



CITY OF SANTA MARIA
PLANNING COMMISSION STAFF REPORT
MARCH 19, 2025

**ZONING TEXT AMENDMENTS FOR BATTERY ENERGY STORAGE SYSTEMS,
TITLE 12 OF THE CITY OF SANTA MARIA MUNICIPAL CODE**

Review of Zoning Text Amendments (Z2025-0002) amending Title 12 – Zoning, to add a new definition for Battery Energy Storage Systems (“BESS”) to Chapter 12-2, limiting their location to the City’s General Manufacturing District contained in Chapter 12-17 with a Conditional Use Permit and/or Planned Development Permit, and establishing specific development standards for certain BESS uses.

Environmental: Pursuant to CEQA Guidelines Section 15060(c)(2), the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. Additionally or alternatively, this Ordinance is exempt from CEQA under CEQA Guidelines Section 15061(b)(3) as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment, Section 15307 (Class 7, categorical exemption for regulatory activity to assure the protection of natural resources), and Section 15308 (Class 8, categorical exemption for regulatory activity to assure the protection of the environment).

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RECOMMENDATION:

By resolution, recommend that the City Council approve Zoning Text Amendment Z2025-0002.

BACKGROUND

The proposed Ordinance is intended to define and regulate the location and operation of BESS facilities in the City and is in response to a series of incidents at BESS facilities both in California and nationwide. BESS facilities that use lithium-ion batteries create particularly unique potential fire and explosion hazards. Information suggests that lithium-ion batteries are potentially safe and stable when installed properly, however certain conditions elevate the risk of fire and thermal runaways, such as impact, puncture, or mechanical damage, overcharging, overheating, and/or short circuits. A recent incident is the January 16, 2025, major fire that broke out at an existing BESS facility in the unincorporated community of Moss Landing in Monterey County. This incident forced 1,200 residents to evacuate, caused highway closures, and released smoke plumes posing a potential health threat to humans and wildlife in Monterey County.

The Community Development Department has had recent inquiries regarding developing BESS facilities within the City. However, the Municipal Code, Title 12 (Zoning Ordinance) does not have definitions, land use policies or standards in place to regulate the location and operation of BESS facilities within City limits in order to address compatibility with surrounding uses and safety, among other issues. To ensure the public's health, safety, and welfare, the proposed Ordinance is intended to provide clarity regarding the location, development standards, and permitting procedures for BESS facilities.

DISCUSSION

The California Energy Commission (CEC) website identifies that 'energy storage is an important tool to support grid reliability and complement the state's abundant renewable energy resources.' Energy storage technologies are designed to capture energy generated during non-peak energy demand times, store that energy, and then release that energy back into the electrical grid to help meet peak loads. The CEC also cites that "from 2018 to 2024, battery storage capacity in California increased from 500 megawatts (MW) to more than 13,300 MW, with an additional 3,000 MW planned to come online by the end of 2024."

BESS Definition

In general, a BESS facility collects energy from the grid, stores it, and then discharges that energy later to provide electricity or other grid services when needed, typically at times of high demand.

The proposed Ordinance defines BESS as:

"Battery Energy Storage Systems ("BESS") means a facility in part consisting of rechargeable electro-chemical storage batteries, battery chargers, controls and associated electrical equipment designed to collect energy from the grid or an associated distributed generation system and then discharge that energy at a later time to provide electricity or other grid services when needed."

This definition will be added to Chapter 12-2 of the Zoning Ordinance (Title 12).

Conditionally Permitted

Recognizing the Industrial nature of BESS facilities, the proposed ordinance would amend Chapter 12-17, General Manufacturing District, of the Zoning Ordinance (Title 12) to allow BESS facilities subject to the approval of a Conditional Use Permit only within the City's General Manufacturing (M-2) District. The BESS facility would be required to comply with all of the development standards, including that the property is adequately separated from residences, hospitals, and schools.

The Conditional Use Permit would be under the discretion of the Planning Commission and the Planning Commission would have the opportunity to include conditions of approval to mitigate any potential land use conflicts, public health and safety concerns.

BESS Development Standards

The Ordinance establishes a new section for BESS project development standards regarding the development of an Emergency Response and Emergency Action Plan by the facility owner, the separation of BESS facilities from specific sensitive uses, and expanded public hearing notice for BESS project Conditional Use Permit applications.

Senate Bill (“SB 38”) and the California Public Utilities Code Section 761.3 law requires applicants of BESS facilities to develop an Emergency Response and Emergency Action Plan “In order to ensure the safety of employees, emergency responders, and surrounding communities. . .” (Cal. Pub. Util. Code § 761.3.). The BESS owner is required to coordinate the development of this plan with the emergency agencies local to the development site, and when complete, is required to provide that plan to the county where the facility is located. The plan must:

- Establish response procedures for an equipment malfunction or failure.
- Include procedures that provide for the safety of surrounding residents, neighboring properties, emergency responders, and the environment. These procedures shall be established in consultation with local emergency management agencies.
- Establish notification and communication procedures between the battery energy storage facility and local emergency management agencies.

Public Utility Code § 761.3 regulations also state that the plan *may* also:

- Consider responses to potential offsite impacts, including, but not limited to, poor air quality, threats to municipal water supplies, water runoff, and threats to natural waterways.
- Include procedures for the local emergency response agency to establish shelter-in-place orders and road closure notifications when appropriate.

The proposed Ordinance makes these mandatory components of Emergency Response and Emergency Action Plan for projects located within the City.

The City’s street system is a north-south, east-west grid, with collector or larger capacity streets placed at ¼ mile spacing. Generally, the City’s zoning designation locations and boundaries have also been arranged based on the street grid. Therefore, the proposed ordinance uses the ¼ mile (1,320 feet) as the appropriate minimum separation between BESS development sites and nearby sensitive uses, consisting of Residential and Mixed-Use Residential developments and Zones, Senior Residential projects, Schools, and Hospitals.

BESS Application Public Hearing Notice. With many of the City’s industrially zoned areas consisting of larger parcels and considering the potential impact area if a BESS facility incident were to occur, staff believes the standard of providing public hearing notice to property owners within 300 feet of the project site is insufficient. The Ordinance requires that property owners within 1,760 feet (1/3 mile) of the BESS project parcel be notified of

public hearings on the proposed BESS facility. The 1/3 mile noticing distance is to ensure noticing does not miss adjacent sensitive uses (which will be at least ½ mile away from the proposed BESS project site). As is the case with all discretionary public noticing, the project applicant is required to pay the postage for notifying all property owners within the noticing radius as a part of a complete application.

“Opt-In” Certification by the California Energy Commission

In 2022, the Governor signed into law Assembly Bill 205 (“AB 205”), which expands the California Energy Commission’s (“CEC”) powerplant siting authority to include certain renewable energy facilities, including energy storage systems defined in California Public Utilities Code Section 2835 capable of storing 200 megawatt-hours or more of electrical energy. Pursuant to AB 205, an applicant proposing to build a qualifying energy facility may file an “opt-in application for certification” at the CEC and the CEC’s permitting authority over the proposed project is in lieu of any permit, certificate, or similar document required by a state, local, or regional agency, or federal agency, to the extent permitted by federal law, for those facilities.

Therefore, this Ordinance would not prevent a qualifying BESS facility from oping to obtain State approval to locate in Santa Maria through the California Energy Commission’s AB 205 Opt-in Certification program, which allows an override of local zoning.

Environmental

Pursuant to CEQA Guidelines Section 15060(c)(2), the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment. Additionally or alternatively, this Ordinance is exempt from CEQA under CEQA Guidelines Section 15061(b)(3) as it can be seen with certainty that there is no possibility the activity in question may have a significant effect on the environment, Section 15307 (Class 7, categorical exemption for regulatory activity to assure the protection of natural resources), and Section 15308 (Class 8, categorical exemption for regulatory activity to assure the protection of the environment).

Attachments

A – Planning Commission Resolution