

Notice of Exemption

TO: Office of Planning and Research
1400 Tenth Street, Room 212,
Sacramento, California 95814

FROM: California Energy Commission
715 P Street
Sacramento, California 95814

Project Title: APPROVAL OF KUBO GROUP (KUBO)'S EXCEPTIONAL METHOD FOR ANALYZING THE DESIGN OF A HEATED GREENHOUSE IN SANTA MARIA, CALIFORNIA

Project Location: Santa Maria, California 93458

Description of Nature, Purpose, and Beneficiaries of Project:

The California Energy Commission (CEC) adopts and regularly updates regulations for new construction, additions, and alterations to residential and nonresidential buildings, which are contained in California Code of Regulations, Parts 1 and 6 (the California Energy Code). These regulations go through an extensive public process and are adopted at a CEC business meeting before going into effect.

Part 1 of the Energy Code includes administrative regulations for implementation. In certain circumstances, interested parties or the CEC may identify Exceptional Methods that meet the minimum requirements of the Energy Code, but that require additional regulatory action to ensure compliance and consistency with the Energy Code. In these situations, section 10-109(e) of the 2025 Energy Code states that, "The Commission may approve an exceptional method that analyzes a design, material, or device that cannot be adequately modeled using the public domain computer programs. Applications for approval of exceptional methods shall include all information needed to verify the method's accuracy."

On June 24, 2026, KUBO submitted an application for CEC approval of KUBO's Exceptional Method for the specified project design that demonstrates compliance with mandatory requirements for nonopaque envelopes in conditioned greenhouses as provided by the 2025 Energy Code. The application included documentation that analyzed the performance of a conditioned greenhouse project in Santa Maria, demonstrating that the design meets or exceeds the equivalent requirements of Section 120.6(h). The application was available for public comment through July 24, 2026. No comments were received.

CEC staff reviewed the application submitted on June 24, 2026, including supporting analysis, and all written comments submitted. CEC staff's analysis confirmed that:

1. KUBO's conditioned greenhouse design for the specified project in Santa Maria, CA cannot be adequately modeled by any of the public domain computer programs used to demonstrate compliance with the 2025 Energy Code,

2. The proposed Exceptional Method adequately models the performance of KUBO's design for the specified conditioned greenhouse in Santa Maria, California,, and
3. The proposed Exceptional Method for analyzing KUBO's design, as applied to the Santa Maria project described in the application, accurately demonstrates a modest reduction of the energy budget compared to the mandatory requirements for nonopaque envelopes in conditioned greenhouses in the 2025 Energy Code.

CEC staff and the Executive Director recommended that the CEC approve KUBO's proposed Exceptional Method that analyzes the design of a conditioned greenhouse project in Santa Maria, California, consistent with Section 10-109(e).

KUBO's Exceptional Method was approved at the CEC's August 17, 2026 Business Meeting.

Name of Public Agency Approving Project: California Energy Commission

Name of Person or Agency Carrying Out Project: California Energy Commission

Exempt Status: (Check One)

- ☐ Ministerial (Sec. 21080(b)(1); 15268);
- ☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));
- ☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
- ☐ Categorical Exemption: State type and section number: _____
- ☐ Statutory Exemption: State code number: _____
- ☐ Other: Common Sense (Sec. 15061(b)(3))

Reasons why the project is exempt:

The California Environmental Quality Act (CEQA) Public Resources Code (PRC) sections 21000 *et seq.*, see also CEQA Guidelines, California Code of Regulations (CCR), Title 14, sections 15000 *et seq.*) requires that state agencies consider the environmental impact of certain discretionary decisions. CEQA allows certain projects to be exempted from its requirements. Of relevance here, and discussed further below, is the common-sense exemption (CCR, Title 14, section 15061(b)(3)).

A "project" under CEQA is defined as the "whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment" (CCR, Title 14, section 15378(a)). The CEC's findings regarding alternative procedures for public school buildings do not constitute a "project" under CEQA since it is not an activity that may cause a direct or reasonably foreseeable indirect physical change to the environment.

In its findings approving KUBO's application to establish an Exceptional Method, the CEC does not change the minimum requirements of the 2025 Energy Code. Instead,

the CEC is approving a voluntary exceptional method that analyzes a design that is otherwise not able to be modeled by any current software program used to demonstrate compliance with the Energy Code, but still guarantees, at least, the same performance as already required by the regulations. The CEC's actions in approving an application on its own do not amount to actions that may cause a direct or reasonably foreseeable indirect physical change to the environment, as provided by the CEQA definition for a "project" (CCR, Title 14, section 15378(a)). Accordingly, the CEC's actions are not a "project" for purposes of CEQA.

Even if considered a project under CEQA, the CEC's approved findings in accordance with section 10-109(h) are exempt from CEQA under the Common-Sense Exemption. The Common-Sense Exemption states that, "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" (CCR, Title 14, section 15061(b)(3)). A "significant effect on the environment" is defined as a "substantial, or a potentially substantial, adverse change" in the environment, and does not include an economic change by itself (Public Resources Code, section 21068; CCR, Title 14, section 15382).

The Common-Sense Exemption would apply as it can be seen with certainty that there is no possibility that the CEC's findings regarding KUBO's application will have a significant effect on the environment (CCR, Title 14, sections 15061(b)(3) and 15061(a)). As discussed above, the findings regarding this application confirm that KUBO's Exceptional Method accurately analyzes a design that meets, or exceeds, the energy budget performance for mandatory requirements of nonopaque envelopes in conditioned greenhouses as specified by the 2025 Energy Code. It does not require any particular project or design to engage in any activity that was not already evaluated during the 2025 Energy Code rulemaking, which published an initial study and negative declaration for the 2025 Energy Code as a whole. For these reasons, the CEC's approval of KUBO's application for an Exceptional Method is not subject to CEQA under the Common-Sense Exemption, section 15061(b)(3).

For these reasons, the CEC's approval of KUBO's Exceptional Method application for the specified project design that demonstrates compliance with mandatory requirements for nonopaque envelopes in conditioned greenhouses as provided by the 2025 Energy Code is not subject to CEQA under the Common-Sense Exemption, section 15061(b)(3).

Lead Agency Contact Person

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Signature: *Gypsy Achong*_____

Date: 8/27/2026_____

Title: Program Manager



Signed by the Lead Agency

Date received for filing by