



Monterey County Planning Commission

Board of Supervisors
Chambers
168 W. Alisal St., 1st Floor
Salinas, CA 93901

Agenda Item No. 2

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PLN180371 - PACIFIC GAS & ELECTRIC CO (ELKHORN BATTERY STORAGE FACILITY)

Public hearing to consider approving installation of a new battery energy storage system consisting of approximately 270 manufactured battery storage units with a capacity of up to 730 megawatt hours (MWh) and associated improvements for connection to existing power transmission facilities on 4.5 acres of land at the PG&E substation in Moss Landing.

Project Location: 7251 Highway 1, Moss Landing, North County Land Use Plan, Moss Landing Community Plan, Coastal Zone

Proposed CEQA action: Adopt a Mitigated Negative Declaration

RECOMMENDATION:

It is recommended that the Planning Commission adopt a resolution to:

1. Adopt a Mitigated Negative Declaration;
2. Approve a Combined Development Permit consisting of a:
 - a. Coastal Administrative Permit for the installation of a battery storage system and associated PG&E switchgear and equipment on approximately 4.5 acres of land within the existing Moss Landing Substation;
 - b. Coastal Development Permit for development within 750 feet of a known archaeological site;
 - c. Coastal Development Permit for development within 100 feet of environmentally sensitive habitat area; and
3. Adopt a Mitigation Monitoring and Reporting Program.

The attached draft resolution includes findings and evidence for consideration (**Exhibit C**). Staff recommends approval of the project subject to twenty-six (15) conditions of approval and ten (10) mitigation measures.

PROJECT INFORMATION:

Agent: Molly Sandomire

Owner: Pacific Gas & Electric

APN: 133-181-010-000

Zoning: HI (CZ)

Parcel Size: 147.77 acres

Plan Area: North County Land Use Plan, Moss Landing Community Plan, Coastal Zone

Flagged and Staked: No

SUMMARY:

The subject property is 147.77 acres in size, 42 acres of which is comprised of PG&E's Moss Landing Substation facility. The PG&E substation is located north of the Dynegy Moss Landing property which is the property containing the iconic Moss Landing smokestacks; and approximately 250 feet south of the Elkhorn Slough (**Exhibit D**).

The project includes placement of approximately 270 Tesla manufactured Megapack units on 37 concrete slabs. Each unit houses batteries and associated equipment in a steel cabinet, white in color, measuring approximately 23.5 feet in length, 5.3 feet in depth, and 8.25 feet in height. Transformers and switchgears will also be installed along with the Megapacks to tie energy stored in batteries with the electrical transmission grid. Battery Energy Storage Systems (BESS) are part of a larger effort by the California Public Utilities Commission (CPUC) and the State of California to stabilize energy generation and reach renewable energy generation goals in California. Although both have been approved by the CPUC, this BESS is distinct from the BESS on the neighboring property (Vistra) in that they are intended to serve different geographical areas and different power needs. They will also be owned and operated separately.

The proposed BESS will be located on the northwestern portion of the PG&E substation site in an area that historically contained electrical infrastructure. That portion of the substation infrastructure was removed in 2018 (Resolution No. 11-029) and the area where the Megapacks are proposed is currently vacant, disturbed land. The entire substation is enclosed with a perimeter fence for safety and security. Although the site is fenced and previously disturbed, the site is located near the Elkhorn slough and is in proximity to known archaeological resources. An Initial Study was prepared for the project resulting in a Mitigated Negative Declaration. Staff finds that as proposed and mitigated, the BESS project is consistent with the applicable plans and policies including the North County Land Use Plan and the Moss Landing Community Plan. The BESS is sited and designed in a manner protective of the adjacent slough, will not impact views on Highway 1, and mitigations have been applied to minimize impacts to biological and cultural resources.

DISCUSSION:

The BESS has three (3) major components: a battery energy storage; a power conversion system; and a substation. First, the substation receives energy from the electrical grid; second the energy current gets converted through the power conversion system that consists of the inverters and transformers; and third, energy is stored within the battery energy storage until utilized during peak energy demand times. When needed, stored energy is routed out from the batteries through the power conversion system and substation and into the electrical transmission grid.

The purpose of the project is to provide consistent reliable energy by storing excess power generated during non-peak hour energy demand times and releasing that power during higher energy demand times. The BESS project will have the capacity to store and dispatch up to 730 megawatt hours (MWh) of energy to the electrical grid at a maximum rate of 182.5 MW for up to 4 hours during periods of high demand and will be situated on the western portion of the parcel.

The BESS would be located within the PG&E substation north of Dolan Road in Moss Landing. The North County Land Use Plan (LUP) and Moss Landing Community Plan recognizes the use of the subject property for Heavy Industrial electric generation. Policies of the Plans with respect to this site

also recognize the need for improvements and modernization overtime and directs improvements in a manner that is protective of the adjacent slough and sensitive habitat, adjacent farmlands, and the scenic beauty of the area. This project represents a modernization of the power grid, will be located within the existing, disturbed footprint of the substation, and mitigations are proposed to minimize impacts to adjacent biological resources including the potential for California Red-Legged Frog, California Tiger Salamander, and nesting birds. Mitigations are also included to address the potential for impacts to archaeological and tribal cultural resources. The BESS would not be visible from Highway 1 because the battery storage units are east of Highway 1, would lie below an existing fence along the perimeter of the property, and are screened from view by an existing berm and vegetation. Existing development on the property is related to power generation and transmission and is industrial in character. The proposed development will not change the industrial character of the site.

A Construction Management Plan (CMP) addressing temporary construction traffic has been prepared for the project. The operational component of the project would not result in an increase in employees as the BESS would be unmanned and remotely monitored. Project construction workers would access the project site through Dolan Road, thus, minimizing traffic impacts on Highway 1.

As designed, conditioned, and mitigated, the project is consistent with the Local Coastal Program governing development at the site and the project will have a less than significant effect on the environment.

See **Exhibit B** for detailed discussion.

California Environmental Quality Act (CEQA)

The project did not qualify for an exemption under CEQA. An Initial Study/ Mitigated Negative Declaration or "IS/MND" (**Exhibit E**) was prepared and circulated for public review. The IS/MND identified potential impacts to air quality, cultural resources, geology/soils, greenhouse gas emissions, hazard/hazardous materials, hydrology and water quality, land use/planning, transportation/traffic and tribal cultural resources. These potential impacts were determined to be less than significant or less than significant with mitigation measures. Mitigations have been incorporated to reduce impacts to biological resources, cultural resources, paleontological resources, and tribal cultural resources to a level of insignificance. With mitigations included, the project is consistent with North County Land Use Plan policies applicable to the site and will have a less than significant impact on the environment. Comment letters were received during the IS/MND public review period from Caltrans and Adams Joseph Broadwell and Cardozo (a law firm). CalTrans supported the construction management plans prepared by PG&E and stated that any work on Highway 1 would require an encroachment permit. No work is proposed on Highway 1 under this permit. Adams Joseph Broadwell and Cardozo law firm commented that the IS/MND air quality analysis was inadequate and contended that an Environmental Impact Report is required. PG&E has coordinated with the law firm and has resolved their objections. The law firm has rescinded their comments in a follow-up letter (See **Exhibit F**).

OTHER AGENCY INVOLVEMENT:

The following agencies have reviewed the project:

Environmental Health Bureau
RMA-Public Works

RMA-Environmental Services
North County Fire Protection District
Cal-Trans
California Department of Fish and Wildlife

LAND USE ADVISORY COMMITTEE:

The project was referred to the North County Land Use Advisory Committee (LUAC) for review on January 16, 2019. The LUAC members raised concern over the maintenance and potential fire issues with the unmanned battery storage units. Notwithstanding those concerns, the LUAC recommended approval of the project as proposed with a vote of six to one, with two members absent (**Exhibit G**). The applicants have been working closely with the North County Fire District to ensure that fire hazards are minimized.

Prepared by: Yasmeen Hussain, Associate Planner, Ext. 6407
Reviewed by: Craig Spencer, RMA Planning Services Manager
Approved by: John M. Dugan, FAICP RMA Deputy Director of Land Use and
Development Services

The following attachments are on file with the RMA:

- Exhibit A - Project Data Sheet
- Exhibit B - Detailed Discussion
- Exhibit C - Draft Resolution, including:
 - Conditions of approval
 - Site plan
- Exhibit D - Vicinity Map
- Exhibit E - Initial Study & Mitigated Negative Declaration
- Exhibit F - Comments on Initial Study & Mitigated Negative Declaration
- Exhibit G - North County LUAC Minutes
- Exhibit H - Biological Report (LIB180417)
- Exhibit I - Construction Management Plan

cc: Front Counter Copy; Planning Commission; California Coastal Commission; Brandon Swanson, Interim-Chief of Planning; Craig Spencer, RMA Planning Manager; Molly Sandomire, Agent; Pacific Gas & Electric Company, Owner; Sheila Sannadan, Interested Party; Asaf Shalev, Interested Party; The Open Monterey Project (Molly Erickson); LandWatch (Executive Director); Project File PLN180371