

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: Association for Energy Affordability

Project Title: Safety, Efficiency, and Scalability for Ultra-low GWP Multifunction Air-to-Water Heat Pump Systems

Project Location – Specific: 804 S Harris St

Project Location – City: Hanford 93230 **Project Location – County:** Kings

Project Location – Specific: 25791 Commercentre Drive

Project Location – City: Lake Forest **Project Location – County:** 92630

Description of Nature, Purpose and Beneficiaries of Project:

This project will develop an electric heat pump prototype using ultra-low global warming potential refrigerants. The system will provide heating, cooling and hot water heating and will be demonstrated in multifamily residences. The system will be evaluated for advancements to safety, energy performance, cost effectiveness, and market potential.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: Association for Energy Affordability

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, § 15306
- 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.

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

This project involves laboratory work and the installation, testing, and replacement of mechanical equipment within existing multifamily buildings with no expansion of use and no physical alteration of the structures beyond routine HVAC and water heating work. The project consists of the in-laboratory development and subsequent onsite installation propane-based heat pump systems as replacements of existing systems. No new buildings will be constructed, and no increase in building units. Installation activities are limited to multifunction water heater heat pumps paired with compact thermal storage modules for up to 8 multifamily units in Hanford, California. The scope integrates all necessary valves and controls, use of existing or equivalent refrigerant lines, electrical connections, occupancy, or square footage will occur. The project does not involve grading, trenching beyond minor electrical or conduit work typical of HVAC and water heater replacement, vegetation removal, or disturbance of undisturbed land. All work will occur within previously developed residential sites, and the upgraded equipment will serve the same space-conditioning and water heating functions as the existing systems. Therefore, there will only be minor alterations of an existing structure and there will be no, or negligible expansion of use beyond the current HVAC system. 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, §15306 provides that projects which consist of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource are categorically exempt from CEQA. This project consists of research and data collection associated with the in-laboratory development and subsequent onsite installation of propane-based heat pump systems as replacements of existing HVAC and hot water systems. This project will cause minimal or no disturbance to the land and does not have the potential to cause serious or major disturbances to an environmental resource. This project will not have a significant effect on the environment therefore it is exempt under California Code of Regulations, title 14, section 15306.

This project does not involve impacts on any particularly sensitive environment; 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.

Public Agency Contact Person:

Contact Person: Felix Villanueva Area code/Telephone/Ext: 916-232-8997

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: Felix Villanueva Date: 3/24/26 Title: Utilities Engineer

Signed by Public Agency

Signed by Applicant

Date received for filing at OPR: _____