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March 28, 2025

Via Email and CEC Docket 24-OPT-02

Commissioner Noemi Gallardo Drew Bohan, Executive Director California Energy Commission 715 P Street Sacramento, CA 95814 <u>CommissionerGallardo@energy.ca.gov</u> <u>drew.bohan@energy.ca.gov</u>

## Re: City of San Juan Capistrano Comments on Engie Community Benefits Plan (Compass Project)

Dear Commissioner Gallardo and Executive Director Bohan:

On behalf of the City of San Juan Capistrano (City), we continue to express concern over the purported community benefits plan submitted by Compass Energy Storage, LLC (Engie North America or Engie) on the Compass Energy Storage Project and the legal inadequacy of the plan and misrepresentations made by Engie to the San Juan Capistrano community. We submit these comments to direct the California Energy Commission (Commission) to the current administrative record in this proceeding where there is further evidence supporting the City's concerns. The City requests the Commission stay Engie's AB 205 opt-in application until the community benefits plan is actually validated by Commission staff and inquiries can be made into Engie's misrepresentations.

As the Commission is aware, its regulations require the application to "include the applicant's plan or strategy, including a timeline for execution, to obtain legally binding and enforceable agreements(s) with, or that benefit, a coalition of one or more community-based organizations prior to project certification, consistent with Public Resources Code section 25545.10." On May 10, 2024, the City submitted initial comments<sup>1</sup> showing that Engie's community benefits plan was unverifiable because the plan was a basic narrative that did not identify specific community-based organizations, how any benefits accrued to the City, or the timeline for execution of community benefits agreements, and thus, did not meet the application requirements called for by state law. The City also indicated that Engie had misrepresented its conversations with the City in that there was no meaningful discussion that had occurred between Engie and the City about a community benefits agreement between them. Namely, Engie had not

<sup>&</sup>lt;sup>1</sup> TN 256301.

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worked with the City to identify community needs, as it had stated in its plan, and there were no conversations or proposals on an agreement. Despite the legal inadequacy and misrepresentations, the Commission wrongfully deemed this portion of the application complete on May 13, 2024,<sup>2</sup> and there has been no additional Commission data request or applicant submittal further validating the plan.

The issues the City raised with the community benefits plan in 2024 continue to occur. On February 18, 2025, the Co-Executive Director of Unidos South OC filed comments in the docket that the organization had "deep concerns" about the Compass Project fire hazards, and that any fire caused by the Project would have catastrophic impacts to the communities Unidos South OC serves.<sup>3</sup> This is important because Unidos South OC is a non-profit organization dedicated to neighborhoods of South Orange County disproportionately affected by inequities and social challenges.<sup>4</sup> On February 21, 2025, Unidos South OC filed additional comments in the docket clarifying that it is one of the community-based organizations that have been approached by Engie and cited in the community benefits plan.<sup>5</sup> Instead of validating the veracity of the organization's inclusion in the plan, Unidos South OC raises "transparency" issues and "discrepancies for the record" that although it was approached by Engie, the plan that was submitted to the Commission as part of the Project application "did not accurately reflect our discussion." Unidos South OC further documents Engie's representations that the company wanted to make a positive contribution to the San Juan Capistrano community but stated that it was not required to as part of its application (contrary to the Public Resources Code). In addition, Unidos South OC was told that it did not have to support the Project, and it "was never asked to agree to anything or sign any legally binding document." Based on this, Unidos South OC felt compelled to file a letter in this proceeding that "Engie has not been forthcoming in its communications with us, nor in accurately representing its relationship with Unidos South OC in the application." Importantly, Unidos South OC clarifies that it will not enter into a community benefits agreement with Engie or otherwise endorse, support or promote the project in San Juan Capistrano.

On February 13, 2025, the Boys & Girls Club of Capistrano Valley sent a letter to Engie noting the controversy, significant concern and opposition to the project from the San Juan Capistrano community and asked that the organization be removed from the community benefits plan. The organization is a world-class after school nonprofit offering programs for academic success.<sup>6</sup> Not only did the Boys & Girls Club of Capistrano Valley send the letter to Engie, but it filed the letter in the proceeding docket presumably to make the Commission formally aware that the organization was not part of Engie's plan.<sup>7</sup>

Three of the four organizations identified in largely unnamed and narrative fashion in the purported community benefits plan have now filed comments in this proceeding that they are, in

<sup>4</sup> <u>https://www.unidossouthoc.com/</u>.

<sup>&</sup>lt;sup>2</sup> TN 256338.

<sup>&</sup>lt;sup>3</sup> TN 265835.

<sup>&</sup>lt;sup>5</sup> TN 261909.

<sup>&</sup>lt;sup>6</sup> <u>https://bgccapo.com/</u>.

<sup>&</sup>lt;sup>7</sup> TN 261867.

Commissioner Gallardo and Executive Director Bohan March 28, 2025 Page 3

fact, not part of Engie's plan. Two of those organizations have identified express misrepresentations by Engie whether there were ongoing discussions, what Engie's community motivations actually are, and what is required of Engie's part of the Commission application and certification process. Although a fourth organization, likely the Saddleback College Foundation, continues to be identified in the plan, it is doubtful that discussions are as stated in Engie's application.

The City also makes the Commission aware that Engie has retained local lobbyist Venture Strategic to influence the communities affected by the Project and the agencies that are providing review and comment to the Commission, some of which have discretionary authority over the Project. Although retaining government affairs expertise is not unusual, the Commission should know that South Orange County residents are now receiving unsolicited text messages to join Engie "town halls" staged by government affairs representatives to discuss the "pros" of the Project that regional agencies, community-based organizations, and the broader community opposed. One recent Project "advertisement" has been in the form of a petition spooking residents to "oppose" transmission lines by supporting battery storage alternatives in the area (despite there being significant infrastructure and transmission needed at the proposed undeveloped church site).

With considerable evidence now raised showing the community benefits plan is false, and that there is no actual verifiable plan, the Commission must have considerable concern over what has been filed and must be considering whether to issue data requests to Engie, formally investigate Engie's application statements that were filed under penalty of perjury, and staying the application for failing to comply with Commission application regulations. The City asks the Commission to do the latter and formally stay the application. The Governor and the Legislature did not intend the AB 205 opt-in certification process to be a bypass of the local community for a developer's hollow promise of public safety and community benefit. The proposed community benefits plan does not meet the letter or spirit of the law.

Sincerely,

Ryan M. F. Baron of BEST BEST & KRIEGER LLP

cc: Renee Longman, Project Manager, CEC Benjamin Siegel, City Manager, City of San Juan Capistrano Paul Garcia, Principal Analyst, City of San Juan Capistrano