

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: Aspen Environmental Group

Project Title: Assessing New Electricity Rate Structures to Support LDES systems that operate for 8 or 12 hours

Project Location – Specific: 8801 Folsom Blvd., Suite 275, Sacramento, CA 95826

Project Location – City: Sacramento

Project Location – County: Sacramento

Description of Nature, Purpose and Beneficiaries of Project:

Aspen will assist the California Energy Commission in identifying, validating, and stress-testing revenue pathways and financing structures that can support the deployment of long-duration energy storage (LDES) technologies that provide approximately 8 to 12 hours and longer durations of service to the California grid. This information is critical to allow these LDES systems to receive future payments for the services they provide that exceed the current standard of four hours. This knowledge will allow the CEC to work with the CPUC and CAISO to update the energy storage revenue options the State offers for all emerging LDES technologies so these technologies can be integrated into the California Electric Grid of the future.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: Aspen Environmental Group

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, § 15306

☐ Statutory Exemptions. State code number.

☐ Common Sense Exemption. (Cal. Code Regs., tit. 14, § 15061(b)(3))

Reasons why project is exempt:

California Code of Regulations, tit. 14, sec. 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. The project will include reviewing the active energy storage rate structures that are used today in California's grid management system such as: resource adequacy, spinning reserve, frequency response and other state revenue opportunities for energy storage systems to be paid for their services. Since most of these opportunities are designed for energy storage durations of four hours or less, this research will assess how long duration energy storage systems that provide energy storage durations of 8-12 hours or longer can

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

optimize their revenue potential using the existing suite of options. This data will be collected from the California utilities, CCAs, CPUC, CAISO and other entities knowledgeable on how the system currently works. Next the research team will assess how these existing revenue options could be modified to maximize the use of longer duration energy storage systems and demonstrate how these new longer energy storage duration options could provide a better value to the state as the grid management system meets all the requirements of SB-100 by 2045. The results of this research will be provided to the CPUC, CAISO and other key utility management entities in reports and documents for them to consider as options on how to cost effectively integrate long duration energy storage into the California grid energy management system. This work will not result in a serious or major disturbance to an environmental resource. For this reason, the proposed project will not have a significant effect on the environment and is categorically exempt from CEQA under California Code of Regulations, tit. 14, sec.15306.

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

Public Agency

Contact Person: Michael Gravely **Area code/Telephone/Ext:** 916-704-4339

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: Michael Gravely **Date:** 06/25/2026 **Title:** Senior Engineer

☒ **Signed by Public Agency**

☐ **Signed by Applicant**

Date received for filing at OPR: _____