Strategic Reliability Reserve – Claribel Substation

California Assembly Bill 205 (AB205) and Assembly Bill 209 created a state-led Strategic Reliability Reserve (SRR) program to be developed by the California Department of Water Resources (DWR) in conjunction with its sister state agencies, the California Energy Commission (CEC) and California Air Resources Board. Because of DWR's expertise as a water and power utility, DWR has been tasked to work with the CEC to develop projects that would expand power generation and energy storage facilities to respond to energy shortages due to extreme events (per California Public Resources Code 25790.5), such as heatwaves or wildfires. This effort includes the installation of emergency power generator units at existing facilities that can feed directly into the electric grid during extreme peak-demand events.

AB205 establishes a process to streamline approval and construction of these temporary generation facilities by exempting the projects from the California Environmental Quality Act (CEQA) and allowing DWR to self-certify in-lieu of the CEC certification process.

The SRR – Claribel Substation is one of the projects being developed by DWR in support of the emergency and temporary power generation component of the SRR program. This project includes the installation of 123 natural gas generators at Modesto Irrigation District's existing Claribel Substation, located between the cities of Modesto and Riverbank in Stanislaus County. The new generators would be capable of producing up to 48 megawatts of electricity with operations not expected to exceed 300 hours annually. This additional power would be available for emergency use for 5 years. If the Irrigation District chooses to continue operating the generators after 5 years, the project would be subject to additional review and certification by the CEC.

An environmental review of this project was conducted by DWR pursuant to AB205. The Strategic Reliability Reserve Environmental Review for the Modesto Irrigation District Claribel Substation Site will be available on the State Power Augmentation website: <u>https://water.ca.gov/What-We-Do/Power?utm_medium=email&utm_source=govdelivery</u>.

I hereby agree that this project is statutorily exempt from CEQA and meets all other conditions set forth in AB205. As such, I approve this project.

karla a. Nemetli

Karla A. Nemeth, Director Department of Water Resources 2/15/2023

Date