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Comment Received From: CENTRAL VALLEY GAS STORAGE

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Additional submitted attachment is included below.



State of California Natural Resources Agency California Energy Commission

Request for Information
California Carbon Management Hub
Docket # 25-ERDD-01

As per your request listed in your Request for Information (RFI) Docket # 25-ERDD-01, Caliche Development Partners has provided answers and feedback to your questions below. Caliche currently operates Central Valley Gas Storage (CVGS), an underground natural gas storage facility near Princeton, California.

1. Please describe your interest in partnering with other entities to apply for DOE funding and outline the role and expertise your organization would contribute to a carbon management hub. Include any relevant experience from prior collaborative projects that could help inform and strengthen a hub-based partnership.

Caliche Development Partners (CDP) has multiple business interests centered around the secure storage of industrial and natural gases in both California and Texas, as well as developing a carbon sequestration site in Beaumont, Texas. CDP's expertise includes providing transportation and storage services to multiple customers using common CDP-operated infrastructure, stewarding the integrity of its pipeline and underground storage assets, and recruiting and developing a talented local workforce to operate and maintain those assets. CDP's Beaumont EPA UIC Class VI permit application was submitted in May 2024, and we anticipate receiving our permit by May 2026. CDP has been exploring potential CCS sites in the Sacramento Basin, which would synergize with our existing natural gas storage facility at Central Valley Gas Storage (CVGS) to support California's energy transition goals. CDP is interested in partnering with other entities in California for DOE funding, with CDP providing either transportation (pipeline) services and/or sequestration services for a carbon management hub.

2. Which types of state-level support beyond grants — such as stakeholder convening, streamlined processes, technical assistance, research access, and community engagement — is your organization most interested in, and which does your organization believe would be most effective for advancing carbon management efforts, particularly with regards to a hub-based approach?

Any state-level support which helps inform or speeds up the permitting processing including CEQA, increases stakeholder and community communication, and decreases research or modeling costs is welcome. Stable state-level legislative support behind CO2 pipelines and transport, decreased regulatory or reporting burden, and clarification around pore space ownership and state-owned land project placement would also be welcome.

3. What is the current Technology Readiness Level (TRL) of your technology and/or the development stage of your project (e.g., preliminary front-end engineering and design, demonstration)? Please provide potential outcomes from partnering with your organization, including estimated annual carbon capture capacity (in tonnes per year), description of product (if carbon utilization), co-benefits (e.g., hydrogen or water production), and other relevant details.

CDP is not a technology company, but rather a storage service provider. CDP envisions partnering and being part of the ecosystem with one or more organizations that captures a minimum of 250,000 metric tonnes of CO2 per year, while CDP provides services related to the development, construction, operation, storage, and monitoring of its sequestration site.

4. What challenges are you currently facing, particularly related to funding (e.g., offsetting construction or operating costs, securing offtake agreements)? What challenges – financial or otherwise - do you anticipate in scaling these technologies within a hub-based approach, and are there any challenges unique to establishing a hub in California?

CDP's financial challenges related to CCS are related to large CAPEX costs (project construction related to pipeline, injection and monitoring wells, monitoring equipment, etc.), securing customer agreements for CO2 offtake, and the long-term PISC monitoring costs. Having a hub-based approach would help bring down costs by creating large common CO2 pipeline transportation links, assisting with hub-scale monitoring, and providing large blocks of land for pore space access.

Sincerely,

William Gh Fr

W. Graham Payne

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