



GRANT AMENDMENT REQUEST FORM (GARF)

Original Agreement # ARV-17-050 Amendment # 1

Division	Agreement Manager:	MS-	Phone
600 Fuels and Transportation Division	Andrew Hom	27	916-931-9422

Recipient's Legal Name	Federal ID #
Stratosfuel, Inc.	47-5270579

Revisions: (check all that apply)	Additional Requirements
<input checked="" type="checkbox"/> Term Extension New End Date: 06 / 30 / 2023	Include revised schedule and complete items A, B, C, & F below.
<input type="checkbox"/> Budget Augmentation Amendment Amount: \$ 0	Include revised budget and complete items A, B, C, D, & F below.
<input checked="" type="checkbox"/> Budget Reallocation	Include revised budget and complete items A, B, C, & F below.
<input type="checkbox"/> Scope of Work Revision	Include revised scope of work and complete items A, B, C, E, & F below.
<input checked="" type="checkbox"/> Change in Project Location or Demonstration Site	Include revised scope of work and complete items A, B, C, E, & F below.
<input type="checkbox"/> Novation/Name Change of Prime Recipient	Include novation documentation and complete items A, B, C, & F below.
<input type="checkbox"/> Terms and Conditions Modification	Include applicable exhibits with bold/underline/ strikeout and complete items A, B, C, & F below.

A) Business Meeting Information

Business Meeting approval is not required for the following types of Agreements:

Minor amendments delegated to Executive Director per December 2013 Resolution

Proposed Business Meeting Date 10 / 13 / 2021 Consent Discussion

Business Meeting Presenter Andrew Hom Time Needed: 5 minutes

Please select one list serve. Altfuels (AB 118- ARFVTP)

Agenda Item Subject and Description:

Proposed resolution adopting California Environmental Quality Act (CEQA) findings for Stratosfuel, Inc.'s Zero Impact Production Facility project, and Amendment #1 to grant agreement for project implementation.

a. CEQA FINDINGS. Proposed resolution finding that based on the Lead Agency City of Victorville's Mitigated Negative Declaration (MND), Mitigation Monitoring Program, Initial Study and the City of Victorville Planning Commission's Resolutions No. P-21-010, P-21-037, and P-21-038 approving the MND, Site Plan and Conditional Use Permit, the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered.

b. Proposed resolution approving Amendment #1 to Agreement ARV-17-050 with Stratosfuel, Inc. to approve a site location change to the City of Victorville, a budget revision,



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and a 17-month no-cost time extension to fund the Zero Impact Production Facility project. The 5,000 kilogram per day electrolysis facility shall produce and supply 100 percent renewable hydrogen fuel to California's network of public hydrogen refueling stations. (ARFVTP Funding) Contact: Andrew Hom

B) List all subcontractors (major and minor) and equipment vendors: (attach additional sheets as necessary)

Legal Company Name:	Budget
Bilfinger Inc.	\$ 2,100,000
Merrell Johnson	\$ 95,000
Engineering, Procurement & Construction LLC	\$ 95,000
Retail Energy Solutions	\$ 95,000

C) List all key partners: (attach additional sheets as necessary)

Legal Company Name:

D) Budget Information (only include amendment amount information)

Funding Source	Funding Year of Appropriation	Budget List Number	Amount
Funding Source			\$

R&D Program Area: Select Program Area TOTAL: \$

Explanation for "Other" selection

Federal Agreement #:

E) California Environmental Quality Act (CEQA) Compliance

1. Is Agreement considered a "Project" under CEQA?

- Yes (skip to question 2) No (complete the following (PRC 21065 and 14 CCR 15378)):

Explain why Agreement is not considered a "Project":

Agreement will not cause direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment because .

2. If Agreement is considered a "Project" under CEQA:

- a) Agreement **IS** exempt.
- Statutory Exemption. List PRC and/or CCR section number:
- Categorical Exemption. List CCR section number:



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Common Sense Exemption. 14 CCR 15061 (b) (3) Explain reason why Agreement is exempt under the above section:

b) Agreement **IS NOT** exempt. (consult with the legal office to determine next steps)

Check all that apply

Initial Study

Negative Declaration

Mitigated Negative Declaration

Environmental Impact Report

Statement of Overriding Considerations

F) The following items should be attached to this GARF (as applicable)

- | | | |
|---|------------------------------|--|
| 1. Exhibit A, Scope of Work | <input type="checkbox"/> N/A | <input type="checkbox"/> Attached |
| 2. Exhibit B, Budget Detail | <input type="checkbox"/> N/A | <input type="checkbox"/> Attached |
| 3. CEQA Documentation | <input type="checkbox"/> N/A | <input checked="" type="checkbox"/> Attached |
| 4. Novation Documentation | <input type="checkbox"/> N/A | <input type="checkbox"/> Attached |
| 5. CEC 105, Questionnaire for Identifying Conflicts | | <input checked="" type="checkbox"/> Attached |

Agreement Manager

Date

Office Manager

Date

Deputy Director

Date

Memorandum

For: ARV-17-050, Stratosfuel, Inc.'s

Date : October 7, 2021

From: Andrew Hom
Air Resources Engineer
California Energy Commission

Subject: California Environmental Quality Act Analysis for amendment to Agreement ARV-17-050, Stratosfuel, Inc.'s "Zero Impact Production Facility" project

I am an Air Resources Engineer in the Fuels and Transportation Division, for the California Energy Commission (CEC), and the Commission's Agreement Manager (CAM) for proposed amendment to grant agreement, Agreement ARV-17-050 (Agreement) with Stratosfuel, Inc. (Stratosfuel), titled Zero Impact Production Facility.

INTRODUCTION

At the June 13, 2018 business meeting, the CEC approved the Agreement for Stratosfuel's proposed facility to be built at a location in Moreno Valley. Now, Stratosfuel is proposing to amend the Agreement and build the facility in the City of Victorville. This memo analyzes the environmental impacts of the proposed project, Zero Impact Production Facility (the Project) at the new location in the City of Victorville. The Project would construct a 100 percent renewable hydrogen electrolysis and steam methane reformation facility and associated professional office campus. The proposed Project will be constructed on approximately 10.38 acres of previously developed land located north-northwest of the intersection of Perimeter Road and Phantom East in the city of Victorville, San Bernardino County, California. The purpose of the Project will be to produce gas and liquid hydrogen for distribution to local and regional hydrogen fueling stations for the use in electric fuel cell vehicles. Using CEC funding in the amount of \$3,965,665, the Project would produce renewable hydrogen via electrolysis from on-site electrolyzers and steam methane reformation of biogas.

ENVIRONMENTAL REVIEW

The City of Victorville's Planning Commission (Lead Agency) undertook and completed an Initial Study prepared by EXP Energy Services, Inc. in accordance with the California Environmental Quality Act (CEQA) to determine if the renewable hydrogen production facility project would have a significant effect on the environment. The result of the Initial Study was the preparation and circulation of a Mitigated Negative Declaration (MND). On March 10, 2021, the Lead Agency, approved Resolution No. P-21-010 approving the MND after finding that the project would not have a negative effect on the environment as demonstrated in the MND. On September 8, 2021, the Lead Agency approved Resolutions No. P-21-037 and P-21-038 approving a site plan and conditional use permit allowing for the development of hydrogen production facility and associated on-site and off-site improvements. The approvals are subject to all Mitigation Monitoring Program contained within the MND. I find that the work in the proposed Project falls within the scope of the Lead Agency's

documents and the Agreement will not result in any new significant environmental impacts than those already considered by the Lead Agency. I have not found any new mitigation measures within the Energy Commission's authority that would lessen or further mitigate the Project's impacts.

DISCUSSION

In approving the amendment to the Agreement, the CEC acts as a responsible agency under CEQA particularly where, as here, an environmental analysis has been prepared for the Project. Pursuant to my work in developing the amendment to the Agreement, I have reviewed:

- The Lead Agency's Initial Study;
- The Lead Agency's MND;
- The CUP and site plan approved by the Lead Agency;
- The Lead Agency's Mitigation Monitoring Program;
- The Lead Agency's Notices of Determination; and
- The proposed amendment to the Agreement, including Scope of Work for Agreement ARV-17-050.

The following is a discussion of areas of potential environmental impact:

Aesthetics:

The Project is expected to have less than significant impacts on Aesthetics.

Agriculture and Forest Resources:

The Project is expected to have no impact on Agricultural and Forest Resources.

Air Quality:

Project generated dust would be controlled by adhering to Mojave Desert Air Quality Management District's (MDAQMD) fugitive dust requirements (Rule 43) during all grading and construction phases of the project. The applicant/developer shall prepare and submit to the MDAQMD a dust control plan that describes all applicable dust control measures that will be implemented at the project prior to commencing earth-moving activities. Signage will be erected not later than the commencement of construction to provide contact information if dust from the project is observed. Additional dust suppression techniques include periodic watering of disturbed areas and the minimization of clearing and grading to the maximum extent feasible. The proposed Project is located within the Industrial District identified in the Southern California Logistics Airport Specific Plan and allows for a broad range of industrial activities, and the proposed project would be consistent with the emission-reduction goals of the MDAQMD Attainment Plans. Therefore, the air quality impacts are less than significant.

Biological Resources:

Joshua trees are protected by the County of San Bernardino and protected by the City of Victorville. Additionally, California Department of Fish and Wildlife has proposed the Joshua tree as a candidate for listing as an endangered species. If the tree has to be removed then a permit for removal from the City will be required along with the coordination (and possible permit) from the County of San Bernardino. A reconnaissance of the site indicates there are no Joshua trees on the property, thus no Joshua trees would be cut, damaged, or destroyed during Project development. Project development would not conflict with this ordinance or any others regarding biological resources, therefore any potential impacts will be less than significant with mitigation incorporated.

Cultural Resources:

In the event that cultural resources are discovered during project activities, all work in the immediate vicinity of the find (within a 60-foot buffer) shall cease and a qualified archaeologist meeting Secretary of Interior standards shall be hired to assess the find. Further work may be warranted if the discovery is significant. Additionally, if human remains or funerary objects are encountered during any activities associated with the project, work in the immediate vicinity (within a 100-foot buffer of the find) shall cease and the County Coroner shall be contacted. The likelihood of the Project area containing human remains is deemed low, and had been previously disturbed with George Air Force Base, the impacts to the aforementioned types of cultural resources are less than significant with the mitigation incorporated.

Geology and Soils:

The Project is expected to have less than significant impacts on Geology and Soils. Mitigation measures require a qualified paleontologist be retained for an assessment of the Project area to determine if Quaternary sediments are being disturbed during deep excavations and a process to follow if fossil are found. This mitigation will reduce any potential impacts to less than significant.

Greenhouse Gas Emissions:

No potentially significant impacts were identified, and no mitigation measures are required.

Hazards and Hazardous Materials:

The Project is expected to have less than significant impacts on hazards and hazardous materials with mitigation incorporated. The proposed Project site was included as part of former George Air Force Base and the base is listed on the Cortese list, US EPA National Priorities List. The US Air Force is responsible for the assessment and cleanup of the former base. No soil or groundwater contamination has been identified at the Project site but due to its proximity to soil contamination at the former base, monitoring will be required as part of the mitigation measures. As part of the Project, a "blast" berm is planned for removal, mitigation measures require an assessment be conducted to evaluate the "blast" berm soils for potential contamination. Any identified soil contamination will be disposed of in accordance with U.S. Air Force requirements. With the implementation of this mitigation measure, impacts are expected to be less than significant.

Hydrology and Water Quality:

The Project is expected to have less than significant impacts on hydrology and water quality.

Land Use and Planning:

No impacts are expected for land use and planning.

Mineral Resources:

No mitigation measures were identified for mineral resources and all impacts are expected to be less than significant.

Noise:

Construction contractor shall ensure that all equipment driven by internal combustion engines shall be equipped with mufflers, and unnecessary idling of internal combustion engines is prohibited.

Contractor shall utilize "quiet" models of air compressors and other stationary noise sources where technology exists. At all times during project grading and construction, the contractor shall ensure stationary noise-generating equipment shall be located as far as practicable from sensitive receptors, and construction shall be conducted only during the hours of 8 A.M. to 5 P.M. on weekdays, and no

construction shall occur on holidays and weekends. Therefore, the Project is expected to have less than significant impacts on noise.

Population and Housing:

No mitigation measures were identified for population and housing and any impacts are expected to be less than significant.

Public Services:

The Project is expected to have less than significant impacts for public service resources.

Recreation:

No mitigation measures were identified for recreational resources and impacts are expected to be less than significant.

Transportation and Traffic:

No mitigation measures were identified for transportation and traffic and impacts are expected to be less than significant.

Tribal Cultural Resources:

A qualified archaeologist shall monitor all ground disturbing activating within native sediments. If an pre-contact and/or historic-era cultural resources are discovered during project implementation, the San Manuel Band of Mission Indians Cultural Resources Department (SMBMI) shall be contacted, as detailed in CR-1. A cultural resource Monitoring and Treatment Plan shall be created by the archaeologist, in coordination with SMBMI, and all subsequent finds shall be subject to this Plan. Any and all archaeological/cultural documents created as a part of the project shall be supplied to the applicant and Lead Agency. The Project is expected to have a less than significant impact on tribal cultural resources.

Utilities and Service Systems:

No mitigation measures were identified for utilities and service systems and the Project is expected to have less than significant impacts on utilities and services resources.

CONCLUSION

The Project would provide social, economic, and environmental benefits to San Bernardino County and to California. The renewable hydrogen fuel to be produced by the Project will have a low carbon intensity that will provide a substantial decrease to greenhouse gas emissions by displacing gasoline and/or diesel use in fuel cell vehicles. Since the renewable hydrogen fuel will be produced by utilizing renewable electricity and biogas, it creates a beneficial solution towards sustainability and reduce greenhouse gas emissions in the San Bernardino County and surrounding areas. The Project would also provide jobs to the local community and reduce the need to rely on fossil fuels.

It is my opinion that the work to be performed under the proposed amendment to the Agreement falls within the Lead Agency's documents and analyses and will not result in any new significant environmental impacts other than those already considered by the Lead Agency. I have not found any new mitigation measures within the CEC's authority that would lessen or further mitigate the Project's impacts. More specifically, it is my opinion that the mitigation measures adopted by the Lead Agency and required by the Scope of Work in ARV-17-050 will reduce potentially significant impacts to biological resources, cultural resources, and cumulative impacts to less than significant.

California Energy Commission
October 13, 2021 Business Meeting – Agenda Item #6
Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)
Project: “Zero Impact Renewable Hydrogen Production Facility” (ARV-17-050)

The full California Environmental Quality Act (CEQA) supporting documentation for ARV-17-050 can be obtained at:

https://drive.google.com/drive/folders/1D3lAgfs2B38zgdKEoQ5DVPsy2yHS_W8l?usp=sharing

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION - RE: STRATOSFUEL, INC.- ZERO IMPACT
PRODUCTION FACILITY

WHEREAS, the Energy Commission approved grant agreement ARV-17-050 with Stratosfuel, Inc. on June 13, 2018 to build a renewable hydrogen electrolysis plant in Moreno Valley; and

WHEREAS Stratosfuel, Inc. proposes to build the electrolysis plant in the City of Victorville and amend the grant agreement ARV-17-050 to approve the site change, a budget revision and a 17-month no-cost time extension; and

WHEREAS, the City of Victorville through its Planning Commission ("City") is the Lead Agency for purposes of the California Environmental Quality Act ("CEQA") for the Zero Impact Production Facility (hereinafter "Project"); and

WHEREAS, the City prepared an Initial Study and Mitigated Negative Declaration evaluating the potential environmental impacts of implementing the Project, and all of which are on file with the CEC; and

WHEREAS, on March 10, 2021, the City considered and adopted the Mitigated Negative Declaration for the Project under Resolution no. P-21-010; and

WHEREAS, on September 8, 2021, the City approved the Site Plan and Conditional Use Permit for the Project under Resolutions no. P-21-037 and P-21-038; and

WHEREAS, the Energy Commission has reviewed and considered the City's Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, Resolutions P-21-010, P-21-037 and P-21-038 approving the Mitigated Negative Declaration, Site Plan and Conditional Use Permit, and filed Notice of Determination and staff's findings are contained in the October 7, 2021 Memorandum, CEQA Analysis for amendment to Agreement ARV-17-050, Stratosfuel, Inc.'s "Zero Impact Production Facility" project; and

WHEREAS, the Energy Commission is considering the proposed Amendment #1 to Agreement ARV-17-050, Zero Impact Renewable Hydrogen Production Facility (hereinafter "ARV-17-050"), a grant to build a 5,000 kilogram per day electrolysis plant in Victorville that will produce and supply 100 percent renewable hydrogen fuel to public hydrogen refueling stations; and

Prior to acting on Amendment #1 to ARV-17-050, the Energy Commission desires to make certain findings pursuant to CEQA Guidelines, title 14, sections 15091 and 15096;

NOW THEREFORE, BE IT RESOLVED:

1. To the extent relevant to Amendment #1 to ARV-17-050, the Energy Commission has reviewed and considered the information and CEQA findings contained in the City of Victorville's Initial Study, Mitigated Negative Declaration, Mitigation Monitoring Program, Resolutions P-21-010, P-21-037 and P-21-038, and filed Notice of Determination (hereinafter City's CEQA Documents), identified above.
2. The Energy Commission finds the City's CEQA Documents are adequate for its use as the decision-making body for its consideration of Amendment #1 to ARV-17-050.
3. Approval of Amendment #1 to ARV-17-050 is within the scope of the City's CEQA Documents.
4. Since the City's CEQA Documents were finalized, there have been no substantial project changes and no substantial changes in the project circumstances that would require major revisions to these documents due to the involvement of new significant environmental effects or an increase in the severity of previously identified significant impacts, and there is no new information of substantial importance that would change the conclusions set forth therein.
5. The Energy Commission has not identified any feasible alternative or additional feasible mitigation measures within its power that would substantially lessen or avoid any significant effect which Amendment #1 to ARV-17-050 would have on the environment.

BE IT FURTHER RESOLVED, that the Energy Commission finds, on the basis of the entire record before it, that the mitigation measures incorporated into the City's CEQA Documents will prevent Amendment #1 to ARV-17-050 from having any significant effects on the environment; and

BE IT FURTHER RESOLVED, that this document authorizes the Executive Director or his or her designee to prepare and file a Notice of Determination on behalf of the Energy Commission; and

BE IT FURTHER RESOLVED, that the Energy Commission approves Amendment #1 to Agreement ARV-17-050 with Stratosfuel, Inc. for a site location change to the City of Victorville, a budget revision, and a 17-month no-cost time extension to fund the Zero Impact Production Facility project; and

BE IT FURTHER RESOLVED, that the Executive Director or his or her designee shall execute the same on behalf of the Energy Commission.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly and regularly adopted at a meeting of the CEC held on October 13, 2021.

AYE:

NAY:

ABSENT:

ABSTAIN:

Liza Lopez
Secretariat

