project list serve. The list serve is an automated CEC system that sends out email notifications when documents and notices are posted to the project's docket. To subscribe, go to the CEC's webpage for this project, at <https://www.energy.ca.gov/powerplant/caes/pecho->

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<sup>2</sup> The Pecho Energy Storage Center Committee is Commissioner Karen Douglas (Presiding) and Commissioner Andrew McAllister (Associate)

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[energy-storage-center](#), scroll down the right side of the webpage to the box labeled "Subscribe," and provide the requested contact information.

Any person may comment on the AFC application. The CEC encourages the use of its electronic commenting system. To use the CEC's electronic commenting feature, go to the CEC's webpage for this project, as cited above; click on the "Submit e-Comment" link on the right side of the webpage; and follow the instructions in the online form. Be sure to include the project name in your comments.

Written and oral comments, attachments, and associated contact information (for example, address, phone number, email address) become part of the viewable public record. This information may also become available via any internet search engine.

Written comments may also be mailed to:

California Energy Commission  
Docket Unit, MS-4  
Docket No. **21-AFC-01**  
715 P Street  
Sacramento, CA 95814-5512

For questions about this notice or the project, please contact Lisa Worrall, Project Manager, at (916) 661-8367, or by email at [Lisa.Worrall@energy.ca.gov](mailto:Lisa.Worrall@energy.ca.gov).

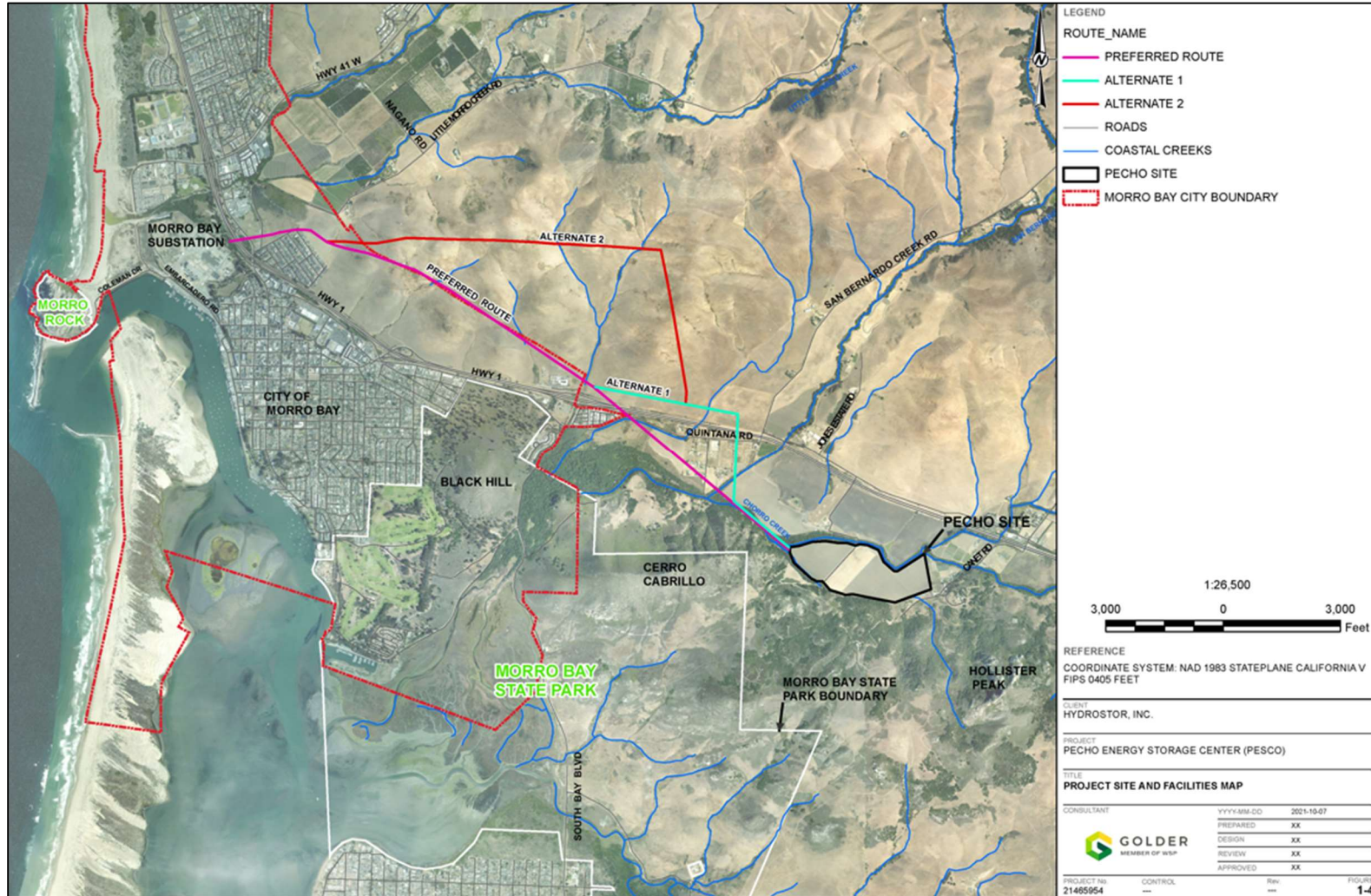
The CEC Public Advisor's Office is available to provide information on, and assistance with, public participation in CEC proceedings. The Public Advisor's Office can be reached at (916) 654-4489 or toll free in California at (800) 822-6228 and can also be contacted by email at [publicadvisor@energy.ca.gov](mailto:publicadvisor@energy.ca.gov).

News media inquiries should be directed to the CEC Media Office at (916) 654-4989, or by e-mail at [mediaoffice@energy.ca.gov](mailto:mediaoffice@energy.ca.gov).

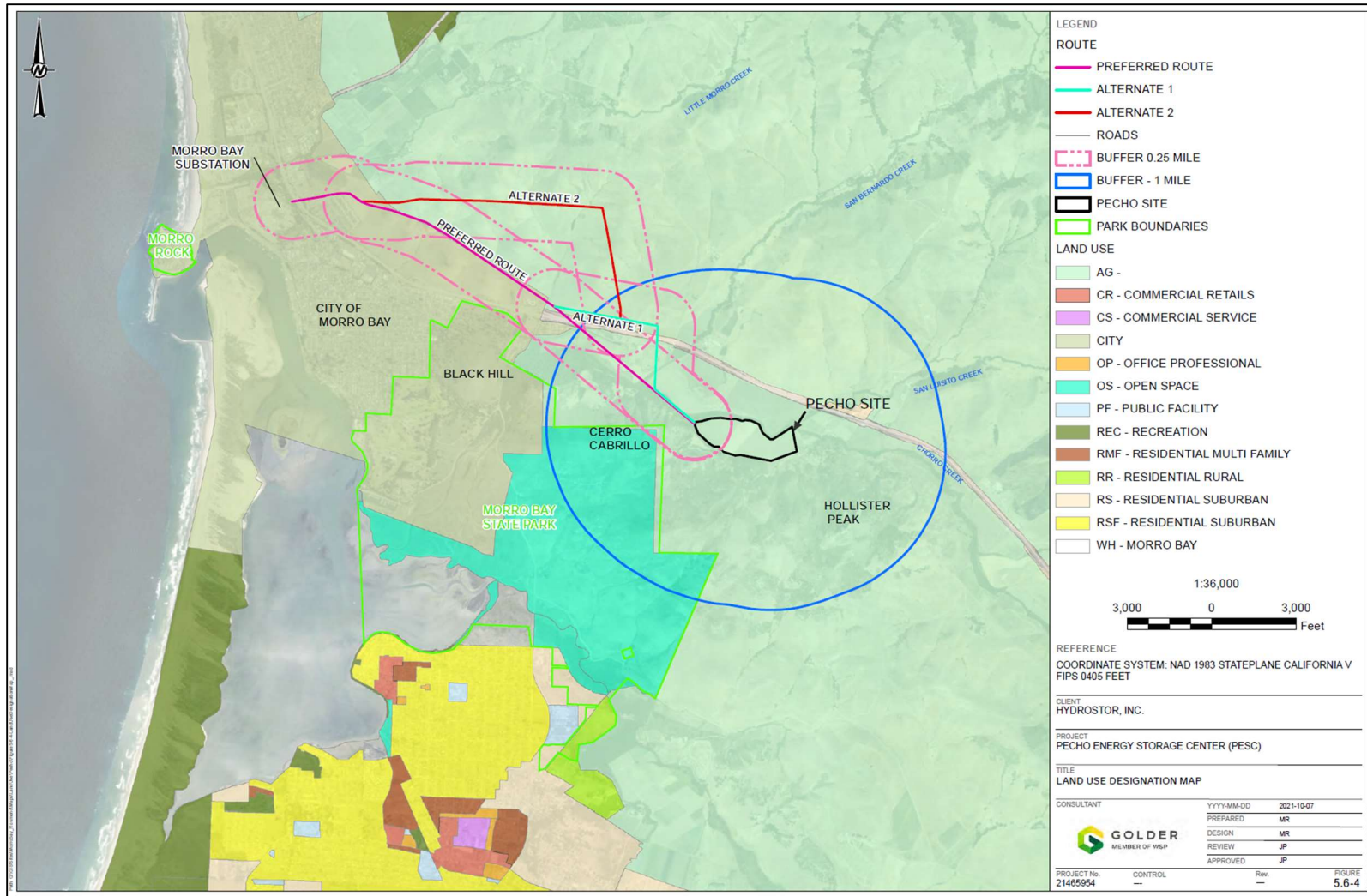
Attachments (from the application):  
Project Site and Facilities Map (Figure 1-4)  
Land Use Designation Map (Figure 5.6-4)  
Site Plan (Figure 2-1)

cc: Mail List: 7543  
Pecho List Serve  
Siting Division General List Serve

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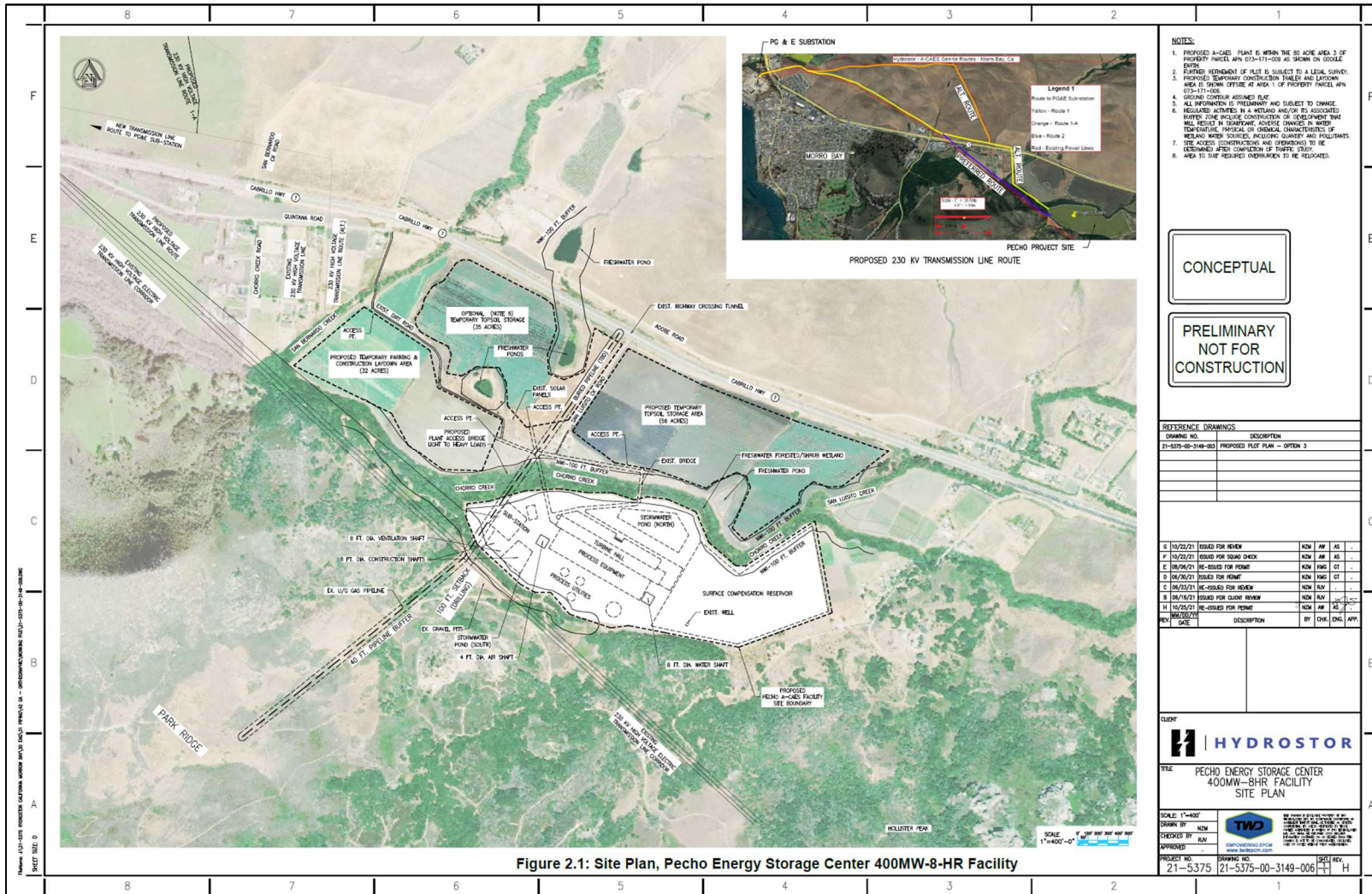


Figure 2.1: Site Plan, Pecho Energy Storage Center 400MW-8-HR Facility

- NOTES:**
1. PROPOSED A-CIES PLANT IS WITHIN THE 80 ACRES AREA 3 OF PROPERTY PARCEL #WV 073-171-009 AS SHOWN ON GOOGLE EARTH.
  2. FURTHER VERIFICATION OF PLANT IS SUBJECT TO A LEGAL SURVEY.
  3. PROPOSED TEMPORARY CONSTRUCTION TUNNELS AND LAYDOWN AREA IS SHOWN OPTIME AT AREA 1 OF PROPERTY PARCEL #WV 073-171-009.
  4. URBINE CONTROL ASSUMED PLANT.
  5. ALL INFORMATION IS PRELIMINARY AND SUBJECT TO CHANGE.
  6. NECESSARY PERMITS IN A WETLAND ANALYSIS BY ASSOCIATED BUFFER ZONE INCLUDE CONSULTATION OF DEVELOPMENT THAT WILL RESULT IN CHANGING, INCLUDING QUANTITY AND QUALITY, TEMPERATURE, PHYSICAL OR CHEMICAL CHARACTERISTICS OF WETLAND WATER SOURCES, INCLUDING QUANTITY AND QUALITY. SITE ACCESS (CONSTRUCTION AND OPERATIONS) TO BE DETERMINED AFTER COMPLETION OF BUFFER ZONE STUDY.
  7. AREA TO SITE REQUIRED OVERLAP/TO BE RELATED.

CONCEPTUAL  
PRELIMINARY  
NOT FOR  
CONSTRUCTION

**REFERENCE DRAWINGS**

DRAWING NO.	DESCRIPTION
21-5375-00-3149-001	PROPOSED PLANT PLAN - OPTION 3

NO.	DATE	DESCRIPTION	BY	CHK	ENG	APP.
6	10/22/21	ISSUED FOR REVIEW	NOM	AW	AS	
7	10/22/21	ISSUED FOR ISSUO CHECK	NOM	AM	AS	
8	06/08/21	RE-ISSUED FOR PERMIT	NOM	ANG	OT	
9	06/20/21	ISSUED FOR PERMIT	NOM	ANG	OT	
10	06/22/21	RE-ISSUED FOR REVIEW	NOM	RAW		
11	06/16/21	ISSUED FOR CLIENT REVIEW	NOM	RAW		
12	10/25/21	RE-ISSUED FOR PERMIT	NOM	AW	AS	

REV.	DATE	DESCRIPTION	BY	CHK	ENG	APP.

CLIENT  
 HYDROSTOR

TITLE  
PECHO ENERGY STORAGE CENTER  
400MW-8HR FACILITY  
SITE PLAN

SCALE: 1"=400'  
DRAWN BY: NOM  
CHECKED BY: RAW  
APPROVED: EPCOR

PROJECT NO. 21-5375  
DRAWING NO. 21-5375-00-3149-006  
SHEET NO. 11 OF 11