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
715 P Street
Sacramento, CA 95814

Project Applicant: Gridscape Solutions, Inc.

Project Title: Innovative Hybrid Battery Energy Storage Solution for Value Stacked Grid Services

Project Location:

Address	City	County
175 Nortech Pkwy	San Jose 95134	Santa Clara
16400 Kumeyaay Way	Valley Center 92082	San Diego

Description of Nature, Purpose and Beneficiaries of Project:
The purpose of this Agreement is to fund the design, development, testing, deployment, and operation of a Hybrid Battery Energy Storage System (HBESS) that leverages mixed battery chemistries and advanced micro battery management systems (mBMS) to address the limitations of existing battery energy storage systems and support California's transition to a sustainable, reliable, and decarbonized energy grid.

The project will address the limitations of current battery energy storage systems (BESS) by developing and deploying a Hybrid Battery Energy Storage System (HBESS) that combines multiple battery chemistries, including lithium-ion, sodium-ion, and second-life batteries. This hybrid approach mitigates safety risks, such as deflagration in LFP batteries, by integrating safer technologies. The intelligent mBMS will optimize power and energy delivery for different use cases while enhancing safety, performance, and lifespan.

By leveraging second-life batteries, the project also reduces costs and supports California's sustainability goals. The mBMS will extend the lifecycle of the HBESS to over 20 years, overcoming current limitations of battery degradation. This system will be able to perform a wide range of functions, including grid services, peak load reduction, and backup power, making it suitable for long-duration storage needs.

The project's advancements in battery chemistry and management will significantly improve the technical and economic performance of energy storage systems, reducing costs to below $0.05/kWh. This will enable large-scale deployment, supporting California's renewable energy and storage targets. The HBESS will also contribute to a decarbonized, reliable, and resilient energy grid, helping to achieve California's statutory energy goals and address the needs of disadvantaged communities. The project will take a multi-phased approach, deploying the system at different scales at two different facilities, each located in disadvantaged communities.

A 100kW/250kWh prototype will be deployed in Phase 1 at the Bay Area Vaishnav Parivar Temple and Cultural Community Center which also serves as an evacuation center, in San Jose, CA.

Following the successful deployment in Phase 1, a larger 500kW/1MWh system would be deployed in Phase 2 at the San Pasqual Band of Mission Indians - Tribal Government Complex in Valley Center, CA.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: Gridscape Solutions, Inc.

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

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));
- ☐ 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, § 15301 ; Cal. Code Regs., tit. 14, § 15303 ; Cal. Code Regs., tit. 14, § 15304
- ☐ Statutory Exemptions. State code number.
- ☒ Common Sense Exemption. (Cal. Code Regs., tit. 14, §15061(b)(3))

Reasons why project is exempt:

Project Site 1 - Bay Area Vaishnav Parivar Temple and Cultural Community Center - 175 Nortech Parkway, San Jose, CA (demonstration site #1)

Cal. Code Regs., tit. 14, Sec. 15301 provides that projects which consist of the operation, repair, maintenance, permitting, leasing, licensing, or minor alternations of existing public or private structures, facilities, mechanical equipment, or topographical features, and which involve negligible or no expansion of existing or former use at the time of the lead agency's determination, are categorically exempt from the provisions of the California Environmental Quality Act (CEQA). The proposed project will install and demonstrate a 100kW/250kWh hybrid battery energy storage system (including lithium iron phosphate, sodium ion, and second life EV batteries) to provide energy resiliency to the Bay Area Vishnav Parivar Temple and Cultural Community Center located at 175 Nortech Parkway, San Jose, CA. The demonstration will be located on an existing, already developed site. Thus, the Project will involve the minor alternation of an existing facility and will result in negligible or no expansion of use beyond the already existing infrastructure. Therefore, the project falls within section 15301 and will not have a significant effect on the environment.

Cal. Code Regs., tit. 14, Sec. 15303 provides that projects which consist of construction and location of limited numbers of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure, are categorically exempt from the provisions of CEQA. Up to 1,000 feet of trenching at a depth of 4 feet will be required to install electrical cable and then backfilled. The ground surface will be covered with crushed gravel and containers will be placed on a concrete pad. Associated support equipment (inverters, transformers, switchgear, metering) will also be installed on concrete pads. Therefore, the proposed project falls within section 15303 and will not have a significant effect on the environment.

Cal.Code Regs., tit. 14, Sec. 15304 provides that projects which consist of minor public or private alterations in the condition of land, water, and/or vegetation which do not involve removal of healthy, mature, scenic trees except for forestry or agricultural purposes are categorically exempt from the provisions of CEQA. Examples listed in section 15304 include, but are not limited to, minor trenching and backfilling where the surface is restored. The proposed project consists of trenching and backfilling in bare land for installation of electric cable. The Project would not remove any healthy, mature, or scenic trees. The trenching would be temporary, and the surface would be restored. Therefore, the project falls within section 15304 and will not have a significant effect on the environment.

This project does not involve impacts on any particularly sensitive environment; any cumulative impacts of successive projects of the same type in the same place that might be considered significant; does not involve unusual circumstances that might have a significant effect on the environment; will not result in damage to scenic resources within a highway officially designated as a state scenic highway; the project sites are not included on any list compiled pursuant to Government Code section 65962.5, and the project will not cause a substantial

adverse change in the significance of a historical resource. Therefore, none of the exceptions to categorical exemptions listed in CEQA Guidelines section 15300.2 apply to this project, and this project will not have a significant effect on the environment.

For Project Site 2 - San Pasqual Band of Mission Indians Tribal Government Complex - 16400 Kumeyaay Way, Valley Center, CA (demonstration site #2)

This project is covered by the Common Sense Exemption under 14 CCR 15061(b)(3), which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA

The San Pasqual Band of Mission Indians, a federally recognized tribe of Kumeyaay people indigenous to Southern California and northern Mexico, has a headquarters in Valley Center, California. The project will take place entirely on land that is self-governed by the San Pasqual Band of Mission Indians. To comply with CEQA, the CEC must evaluate impacts to land within the jurisdiction of the State of California, which is therefore limited to potential off-reservation impacts of the project.

In 2020, the San Pasqual Band of Mission Indians initiated construction of a microgrid project at its Tribal Government Complex with 180 kW of solar PV and 120kW/480kWh stationary battery storage. The critical loads include a Red Cross evaluation center, fire station, police station, and wastewater treatment plant. Other non-critical loads at the government complex include the Tribal Administration Building and the Education Building. This project will occur at this same site (a previously disturbed area) and will involve the installation of a 500kW/1MWh hybrid battery energy storage system (also including lithium iron phosphate, sodium ion, and second life EV batteries). The complex is in a high wildfire threat area, and the demonstration of this energy storage system is aimed at providing energy security to tribal operations during emergencies, including PSPS events.

The hybrid battery storage system installation will be a minor alteration to an existing facility within the interior of the San Pasqual Band of Mission Indians tribal land with no expansion beyond the government complex. Vehicle trips associated with the construction of the project will be temporary and the operation of the hybrid battery system will result in a negligible number of regular operational trips for maintenance. Best Management Practices (BMPs) will be used during installation and operation of the hybrid battery system. Therefore, no adverse effects to off-site air or water quality will occur because of the project. The installation and operation of the hybrid battery system would not substantially degrade the existing visual character or quality of off-reservation visual resources, as the system components are not visually obtrusive. The project will not have a significant adverse effect on the off-reservation environment due to unusual circumstances, result in a significant cumulative impact, damage resources within a designated state scenic highway, cause a substantial adverse change to the significance of a historical resource, or be located on a listed hazardous waste site. For these reasons, the project meets the CEQA Common Sense Exemption. Additionally, the project is categorically exempt from CEQA under California Code of Regulations, title 14, section 15301, as a minor alteration of existing facility, involving no expansion of the existing use.

Public Agency Contact
Contact Person: **Alexander Wyckoff** **Area code/Telephone/Ext:** 916-352-0568

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: Alexander Simpson Wyckoff **Date:** 12/4/2025 **Title:** **EGSS I**

☒ **Signed by Public Agency**

☐ **Signed by Applicant** **Date received for filing at OPR:** _____

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