

Notice of Exemption**Form D**

To: Office of Planning and Research
PO Box 3044
1400 Tenth Street, Room 113
Sacramento, CA 95812-3044

From: California Energy Commission
1516 Ninth Street, MS-48
Sacramento, CA 95814

Project Applicant: Eos Energy Storage LLC

Project Title: Utility Demonstration of Non-Flammable, Aqueous-Zinc Battery Storage: Innovation Scale-Up to Alleviate Transmission & Distribution Congestion and Mitigate Wildfire Risks

Project Location:

Address	City	County
<u>Manufacturing:</u> 160 Enterprise Court	Galt, CA 95632	Sacramento
<u>Demonstration site:</u> 35435 Pala Del Norte Road	Pala, CA 92059	San Diego

Description of Nature, Purpose and Beneficiaries of Project:

Purpose: Under grant Agreement EPC-18-023 with Eos Energy Storage LLC, the California Energy Commission will provide a grant of \$2,986,110 to scale up an aqueous-zinc hybrid battery technology in a "plug-and-play" type battery storage system. The purpose of the grant project is to demonstrate improved power and energy density in the battery, and enable full characterization of battery performance in peak shaving, load following, and frequency regulation. These performance functions support electricity distribution and/or transmission level grids.

Nature: The grant project activities will include: (1) manufacturing of the Gen3 battery system, (2) fire-safety testing, (3) installation of the battery system at an existing San Diego Gas & Electric Company (SDG&E) energy storage site, and (4) battery system demonstration at the SDG&E site.

The Gen3 battery system will consist of 144 batteries totaling 150 kilowatt (kW) capacity and 600 kilowatt-hour (kWh) delivery. New manufacturing equipment will be installed in an existing light-industrial building in Galt, California. Fire-safety testing will be performed at an existing lab (to be determined). The battery system will be housed in a 20-foot long shipping container. To install the battery system at the existing SDG&E energy storage demonstration site, a smaller than 10,000 sq. ft. concrete pad and minor trenching will be needed. In addition, a new 150 kilovolt-ampere (kVA) transformer will be installed to connect the Gen3 system to SDG&E's facilities.

Beneficiaries: Beneficiaries will include California's investor-owned electric utilities and their customers (i.e., ratepayers), along with the public at large and the environment. The grant project is intended to result in greater electricity reliability, lower costs, and increased safety. The project is intended to provide greater electricity reliability by demonstrating the application and benefits of a more cost-effective and efficient energy storage solution than is currently on the market, to allow for significant load shifting and reduction of grid congestion.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: Eos Energy Storage LLC

Exempt Status: (check one)

Ministerial Exemption (Pub. Resources Code § 21080(b)(1); Cal. Code Regs., tit 14, § 15268);

Declared Emergency (Pub. Resources Code § 21080(b)(3); Cal. Code Regs., tit 14, § 15269(a));

Authority cited: Sections 21083 and 21110, Public Resources Code. Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Emergency Project (Pub. Resources Code § 21080(b)(4); Cal. Code Regs., tit 14, § 15269(b)(c));

Categorical Exemption. State type and section number

Cal. Code Regs., tit. 14, § 15303

Statutory Exemptions. State code number.

Common Sense Exemption. (Cal. Code Regs., tit 14, §15061(b)(3))

Reasons why project is exempt:

As described above, the grant project activities will include: (1) manufacturing of the Gen3 battery product, (2) fire-safety testing, (3) installation of battery system at an existing San Diego Gas & Electric Company (SDG&E) site, and (4) battery system demonstration at the SDG&E site.

(1) The primary manufacturing and assembly activities will take place at the First Priority GreenFleet LLC manufacturing facility in Galt, California (relocated from Stockton, California). This existing light-industrial building can accommodate the new equipment without expansion or additional environmental impact.

(2) A subcontractor will perform fire-safety testing of the battery. All fire safety testing (Underwriters Laboratories' UL 9540 standard) will be conducted in a controlled, protected setting at an official testing facility.

(3) and (4) Eos Energy Storage LLC will install the battery system, housed in a 20-foot long shipping container, at SDG&E's existing Pala del Norte electric storage site in Pala, California. SDG&E will assist in the installation and hook-up. The Pala del Norte site (also called a yard) is already developed; contains other energy storage systems; and has an access road. A new 150 kilovolt-ampere (kVA) transformer will be installed for the Gen3 system. The construction of the new concrete pad will be in an already-developed area, and will be less than 10,000 square feet. Trenching will be within the already developed yard. The trench will be backfilled, and the surface will be restored. The battery system project footprint will be fully confined to the existing facility, and it will not affect existing operations nor lead to a change of use of the area.

The project will not result in any significant air emissions, water quality affects, or generate substantial quantities of hazardous waste. The aqueous-zinc electrolyte inside the batteries is corrosive, but not flammable. No rezoning will be required.

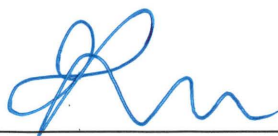
The CEQA exemption under California Code of Regulations, title 14, section 15303, "New Construction or Conversion of Small Structures," includes these relevant circumstances: construction and location of limited numbers of new, small facilities or structures; and installation of small new equipment and facilities in small structures. Under the grant project, small, new, manufacturing-related equipment would be installed in an existing structure in Galt, California. (At a yet-to-be-determined location, the testing work will be performed in an existing lab and will have no environmental impact.) The battery system construction and demonstration in Pala, California amounts to one, new, small (shipping container-size) battery system and a transformer, along with a concrete pad and underground electrical connection. Furthermore, the new battery system will be just one, new structure in a yard of similar battery storage devices under testing. Therefore, this project is exempt under California Code of Regulations, title 14, section 15303.

Lead Agency

Contact Person: Quenby Lum **Area code/Telephone/Ext:** 916-327-1492

If filed by applicant:

1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? Yes No

Signature: 

Date: 7/11/19 Title: ASSOC ENERGY SPEC

Governor's Office of Planning & Research

- Signed by Responsible Agency
- Signed by Lead Agency
- Signed by Applicant

Date received for filing at OPR: JUL 11 2019

STATE CLEARINGHOUSE