

DOCKETED

Docket Number:	21-AFC-02
Project Title:	Gem Energy Storage Center
TN #:	243376
Document Title:	Proposed Adoption Order on Joint Decision Regarding Exemption from the Notice of Intention Process
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CEC-70 (Revised 11/2021)

***IN THE MATTER OF:******GEM ENERGY STORAGE CENTER*****Docket No. 21-AFC-02****[PROPOSED] ADOPTION ORDER
ON JOINT DECISION REGARDING EXEMPTION FROM THE NOTICE
OF INTENTION PROCESS**

By this **ORDER**, the California Energy Commission (CEC), hereby adopts as its own Commission Decision the "Joint Decision Regarding Exemption from the Notice of Intention Process," dated May 27, 2022¹ [and Errata, dated June 8, 2022].^[2]

The Commission Decision addresses whether the Gem Energy Storage Center (Gem) qualifies for an exemption from the Notice of Intention (NOI) process and thus may be considered as an Application for Certification (AFC). GEM A-CAES LLC (Applicant) submitted Gem as an AFC on December 1, 2021.

On May 27, 2022, the Committee filed a Notice of Availability of the Proposed Joint Decision Regarding Exemption from the Notice of Intention Process; Notice of Public Comment Period; Notice of Intent to Prepare Hearing Record; and Notice of California Energy Commission Hearing (May 27th Notice).³ The May 27th Notice provided the parties opportunity to object to the proposed admission of Docket Nos. 21-AFC-01 and 21-AFC-02 into the hearing record of the proceeding, by a deadline of June 6, 2022. [No objections were received by that date.]

The Commission Decision is based upon the hearing record of these proceedings, which consists of Docket Nos. 21-AFC-01 and 21-AFC-02. The hearing record is on file in the

¹ TN 243347.

^[2] TN TBD.]

³ TN 243351 (English); TN 243349 (Spanish).

CEC's Docket Unit, located at 715 P Street, Sacramento, CA 95814, and is available for inspection by any person. The documents and other materials that make up the record of this proceeding relied upon in making this decision are also available on the [Gem proceeding's web page](https://www.energy.ca.gov/powerplant/caes/gem-energy-storage-center) at: <https://www.energy.ca.gov/powerplant/caes/gem-energy-storage-center>.

FINDINGS AND CONCLUSIONS

We hereby adopt the following findings, in addition to those contained in the Commission Decision:

- No objection was filed by the June 6, 2022 deadline regarding admitting Docket Nos. 21-AFC-01 and 21-AFC-02 as the hearing record for the Commission Decision.
- Gem depends on specific interrelated technologies and sources of energy located in close proximity to each other to generate electricity. Without the stored energy in a sustainable underground storage cavern and the grid connection supplying electric energy to the above-ground components, including the compressors and thermal management system, Gem would not operate.
- The purpose-built underground storage caverns are a necessary component of Gem as proposed and can only be constructed and operated in suitable geological settings exhibiting qualities such as stability and low permeability, which have been determined by Applicant to exist at the site proposed for Gem.
- The purpose-built underground storage caverns and the grid electrical energy are collectively "the energy source" within the meaning of section 25540.6(a)(3).
- Gem is only technologically or economically feasible to site at or near the energy source; the totality of combined features and requirements of the technology employed by Gem, including the energy sources necessary for the technology to successfully and reliably generate electricity, are factors in our determination that the proposed power plant is only technologically or economically feasible to site at or near the energy source.

We therefore conclude that Gem is exempt from the NOI process under Public Resources Code section 25540.6(a)(3).

ORDERS.

Therefore, we order the following:

1. Docket Nos. 21-AFC-01 and 21-AFC-02 are hereby admitted into the hearing record for the Commission Decision.
2. The Hearing and Advisory Unit of the CEC’s Chief Counsel’s Office shall incorporate the Commission Decision and any modifications made by the CEC during the June 8, 2022 Business Meeting into a single document. Preparation and publication of the Commission Final Decision shall not affect the adoption, issuance, effectiveness, or finality of this Order.
3. Staff shall process the Gem application as an AFC, including reviewing the filings for data adequacy pursuant to California Code of Regulations, title 20, section 1704 and Appendix B.

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 June 8, 2022.

AYE:

NAY:

ABSENT:

ABSTAIN:

Liza Lopez
Secretariat