



May 20, 2024

Ventura County Board of Supervisors
800 S. Victoria Avenue
Ventura, California 93009

RE: ITEM 8 ADOPTION OF A VENTURA COUNTY-INITIATED ORDINANCE AMENDING ARTICLES 2, 5, 7 AND 19 OF THE VENTURA COUNTY NON-COASTAL ZONING ORDINANCE TO AMEND THE DEFINITION FOR ENERGY PRODUCTION FROM RENEWABLE SOURCES AND ADD A DEFINITION, USE CATEGORY, AND ACREAGE LIMITATION FOR ENERGY STORAGE FACILITIES IN CERTAIN ZONES; FIND THAT ADOPTION OF THE PROPOSED ORDINANCE IS EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT.

Dear Chair Kelly Long,

We're submitting this comment letter to urge Ventura County to prioritize issuing use permits for energy storage facilities with consideration to CAISO queue positions and other milestones from the interconnection process, which are imperative for a project to move forward. This framework is especially crucial if the proposed ordinance for acreage limitation on energy storage facilities is adopted.

Aypa Power has been safely operating energy storage and hybrid renewable energy projects since 2018. Our mission is to decarbonize the grid and enhance the affordability, sustainability, and efficiency of energy markets. As an independent power producer, we manage over 33 energy projects across North America, with an additional 22 gigawatts of projects in various stages of development or construction.

During the development phase of the project lifecycle, battery energy storage projects undertake multiple processes concurrently. Among these, two stand out as critical: the discretionary permitting process, commonly known as use permits ("permits"), and the CAISO interconnection study process ("CAISO process"). Additionally, projects must fulfill further milestones with CAISO – specifically, execution of the Interconnection Agreement and Deliverability allocation. The Interconnection Agreement is the contract that governs a project's connection to the electrical grid, and Deliverability is the limited resource that ensures a generating or storage resource can provide much-needed capacity to the CAISO electrical grid at periods of peak need.

The CAISO process plays a pivotal role in determining a project's eligibility to connect to the electric grid, along with the associated costs and schedule. Conducted by CAISO at regular intervals, this process can span several years, with priority given based on the application date. To streamline the assessment of interconnection requests, CAISO employs a "cluster approach," grouping projects filed during the same annual or semi-annual window together for efficient evaluation. Although traditionally conducted annually with two-year study completion windows, recent delays have extended these cycles to up to four years.

Given the protracted nature of the CAISO process, it's common for projects to pursue permits concurrently with the CAISO process. However, developers engage in permitting at their own risk, as the timing and outcomes of interconnection studies depend on various factors, such as when the project enters the CAISO process. As projects move through the CAISO queue, they receive

increasingly thorough evaluation and improved resolution of interconnection costs until they execute an Interconnection Agreement and Deliverability allocation, at which point the projects' interconnection costs and viability are known. At this point, projects are closer to construction eligibility and thus receive preference in state and local project selections by offtakers. Consequently, projects with earlier queue positions are likely to advance ahead of those with later positions.

In the context of Ventura County, multiple projects are currently in the CAISO process, distributed across various clusters, with some having initiated the process several years earlier than others. To the extent Ventura County seeks to maintain the proposed county-wide acreage limitation within certain zones, we recommend the County amend the battery energy storage ordinance language to include the following conditions of approval prior to calculating the County's acreage limits or issuing ministerial permits, e.g., building permits:

1. Provision of an executed Interconnection Agreement with CAISO
2. Proof of CAISO Transmission Plan Deliverability

Adding these requirements avoids timing mismatches between the County permitting and CAISO processes by ensuring a project can connect to the grid and will not become stranded (permitted without interconnection or the marketable attribute of deliverability). It also ensures the most viable projects move forward, spurring competition and creating the greatest potential value for Ventura County.

Ventura County's proposed ordinance, if not amended, could disrupt development by granting permits without considering a project's interconnection status and subsequent milestones in the CAISO process. This could lead to scenarios where projects with earlier queue positions struggle to obtain county use permits while those with later positions face challenges in timely or cost-effective interconnection.

Failure to prioritize or consider projects based on their CAISO queue positions and milestones may inadvertently lead to delays, increased costs, and uncertainty for developers and stakeholders. Therefore, Ventura County should factor in CAISO queue positions when making decisions regarding project prioritization or adjust other elements of the proposed ordinance to accommodate projects in different clusters.

We appreciate your consideration of this request and extend our appreciation to the Ventura County Board of Supervisors for your dedication to public service.

Sincerely,



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