

Sent Via U.S. Mail and Electronic Mail to: atc@actontowncouncil.org

August 1, 2023

Acton Town Council
Jeremiah Owen, President
Jacqueline Ayer, Correspondence Secretary
P.O. Box 810
Acton, CA 93510

Mr. Owen and Ms. Ayer:

HECATE HUMIDOR BESS (APNs 3056004058 and 3056004044)

Thank you once again for hosting staff from the LA County Department of Regional Planning ("LA County Planning") on an extensive tour of Acton a couple months ago. We took note of various community issues, and sincerely appreciate the input of the Action Town Council ("ATC"). We have made strides internally within LA County Planning and the County family in addressing many of these concerns.

This letter specifically addresses the concerns in writing, in meetings and during our tour about the proposed Humidor Battery Energy Storage System ("Humidor BESS"), located off W. Carson Mesa Road. As you know, several months ago LA County Planning staff initially approved the Humidor BESS through a Site Plan Review ("SPR") on a 15-acre site zoned M-1 (Light Manufacturing) and A-2-2 (Heavy Agricultural -Two Acre Minimum Required Lot Area). Based in part on concerns raised by ATC in writing and at meetings, and to confirm the accuracy of LA County Planning's original position, staff rescinded SPR RPPL2022008009 on February 9, 2023. The applicant Hecate then requested the County reconsider its rescission of the application and affirm its original approval.

After additional review and consideration, LA County Planning stands by its original determination, which was informed in part by the information presented below.

As you know, there is an increased need for utility-scale energy battery storage systems ("BESS") to improve grid stability and integrate intermittent renewable energy sources (such as solar and wind power) into the grid by providing energy when these sources are not available. BESS, however, is not expressly listed as an allowed use in the Zoning Code. In such cases, LA County Planning reviews allowable uses identified in the Zoning Code to determine whether there is an allowable use most similar to the proposed use. Subdivision and Zoning Ordinance Interpretation Memorandum No. 2021-03 ("Memo"), pursuant to the authority provided by Section 22.234.020 under Title 22 ("Zoning Code") of the Los Angeles County Code ("County Code"), provides LA County Planning's official interpretation of the definition of utility-scale energy storage devices. It determined the use most similar to a BESS to be an electric distribution substation ("EDS"), as described in County Code Section 22.14.050.

During meetings with County staff on February 6 and February 7, 2023, ATC raised questions whether a BESS was consistent with the Zoning Code definition of an EDS as it relates to the connection voltage between Humidor BESS and the nearby Southern California Edison substation (“Vincent Substation”). ATC contended a BESS is more similar to an electric transmission substation (“ETS”) as defined in the Zoning Code, and therefore a conditional use permit would be required instead of a ministerial Site Plan Review. ATC also noted that the Humidor BESS is considered a power generating use by California Independent System Operator (“CAISO”) and the applicant executed a Large Generator Interconnection Agreement (“Agreement”) with CAISO, which would make the Humidor BESS part of the transmission infrastructure. ATC asserted that because the Humidor BESS is considered a power generator and subject to an Agreement with CAISO, it is similar to an ETS.

The Zoning Code defines an EDS as *“a facility that contains an assembly of equipment that is part of a system for the distribution of electric power, where electric energy is received at a sub-transmission voltage and transformed to a lower voltage for distribution for general consumer use (emphasis added).”* This describes a facility that receives electricity at sub-transmission voltage, and then transforms the electricity (via a transformer component) to an appropriate voltage for distribution purposes.

This contrasts with the Zoning Code definition of an ETS, which is a *“a facility that contains an assembly of equipment that is part of a system for the transmission of electric power where electric energy is received at a very high voltage from its generating source. The facility then transforms the energy to a lower sub-transmission voltage to supply or distribute electric power to large-scale users, to interchange connections with other power producing agencies, or to supply such power to electric distribution substations for transformation to a lower voltage for distribution to small-scale users (emphasis added).”* This describes a facility that transmits large amounts of electricity from the generating source to multiple users.

Energy storage facilities like the Humidor BESS are regarded as “Non-Generator Resources” by the CAISO and not regarded as a generator. An Agreement is a type of contract long used by CAISO for interconnection purposes and was recently adapted to apply to the interconnection of energy storage systems, which would allow the Humidor BESS to connect to the Vincent Substation. Using an Agreement to interconnect a Non-Generator Source such as the Humidor BESS to the electric grid does not push a BESS into the definitions of a power generating use or an ETS. The fact that the Agreement is labeled as a Large Generator Interconnection Agreement does not mean that it is used only for generators, nor does it make a BESS facility a power generator. The Humidor BESS is subject to CAISO oversight due to its point of interconnection to the CAISO-controlled grid via the Vincent Substation. With respect to land use and permitting, the Humidor BESS is on an M-1 zoned parcel, which is separate and distinct from the Vincent Substation.

The stored energy at the Humidor BESS is proposed to come directly from the Vincent Substation and be redistributed back to the Vincent Substation for general consumer use. The Humidor BESS will not receive electricity from a generating source (e.g., power plant). The Humidor BESS also will not have interchange connections with other power-producing agencies, nor will it convey electrical power to multiple users (CAISO oversight is limited to

Humidor's point of interconnection within the Vincent Substation, and the Humidor BESS would not be considered part of the transmission network). Moreover, the Humidor BESS will not be designed nor be capable of having interconnections with other power producers to distribute power to multiple users.

Humidor BESS proposes to connect to Vincent Substation to receive electricity at 230 kV. The on-site transformer would step down the receiving voltage to 34.5kV to energize the batteries. Only when the voltage is redistributed back to the Vincent Substation is its outflowing voltage stepped back up to 230 kV. Sub-transmission voltage is not specifically stated in the Zoning Code but is generally less than 110 kV per the California Energy Commission, 70kV per CAISO, and 50kV per California Public Utilities Commission. While the Humidor BESS's 230kV interconnection voltage would not typically be considered sub-transmission voltage, its operating voltage would be at 34.5kV or lower and its primary purpose is to store and distribute electricity for consumer use.

As the Memo did not exclusively rely on the literal EDS definition in the Zoning Code, it provides an interpretation of a use not identified in the Zoning Code by drawing similarities to a comparable use for clarification. This interpretation is appropriate and was properly applied to the Humidor BESS project. Furthermore, per Section 22.22.010 of the County Code, the M-1 zone is appropriate for "light industry, repair, wholesale, and packaging, including the manufacture, assembly, distribution, and storage of goods that have low nuisance impacts, but excluding raw materials production, processing or bulk handling." The Humidor BESS is a low nuisance, light industrial use appropriate for the M-1 zone.

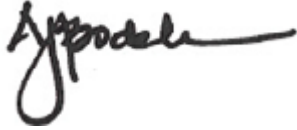
LA County Planning has determined the Humidor BESS project is more closely associated with an EDS and may be approved through the SPR process. Hecate submitted a new SPR application to LA County Planning (RPPL2023000687) for the project. The new application relocates all associated development for the Humidor BESS outside the A-2 zone on Assessor's Parcel Number 3056-004-044. While the Los Angeles County Fire Department ("LACoFD") provided preliminary review and comments on the SPR application, LA County Planning's entitlement approval was not contingent upon approval by LACoFD.

The Humidor BESS site plan layout has been designed per the LA County Fire Code, which in turn refers to and incorporates by reference the California Fire Code. The California Fire Code has specific detailed design requirements for stationary electrical energy storage systems such as the Humidor BESS to ensure fire safety during construction, operation, and decommissioning. The Humidor BESS's equipment and design will undergo further design review with the LACoFD for conformance with applicable provisions of the LA County Fire Code and the California Fire Code. The project cannot move forward without full compliance with applicable codes, including the LA County Fire Code and the California Fire Code (by reference) and applicable building codes.

We sincerely hope this letter addressed the concerns raised by the ATC. If you have any questions, you may contact me or Samuel Dea at sdea@planning.lacounty.gov or at (213) 893-7014.

Humidor Battery Energy Storage System
August 1, 2023
Page 4

Sincerely,

A handwritten signature in black ink, appearing to read "Amy Bodek". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

AMY J. BODEK, AICP
Director of Regional Planning

AJB:EL

c: County Counsel
Public Works (Land Development)
Samuel Dea, Supervising Regional Planner

S_EO_08_01_2023_M_HUMIDOR_BESS