

Notice of Exemption

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

From: Public Agency:
California Energy Commission
715 P Street
Sacramento, CA 95814

Project

Title/Agreement

No.: Securing Bulk Grid Reliability with a Zero-Emission High-Density Distributed Asset

Project Applicant: California Energy Commission

Project Location - Specific: 9239 Herbert York Ln, La Jolla, CA 92093 (APN 760-2579-102)

Project Location - City: La Jolla

Project Location - County: San Diego County

Description of Nature, Purpose and Beneficiaries of Project:

The Regents of the University of California, University of California San Diego (UCSD) owns and operates an existing microgrid electrical distribution system with onsite generation and storage. The microgrid is powered by the UCSD's existing energy infrastructure and consists of a 30-megawatt (MW) cogeneration plant, 3 MW of existing solar photovoltaic (PV), a 2.5 MW/5.0 megawatt hour (MWh) battery energy storage system (BESS) and all electrical assets including 12 kV distribution lines, high voltage switchgear, transformers, and associated metering equipment downstream of a 69 kilovolt (kV) substation which is owned and operated by San Diego Gas and Electric (SDG&E). SDG&E provides transmission and distribution services only.

The project will upgrade the microgrid's existing 2.5 MW/5.0 MWh lithium-ion BESS component with a more efficient BESS with a nameplate capacity of 8 MW/ 32 MWh. The nameplate capacity of the existing BESS, installed in 2015 and operational since 2016, is a 2.5 MW/ 5.0 MWh system. Due to cycle aging degradation of the lithium iron phosphate battery chemistry, string imbalances and software maintenance issues, the existing system's output can no longer maintain the 2.5 MW/5.0 MWh output. The more efficient BESS would not result in higher energy consumption or expansion of the utilities plant. The minor alteration of the microgrid's BESS component will secure the UCSD's microgrid's reliability and will connect to the existing 12 kV system, mitigate peak load at the SDG&E substation.

The current BESS to be removed is sited at the East Campus Utility Plant. The upgraded BESS will be installed at a graded site at the Central Utility Plant, utilizing existing electrical infrastructure within the campus microgrid, and connect to the bulk electricity system at the same interconnection point. The proposed project meets and exceeds the solicitation goals of prioritizing and accelerating the implementation of feasible and cost-effective zero-emission resources to achieve bulk grid reliability. The project is consistent with the California Energy Commission's mission of leading the state to a 100 percent clean energy future and will contribute to meeting California's clean energy goals and support grid reliability.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: The Regents of the University of California, University of California, San Diego

Exempt Status: (check one)

- Ministerial (Sec. 21080(b)(1); 15268);
- Declared Emergency (Sec. 21080(b)(3); 15269(a));

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- Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- Categorical Exemption. State type and section number: Class 1, Section 15301(b) Existing Facilities, Minor Alteration

Statutory Exemptions. State code number: _____

Reasons why project is exempt:

California Code of Regulations, title 14, section 15301, subdivision (b) provides that the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, such as existing facilities of investor and publicly owned utilities used to provide electric power, natural gas, sewerage, or other public utility services, involving negligible or no expansion of existing or former use, are categorically exempt from the provisions of CEQA.

This project will involve upgrading the existing BESS at the UCSD East Campus Utility Plant at 9413 Voight Drive, San Diego (APN 760-2511-700), currently rated at 2.5 MW/5.0 MWh, with a new lithium-ion BESS with a capacity nameplate of 8 MW/ 32 MWh to be located at the UCSD Central Utilities Plant at 9239 Herbert York Ln, La Jolla (APN 760-2579-102). The existing and proposed BESS are components of the existing microgrid. The project site is approximately one-half acre of a graded, paved, and prepared site located immediately adjacent to the UCSD Central Utility Plant.

The current BESS will be removed and decommissioned. Work required to install the new BESS containers includes the construction of new concrete footings for the containers and 3 new 3 MW transformers, 50 feet of underground trenching between the containers and the 12 kV switchgear, installation of underground electrical conduits and associated conductor pulls, replacement fill and poured asphalt above the trenching, and crane lifts for each of the containers and transformers. The project will involve the minor alteration of an existing microgrid with a more efficient BESS. This project will result in negligible or no expansion of use of the UCSD microgrid including the Central Utility Plant and East Campus Utility Plant beyond that already existing.

University of California San Diego, with approval authority delegated by The Regents of the University of California have deemed the project as an allowed modification to the existing UCSD Central Utility Plant and East Campus Utility Plant and it does not require a local discretionary permit. The installation of the upgraded BESS, which is a component of the campus microgrid, will be a minor alteration of an existing utility system for the UCSD microgrid with no physical expansion beyond the existing system footprint.

The upgrade of the existing BESS will not result in a significant cumulative impact, there is no reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances, it will not damage resources within a scenic highway, it will not cause substantial adverse change to the significance of a historic resource, and it is not located on a listed site pursuant to Government Code 65962.5. Therefore, the project is categorically exempt under California Code of Regulations, title 14, section 15301, subdivision (b).

Public Agency

Contact Person:

Reneé Webster-Hawkins


Area

Code/Telephone/Extension:

916.237.2507

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: February 17, 2026

Title: Senior Attorney IV

Signed by Public Agency

Signed By Applicant

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Date Received for filing at LCI: _____



RESOLUTION NO. 26-0211-06

STATE OF CALIFORNIA

**STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION**

RESOLUTION: Regents of the University of California, on behalf of the San Diego campus

WHEREAS, that the State Energy Resources Conservation and Development Commission (CEC) previously approved agreement DBA-24-004 with the Regents of the University of California, on behalf of the San Diego campus (UCSD) on September 11, 2024 for a \$7,146,296 grant for the purchase, installation, and performance of a four-hour lithium-ion battery energy storage system with a nameplate capacity of 9.8 MW / 39.2 MWh located at the East Campus Utility Plant, and adopted CEC staff's recommended CEQA findings pertaining thereto;

WHEREAS, UCSD is now proposing to relocate the system to the UCSD Central Utilities Plant and reconfigure it with a nameplate capacity of 8.0 MW / 32.0 MWh; and

RESOLVED, that the State Energy Resources Conservation and Development Commission (CEC) adopts CEC staff's updated CEQA findings and recommendations contained in the Agreement or Amendment Request Form (as applicable); and

RESOLVED, that the CEC amends its approval of agreement DBA-24-004 with UCSD for \$7,146,296, to purchase, install, and report performance of a four-hour lithium-ion battery energy storage system with a nameplate capacity of 8.0 MW / 32.0 MWh. The system will be installed at the UCSD Central Utilities Plant and replace an existing two-hour lithium-ion battery system with a nameplate capacity of 2.5 MW / 5.0 MWh that is part of the existing microgrid and bulk grid power assets owned and operated by UCSD; and

RESOLVED, that this agreement will ensure the availability of the incremental capacity of the battery energy storage system during extreme events for a term of five years from the commercial online date of the battery energy storage system; and

FURTHER BE IT RESOLVED, that the Executive Director or their designee shall execute the same on behalf of the CEC.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on February 11, 2026.

AYE: Hochschild, Gunda, Gallardo

NAY: NONE

ABSENT: McAllister, Skinner

ABSTAIN: NONE

A handwritten signature in cursive script that reads "Kim Todd".

Kim Todd
Secretariat