



**CALIFORNIA
ENERGY COMMISSION**



**California Energy Commission
September 10, 2025 Business Meeting
Backup Materials for South 8 Technologies, Inc.**

The following backup materials for the above-referenced agenda item are available in this PDF packet as listed below:

1. Proposed Resolution.
2. Grant Request Form

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION: South 8 Technologies, Inc.

WHEREAS, on April 28, 2023, the State Energy Resources Conservation and Development Commission (CEC) and CALSTART, Inc. (CALSTART) entered into Agreement Number ZVI-22-035; and

WHEREAS, pursuant to ZVI-22-035, CALSTART administers the PowerForward Zero-Emission Vehicle Battery Manufacturing Grant Program (PowerForward) to solicit, select, and fund projects that will promote in-state battery manufacturing for zero-emission vehicles and related infrastructure; and

WHEREAS, on April 5, 2024, pursuant to ZVI-22-035, CALSTART issued the PowerForward grant solicitation, a competitive grant funding opportunity; and

WHEREAS, on August 13, 2025, CALSTART issued a Notice of Proposed Awards for PowerForward, which includes a proposed \$9,074,472 grant to South 8 Technologies, Inc. (South 8) for the Liquefied Gas Electrolytes to Power ZEVs project (Project), a project to expand South 8's current facility to build a liquefied gas injection system to produce two cells per minute through a novel non-hazardous Liquefied Gas electrolyte for lithium-ion batteries; and

WHEREAS, the City of San Diego (City) is the lead agency under the California Environmental Quality Act (CEQA) for the Project; and

WHEREAS, the City reviewed the proposed Project and determined that it is not a project under CEQA pursuant to California Public Resources Code section 21065 because the Project would not result in direct or reasonably foreseeable indirect physical change in the environment; and

WHEREAS, pursuant to ZVI-22-035, and as responsible agency under CEQA, CEC must make CEQA findings at a CEC Business Meeting before CALSTART may execute a grant agreement with South 8 for the Project; and

WHEREAS, CEC staff has reviewed and considered the City's CEQA findings and other related CEQA documentation and has no information indicating the documentation is inadequate.

THEREFORE, BE IT RESOLVED, that the CEC adopts CEC staff's CEQA findings contained in the Agreement Request Form; and

FURTHER BE IT RESOLVED, that CALSTART may execute a grant agreement with South 8 pursuant to the requirements of ZVI-22-035.

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 September 10, 2025.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

Kim Todd
Secretariat



GRANT REQUEST FORM (GRF)

A. New Agreement Number

New Agreement Number: issued under ZVI-22-035

B. Division Information

1. Division Name: Fuels and Transportation Division
2. Agreement Manager: Taiying Zhang
3. MS-: N/A
4. Phone Number: 916-258-2941

C. Recipient's Information

1. Recipient's Legal Name: South 8 Technologies, Inc.
2. Federal ID Number: 472941175

D. Title of Project

Title of project: Liquefied Gas Electrolytes to Power ZEVs

E. Term and Amount

1. Start Date:
2. End Date: 1/28/2028
3. Amount: \$9,074,472

F. Business Meeting Information

1. Are the ARFVTP agreements \$75K and under delegated to Executive Director? No
2. The Proposed Business Meeting Date: September 10, 2025
3. Consent or Discussion? Consent
4. Business Meeting Presenter Name: Taiying Zhang
5. Time Needed for Business Meeting: N/A
6. The email subscription topic is: N/A

Agenda Item Subject and Description:

Proposed resolution adopting staff's recommendation that South 8 Technologies, Inc.'s (South 8) manufacturing expansion project under the PowerForward Zero-Emission Vehicle Battery Manufacturing Grant Program (PowerForward) is exempt from CEQA. CALSTART, Inc. administers PowerForward under CEC Agreement ZVI-22-035 and has proposed a grant to South 8. Under ZVI-22-035, CEC is required to make CEQA findings prior to CALSTART, Inc. executing a grant agreement with South 8.

G. California Environmental Quality Act (CEQA) Compliance

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

Yes

If yes, skip to question 2.

If no, complete the following (PRC 21065 and 14 CCR 15378) and 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 answer the following questions.

a) Agreement **IS** exempt?

Yes

Statutory Exemption?

No

If yes, list PRC and/or CCR section number(s) and separate each with a comma. If no, enter “None” and go to the next question.

PRC section number:

CCR section number:

Categorical Exemption?

Yes

If yes, list CCR section number(s) and separate each with a comma. If no, enter “None” and go to the next question.

CCR section number: Cal. Code Regs., tit. 14, sections 15301 and 15303

Cal. Code Regs., tit. 14, section 15301 provides that the operation, repair, maintenance, permitting, leasing, licensing, or minor alteration of existing public or private structures, facilities, mechanical equipment, or topographical features, involving negligible or no expansion of existing or former use are exempt from CEQA.

South 8 Technologies currently leases space at the project site to perform laboratory research, and small-scale manufacturing of lithium ion batteries and electrolyte. This project will expand the manufacturing capability at the site. The project will install and operate distinct systems for lithium metal battery to expand manufacturing to low-rate production. The installation and demonstration will involve internal facility modifications such as relocation and installation of benchwork, electrical, and HVAC. The building is equipped with sufficient electrical needs, so no additional electrical supply to the building is required. All new equipment will be placed on existing concrete. No modifications will be made to the exterior of the building or grounds. The project therefore involves negligible expansion of existing or former use of the site. For these reasons this project will have no significant impact on the environment and is exempt under CEQA Guidelines section 15301.

Cal. Code Regs., tit. 14, section 15303 provides that the construction and location of limited number of new, small facilities or structures; installation of small new equipment and facilities in small structures; and the conversion of existing small structures from one use to another where only minor modifications are made in the exterior of the structure are exempt from CEQA. The modifications to the existing site include demolition of walls, and relocation of electrical and plumbing. All new equipment will be installed on existing concrete. The result of these upgrades and additions of small new equipment will be to increase the manufacturing capability of lithium ion batteries and electrolyte. For these reasons, work under this project will have no significant impact on the environment and is exempt under CEQA Guidelines section 15303.

The project does not involve any unusual circumstances, will not result in damage to any scenic resources within a highway officially designated as a state scenic highway, none of the sites are included on any list compiled pursuant to Government Code section 65962.5, and the project will not cause a substantial adverse change in the significance of a historical resource. The project,



when considered as a whole, will not result in a cumulative impact that is significant on the environment. Therefore, none of the exceptions to exemptions listed in CEQA Guidelines section 15300.2 apply to this project and this project will not have a significant effect on the environment.

Common Sense Exemption? 14 CCR 15061 (b) (3)

No

If yes, explain reason why Agreement is exempt under the above section. If no, enter "Not applicable" and go to the next section. N/A

b) Agreement **IS NOT** exempt.

IMPORTANT: consult with the legal office to determine next steps.

If yes, answer yes or no to all that applies. If no, list all as "no" and "None" as "yes".

Additional Documents	Applies
Initial Study	No
Negative Declaration	No
Mitigated Negative Declaration	No
Environmental Impact Report	No
Statement of Overriding Considerations	No
None	No

H. Is this project considered "Infrastructure"?

No

I. Subcontractors

List all Subcontractors listed in the Budget (s) (major and minor). Insert additional rows if needed. If no subcontractors to report, enter "No subcontractors to report" and "0" to funds.

Delete any unused rows from the table

Subcontractor Legal Company Name	CEC Funds	Match Funds
No subcontractors to report	\$ 0	\$ 0

J. Vendors and Sellers for Equipment and Materials/Miscellaneous

List all Vendors and Sellers listed in Budget(s) for Equipment and Materials/Miscellaneous. Insert additional rows if needed. If no vendors or sellers to report, enter "No vendors or sellers to report" and "0" to funds. **Delete** any unused rows from the table.

Vendor/Seller Legal Company Name	CEC Funds	Match Funds
No vendors or sellers to report	\$ 0	\$ 0

K. Key Partners

List all key partner(s). Insert additional rows if needed. If no key partners to report, enter "No key partners to report." **Delete** any unused rows from the table.



Key Partner Legal Company Name
Nanotech Energy
CALSTART, Inc.

L. Budget Information

Include all budget information. Insert additional rows if needed. If no budget information to report, enter "N/A" for "Not Applicable" and "0" to Amount. **Delete** any unused rows from the table.

Funding Source	Funding Year of Appropriation	Budget List Number	Amount
N/A			

TOTAL Amount:

R&D Program Area: N/A

Explanation for "Other" selection

Reimbursement Contract #: N/A

Federal Agreement #: N/A

M. Recipient's Contact Information

1. Recipient's Administrator/Officer

Name: Rusty Heffner

Address: 3030 Bunker Hill Street, Suite 105

City, State, Zip: San Diego, CA 92109

Phone: 443-852-2563

E-Mail: rheffner@south8.com

2. Recipient's Project Manager

Name: Jim Royer

Address: 3030 Bunker Hill Street, Suite 105

City, State, Zip: San Diego, CA 92109

Phone: 443-852-2563

E-Mail: jroyer@south8technologies.com

N. Selection Process Used

There are three types of selection process. List the one used for this GRF.

Selection Process	Additional Information
Competitive Solicitation #	PowerForward grant solicitation issued by CALSTART, Inc.
First Come First Served Solicitation #	
Other	



O. Attached Items

1. List all items that should be attached to this GRF by entering “Yes” or “No”.

Item Number	Item Name	Attached
1	Exhibit A, Scope of Work/Schedule	No
2	Exhibit B, Budget Detail	No
3	CEC 105, Questionnaire for Identifying Conflicts	No
4	Recipient Resolution	Yes
5	Awardee CEQA Documentation	Yes

Approved By

Individuals who approve this form must enter their full name and approval date in the MS Word version.

Agreement Manager: Taiying Zhang
Approval Date: 8/26/2025

Office Manager: Charles Smith
Approval Date: 8/26/2025

Deputy Director: Melanie Vail
Approval Date: 8/26/2025