

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: Gallo Global Nutrition LP

Project Title: Gallo Global Nutrition Net-Zero Food Production Project

Project Location – Specific: 10561 State Highway 140

Project Location – City: Atwater 95301 Project Location – County: Merced

Description of Nature, Purpose and Beneficiaries of Project:

This agreement will replace the aging and outdated R-407 and R-410a refrigeration systems with two ultra-efficient, low charge ammonia refrigeration systems at a dairy facility located in Atwater, CA. This installation of the new system will improve energy efficiency, reduce greenhouse gas emissions, and enable on-peak demand reductions.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: Gallo Global Nutrition LP

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, § 15302
- Statutory Exemptions. State code number.
- Common Sense Exemption. (Cal. Code Regs., tit. 14, §15061(b)(3))

Reasons why project is exempt:

Cal. Code Regs., tit. 14, Section 15301 provides that the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing structures, facilities, mechanical equipment or topographical features involving negligible or no expansion of use beyond that existing are categorically exempt from the provisions of CEQA.

The project will replace existing inefficient equipment with equipment that will reduce energy consumption and greenhouse gas emissions, with no or negligible expansion of use. The equipment to be replaced includes advanced refrigeration system, piping, and fittings which may require minor alterations to install. The new systems will be installed in currently existing buildings next to the outdated systems. Site preparation may include the construction of a new concrete pad, which will be about 20x20 or less. This project will involve minor alteration of existing facilities and mechanical equipment at the existing dairy facility in Atwater and will result in negligible or no expansion of the existing use. For these reasons, the project will not have a significant effect on the environment and falls under the categorical exemption listed in 14 C.C.R. §15301.

Cal. Code Regs., tit. 14, Section 15302 provides an exemption where the project involved consists of replacement or reconstruction of existing structures and facilities where the new structure will be located on the same site as the structure replaced and will have substantially the same purpose and capacity as the structure replaced. This project will replace existing inefficient refrigeration equipment at an existing dairy facility with modernized equipment and reduce energy consumption and greenhouse gas emissions. The equipment to be replaced includes advanced refrigeration system and associated piping and fittings. The new equipment will be located on the same site as the equipment replaced and have substantially the same purpose and capacity as the equipment replaced. Therefore, the new structures are replacing existing structures at the same site for the same purpose. For these reasons, the project falls under categorical exemption listed in 14 C.C.R. § 15302.

The project will not impact an environmental resource of hazardous or critical concern where designated, precisely mapped, and officially adopted pursuant to law by federal, state, or local agencies; does not involve 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 site is 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.

Lead Agency

Contact Person: Jimmy Ledesma **Area code/Telephone/Ext:** (279) 226-1071

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: Jimmy Ledesma **Date:** 1/28/2026 **Title:** Mechanical Engineer

Signed by Public Agency

Signed by Applicant

Date received for filing at OPR: _____