

PLANNING BOARD MINUTES

JULY 22, 2024

The Planning Board of the City of Texas City met in a special-called meeting on Monday, July 22, 2024, at 5:00 p.m. Planning Board members present: Chairman Dickey Campbell, Co-Chairman Perry O'Brien, Commissioner Jami Clark, Alternate Member Aric Owens, and Alternate Member Jose Boix. Staff members present: Kimberly Golden (Secretary), Casey Bennett (Chief Building Official), David Kinchen (Deputy Building Official) and Veronica Carreon. Guests were: Joel Rodriguez (Air Products); CW Scheibe and Paula Drnevich (LAN Inc.); Sherri McElwee (Quiddity Engineering); Ricardo Cuellar (RDLR); Daniel Ortiz (RPCR); Carlos Sotelo (Kirksey); Felix Herrera (Awesome Auto Accessories); Andres Delgado; Deano Merrigan; Guillaume Dufay and Karl Harris (AOP Renewables); Jason Richards (Vaughn Construction); Moises Weber (Cannon Design); Stephanie Tabor (A&S Engineers); Carlos Pacas (Dally Associates); Bo Bacon (College of the Mainland); Jerry LeBlanc (Binnacle Development); and Julie Tovar (SHIP Intern).

Chairman Dickey Campbell indicated a quorum was present and called the meeting to order.

1) APPROVAL OF MINUTES

A motion to approve the minutes of July 1, 2024 with corrections noted below, was made by Jose Boix/Commissioner Jami Clark. All other members present voted aye.

- Page 1, paragraph 6 – corrected Chairman Dickey Clark to Chairman Dickey Campbell
- Page 1, paragraph 6 – corrected Mr. Bryan Clark to Mr. Bryan Carnes
- Page 2, paragraphs 1, 2, 3, and 5 - corrected Mr. Clark to Mr. Carnes

2) PUBLIC COMMENTS

There were no public comments.

3) REGULAR AGENDA

a. Consider and take action on the Development Plan Air Products Temporary Modular Construction Offices. Located at 14 4th Street South, Texas City.

Ms. Golden stated this project sits on a little more than a ½ acre site. The site was vacant and previously used for the lunch tents and emergency assembly area. Because Air Products is doing a second project at the facility in Texas City they will need the construction offices for a longer duration. Since the temporary construction facilities will be in place for more than six months, they will be required to meet all the code provisions and zoning requirements, so Air Products has brought a site plan forward. The temporary construction offices are already assembled at the site because Air Products was not aware that a permit was required. When notified of the requirement, Air Products acted immediately to correct the oversight.

Air Products will be paving the lot, adding landscaping, screening the dumpster, and providing an ADA compliant entrance.

The location of the temporary modular offices encroaches over an existing public alley that goes through that area. Rather than require the temporary modular offices be relocated to remove the encroachment, staff recommends Air Products apply for an abandonment of that alley.

The modular offices are currently installed at a 10 ft. setback. Although the IBD district does not have a specific setback stated in the ordinance, staff applies a policy standard of the setbacks which apply to similar uses in the basic districts. For this use, that would be the light industrial setback of 25 ft. for anything permanent. Air Products has indicated if they do something permanent, they will abide by the 25 ft. setback.

Chairman Dickey Campbell asked Joel Rodriguez (Air Products) if he could show them the location on the map, to which he did. He then asked Ms. Golden about the 25 ft. setback from streets and the 10' setback from the property line to which Ms. Golden replied there aren't any setbacks in the IBD ordinance, but staff are trying to adhere to its policy.

Mr. Jose Boix asked where the alley is that will need to be abandoned. Ms. Golden indicated it on the exhibit.

Chairman Campbell than asked if the property is leased or greenbelt, to which Mr. Rodriguez replied it is leased from Eastman Chemical till the end of 2026, fourth quarter.

Chairman Campbell asked if there were any additional questions. There were none.

A motion was made by Alternate Member Jose Boix/Commissioner Jami Clark to approve the Development Plan for Air Products Temporary Modular Construction Offices. All other members present voted aye.

b. Consider and take action on the Development Plan for College of the Mainland Site Projects. Located at 1200 N. Amburn Road, Texas City.

i. Overall Site Plan

Ms. Golden stated College of the Mainland (COM) has a 2023 bond program for which voters approved a property tax back in 2023. There are six projects, but three that will entail brand new buildings that will be constructed fairly close in time over the next three years. Due to this, staff have asked COM to submit an overall site plan so the overall impact could be considered on parking, traffic, landscaping and detention.

Ms. Golden stated that they wanted to do this so that they could accommodate COM's growth without chopping because the program included demolishing some buildings, renovating some existing buildings, extending some existing buildings and adding some new buildings. Staff thought the overall analysis would work better for COM as the effects of the net changes in detention, parking, landscaping and traffic were considered and addressed, rather than looking at each project as a standalone.

COM provided the requested overall site plan. A preliminary analysis of the impact on traffic showed that Monticello Drive is going to need to have some improvements and upgrades to accommodate the new construction south of Monticello and the other developments in the area, specifically the new elementary and junior high schools to the east. Staff is moving forward and scoping this project, but in the meantime, staff knows there is a possibility there will be some issues with vehicles stacking at the stop-controlled intersection with Amburn Street during the morning peak hour. Staff have discussed this with COM and recommended moving the driveways for the new parking lots at least 500 feet away from the intersection. COM declined the recommendation because the parking lots each have secondary means of ingress and egress.

The overall site plan has been tweaked a little per staff's comments. They have looked at landscaping campus wide for compliance with the landscaping ordinance to give COM the greatest flexibility to balance its landscaping throughout the campus for a uniform, beautiful experience.

Staff have no objections to approval of the site plan for COM.

Chairman Campbell stated that he had some questions about the staff memo and then asked the other board members if they had any questions.

Co-Chairman Perry O'Brien stated he had some questions about the timeline and stages of this project. Paula Dnevich (LAN Inc.) replied that there are three parking lot projects and one of the parking lots is currently under construction. This will be a 15-month project that will be done in three phases. Ms. Golden reminded everyone that the parking lot project had been approved by the Planning Board in May 2024 so they could expedite the start of the project this summer.

Mr. CW Scheibe (LAN Inc.) then gave an outline of the other projects, which includes the WELD/IE building renovation that was also approved by the Planning Board in May 2024. This project will start construction this week. There is very minimal impact to the footprint because it is a renovation.

Mr. Scheibe added that the Public Safety Career Center (PSCC) and the Corporate & Continuing Education Center (CCEC) are both new buildings and are being brought to the Planning Board as one development application. The building permits will be issued separately for each building, based upon the approved joint development plan. The timeline of construction on both projects is November 2024. Construction will be self-contained within that site. PSCC will take about 15 months to construct and the CCEC will take about 12 months.

Ms. Drnevich then reported that the Library/Classroom Building would be constructed on the site of the demolished Technical Vocational building, with construction scheduled to begin in April 2025 and would take about two years to complete. This new 4-story building will include a new library, auditorium and classrooms. There will also be a penthouse.

Mr. Boix then asked about a statement in the Staff Report regarding the driveway and entrances and that the design team decided not to accept staff recommendations.

Ms. Golden replied that the intersection at Amburn Road and Monticello Drive is stop-controlled with a 4-way stop. In the future, Monticello Drive will act as a thoroughfare. There has not been a TIA study done because the elementary school east of COM is not in session, so staff plans to do one in the fall. Their prediction is during morning peak there will be a lot of stacking at the stop sign that may interfere with the entrances into the COM parking lots indicated on the exhibit. Staff also anticipates that the morning peak will be when the CCEC building will most likely be starting its sessions. Staff brought this to COM's attention and recommended the driveways into the parking lots be spaced at least 500ft away from the intersection. COM feels that being aware of that information, they did not want to move their driveways further down. Ms. Drnevich replied this is because there is a second entrance between the buildings. Ms. Golden added that this intersection will eventually have to be enhanced with a road improvement project on Monticello Drive. COM is looking at having the issue for a few years until the improvements are made.

Ms. Golden then pointed out an incorrect draft of the site plan was included in the agenda packet. The correct site plan would show no additional parking next to Lot A, but that area is to be retained as additional green space. Additional parking is not required to satisfy the City's requirement and COM is satisfied the parking is adequate. Ms. Drnevich replied they plan to add landscaping there.

Chairman Campbell then asked about the Library Classroom Building. Ms. Golden replied that she was planning to discuss each item separately, but if Chairman Campbell preferred to discuss the items together, she was good with that. Chairman Campbell indicated he would like to consider all of the items together.

ii. Library/Classroom Building

Ms. Golden then stated that the Library Classroom Building is a 160,000 sq. ft. building, which will be four stories. This will be a multi-use building that will include 42 classrooms, a theatre with a capacity of 299, and offices. The schedule for construction of this building is further out and is expected to start in August 2025. There will be approximately a two-year construction period. It will be located where the previously located Technical Vocational building was. The new parking lot for this building will include 283 spaces with entrances from Monticello Drive. The building will have an approximate ground area of 38,715 sq. ft., and a finished floor elevation of 18.55 ft. The approximate building height is estimated to be 80 ft.

The site plan has been modified to provide full circle access by fire lane as requested by the Fire Marshal.

COM has responded to all of staff's comments and staff have no objection to approval of the development plan for the Library and Classroom Building.

Commissioner Jami Clark asked if they would be tearing down the other theatre or was this an addition. Ms. Drnevich replied there is an auditorium inside the existing Limited Resource Center and Library, and that building would be torn down. This building will be slightly larger than the current theatre.

Chairman Campbell asked if there were any additional questions about the Library Classroom Building. There were none and Ms. Golden moved on to the next item.

iii. Continuing & Corporate Education Center (CCEC) and Public Safety Careers Center (PSCC)

Ms. Golden stated that the CCEC and PSCC projects are presented together as a joint application, but there are two different design teams. A joint application was requested due to the shared parking and detention. But the projects will apply for building permits separately when they are ready to move on to construction.

The CCEC building will be 20,400 sq. ft and one-story. The PSCC is 33,681 sq. ft. and also one-store. With the shared parking and shared detention, they have basically offset their impact. Staff have discussed their landscaping requirements, both of which are being accommodated. Staff have also discussed with COM that the landscaping can be extended along Monticello Drive to the west to provide a more uniform effect along the corridor.

All review comments have been addressed. The only thing staff thought to mention to them that is not considered a problem is the location of those driveways. Staff also talked to them about the eventuality of when the city does street improvements to Monticello Drive that, if needed, any additional ROW will have to come from the south side because there are a bunch of pipelines and existing infrastructure north of Monticello Drive. This might be an opportunity for COM to consider pushing their buildings further back, but they were not inclined to do that.

Mr. Boix then asked about the setback and if it complies with the ordinance. Ms. Golden replied that it does and that a 100 ft. ROW is typically enough for a three-lane project. On paper everything they know says it's not a problem, but again it's what's on paper. When they get out there and start digging, they don't know what's actually out there. She just wants everyone to be alert, especially when there are existing pipelines and existing drainage structure so they absolutely know it cannot come from the north side, but COM is compliant with the ordinance.

Chairman Campbell then asked how far the ditch runs. Mr. Carlos Pacas (Dally Associates) indicated the ditch on the exhibit.

Mr. Boix asked if the detention pond is new and how it is managed. Ms. Drnevich replied yes, and it is being constructed because of the two new buildings. Mr. Daniel Ortiz (RPCR) replied that it is a restrictor pipe that would eventually gravity flow into the city's ditch, without pumping.

Ms. Golden also acknowledged that COM is giving a 75 ft. easement on an existing canal that is along the east boundary. Mr. Scheibe added that this was approved by the Board of Trustees earlier in the day. Ms. Golden thanked him for this news.

Chairman Campbell wanted to make sure he understood the recommendation in the staff memo and asked about the last sentence of the memo that read, "For that reason only staff offer no objection to approval of the site plan". He asked if someone did offer objection to which Ms. Golden stated staff is saying they are complying with the ordinance and there is no objection.

A motion was made by Co-Chairman Perry O'Brien/Commissioner Jami Clark to approve the Overall Site Plan and the Development Plans for the following College of the Mainland projects: Library Classroom Building, Continuing & Corporate Education Center and Public Safety Careers Center. All other members present voted aye.

- c. Consider and take action on the Preliminary Plat for Brookwater Sections 1A and 1B. Located to the east of Park Place Subdivision on FM 2004 and northwest of Mainland City Centre (formerly Mall of the Mainland) in Texas City.**

Ms. Golden stated Brookwater Subdivision Sections 1A and 1B are part of a master planned residential development that will consist of 201 lots and a commercial area on FM 2004. The Master Plan was approved by City Commission in 2021 and it is still a valid master plan to consider this preliminary plat.

Sections 1A and 1B were previously submitted as a preliminary plat for all of it as just Section 1 and was previously approved by the Planning Board as Section 1. The Applicant is changing the Section into Phases 1A and 1B because they want to be able to buildout the smaller sections, record the final plat of the smaller area and sell the lots in Section 1A before then moving on to 1B.

Staff have received a complete set of construction plans for the full section that the Applicant will be presenting in phases. They have their approval for a combination of 50 ft., 60 ft., and 70 ft. wide lots.

Ms. Golden repeated that the only difference between this and what was previously approved is that it is now broken down into Sections 1A and 1B.

Chairman Campbell asked if there were any questions.

Co-Chairman O'Brien asked if the lot sizes changed. Ms. Golden replied they are exactly the same.

Chairman Campbell asked which ditch the rainfall would flow to. Ms. Stephanie Tabor replied that it would flow to the northwest corner. He then asked about an area to the south. Ms. Tabor replied that it is the sanitary sewer easement and also indicated a manhole that the sanitary line would tie in to.

Ms. Golden reminded everyone that the Applicant would have to get an easement, which is a little piece of property owned by the EDC. This is in the process of being worked out, but it will not hold up the preliminary plat. The easement will have to be in place before the final plat can be brought forward for consideration and approval.

Mr. Boix then asked about the mapping of sections. Ms. Tabor indicated on the master plan where Sections 1A and 1B would be located. She then indicated Sections 2 and 3.

Ms. Golden added that the park would be located in Section 1B. Staff do have a suggestion for a schedule as far as that park being built which is only 40% of the building permits would be issued and then construction would commence on the park. There is also a deadline for when the plans for the park will be submitted. Ms. Tabor replied that would happen before Section 2 plat is recorded.

Mr. Boix asked if there were any other amenities. Ms. Tabor stated there would only be the park, but it would include a picnic area, sidewalks and a splash pad.

Staff have no objections to approval.

A motion was made by Commissioner Jami Clark/Alternate Jose Boix to approve the Preliminary Plat for Brookwater Sections 1A and 1B. All other members present voted aye.

d. Consider and take action on the Preliminary Plat for Lago Mar Pod 9 Section 3. Located north of Pod 9 Sections 1, 2 and 4, and west of Pod 10 Section 3 on Hughes Road in Texas City.

Ms. Golden stated this is Lago Mar Pod 9 Section 3 and we are getting to the end of this project on the west side of I-45. This is Phase 3 of their development. This section will include 203 lots on 59.41 acres. Section 1 is almost built out with houses and in Section 2 the infrastructure is under construction. This is helping the Applicant to make progression in Pod 9.

The area being developed as a park in Pod 9 was originally going to be used for a school site, but DISD passed on the smaller scattered sites and instead chose the bigger site and so Pod 9 Section 4, which the board has not yet seen, will now have the community park. Staff have asked the Applicant to provide some construction plans, to which Ms. Sherri McElwee stated they are getting close to submitting those plans.

Chairman Campbell asked if the school was still going on the 30-acre site, to which Ms. McElwee replied it is. He then inquired about Hughes Road and where it meets Lago Mar and understands that Santa Fe has shut down any outlet to Bruce Hall Road, which is correct. He then added that Mr. Collin

Campbell told them they were looking for another outlet further east. Ms. McElwee replied that the city once had her look at Lago Front and maybe connecting to La Marque. She added that Mr. Doug Kneupper had her put together a cost estimate some time back. She did all of that, but she doesn't believe it went anywhere with La Marque, but she did indicate a turnaround and stated that it is ready for a connection to be made.

Ms. McElwee then stated they have four sections left to construct.

Staff have no objections to approval of the preliminary plat for Lago Mar Pod 9 Section 3 upon condition the plans for the park site be finalized before any more plats receive final approval and that construction of the park be commenced before any more plats are recorded.

A motion was made by Alternate Jose Boix/Commissioner Jami Clark to approve the Preliminary Plat for Lago Mar Pod 9 Section 3 upon condition the plans for the park site be finalized before any more plats receive final approval and that construction of the park be commenced before any more plats are recorded. All other members present voted aye.

e. Consider and take action on the Development Plan for Southern Select Energy, a Battery Energy Storage System (BESS). Located at 701 Hwy 146 N., Texas City.

Ms. Golden stated this site is across from the existing TNMP Substation and north of Golden Rule Logistics. This is a BESS project. The site is 6.29 acres, and the Applicant will be using 5.71 acres of the site for this project.

The Applicant has revised the site plan to have the 15 ft. spacing around the batteries that the Fire Marshal requires as part of the city's fire code. They have accommodated a pipeline that runs through the property. They have provided a paved ring road and paved access to all of the batteries. They are providing 15% landscaping, which is what staff is applying to the BESS projects. They are also providing masonry fencing along Hwy 146.

The Applicant is looking at providing a second access. The second access, however, is currently through property they will not own or will have control over, so staff have asked them for an easement plat showing that the second access will actually stay open and be available if the Fire Department ever needs it. These documents are in the works, but staff haven't seen anything signed and they actually haven't had time to review what has been submitted in terms of the first form of it and so there may be some comments staff may want to offer on those.

There has been a lot of progress on this, and the Applicant has provided some of their company information but that was not provided till today, which has been provided to the Planning Board for review. Staff have not had time to digest it or do any due diligence on background information. This is why this project is being brought to the Board without a recommendation.

Ms. Golden stated, in her opinion, that this is the right place to be looking for these types of projects to be placed because they are not interfering with residences, but there are still some concerns about the site that should be considered.

This is a larger project than what the Board has been asked to consider or approve before. The other two that have been approved were 10MG. These are for 200MG, so it is a much larger project. This is the first one that is of the utility size.

For context, Ms. Golden reminded the Board of the Red Egret project that was considered and recommended denial was also a large project. She believes that project was denied because of its location and size.

Ms. Golden then stated that the Developer and Property Owner were in attendance and would be glad to answer any questions the Board may have.

Co-Chairman O'Brien asked if he could hear more information on the secondary access.

Mr. Guillame Dufay introduced himself as one of the cofounders of this BESS project and stated he has built 25 of these BESS projects just in Texas. He added that they are one of the most experienced companies in Texas. Regarding the secondary access, they have worked together with the owner, Mr. Deano Merrigan, and have spec'd out an access easement that goes around the storage property to ensure that they do not disturb any operations of the logistics company and that the access stays open with no obstruction 100% of the time. They also obtained a signed agreement on the easement and will have that in place as needed. He indicated a lockbox for emergency-only access will be provided. Another requirement by the city was to have 15 ft. spacing between containers, which is not a standard requirement, but it allows first responders to go across the site as needed. This is an extra safety design that they have included.

Co-Chairman O'Brien asked what the surface between the batteries is. Mr. Dufay replied that it would be gravel. Chairman O'Brien asked if this would support a fire truck to which Mr. Dufay replied no Fire Marshal would bring a \$1M truck in between containers to get stuck, but they will stick to the concrete road. If they wanted to, they could bring in a smaller vehicle between the batteries.

Mr. Boix expressed his concern and the number of issues about the batteries everywhere. He is concerned about having these concentrated in one area as opposed to being everywhere with one or two little pods here and there. He doesn't know how power is bought and sold, but he's also concerned if there is a power failure, what is the potential of the BESS draining that substation and creating another issue for the city. He also read something about contamination of the ground. He doesn't understand how the monitoring wells will work. He also doesn't understand how the buying and selling of power work if there is a failure of the drainage of power. Is there a check valve? He does not have a full grip on what this will bring or not bring to the city.

Mr. Dufay replied that he was part of the project in 2019 that is currently on 34th Street North in Texas City. It was online during the winter storm of 2021 and this location pushed power when everyone needed it. He stated they are always super open about the way these batteries work. They work with the best insurance companies, lenders and banking companies. He likes to say they are prime developers. With these batteries, which are connected to the grid through that substation, if there is a ground failure, there is a breaker that will shut down the site. There are also some sub-breakers on the median voltage center that will isolate each of the subcircuits. If there is a ground failure that is happening anywhere on the site, they will isolate it. If for some reason they do not isolate it there is a second layer of breakers that will shut down the site. In the case they don't take it, which should never happen, but if it does, the power line that goes into the mid substation from TNMP (another utility breaker), has a protection plan to shut down any issue at their site. The sites are fully vetted and designed and used by TNMP in this case.

Mr. Felix Herrera asked if this is three layers of protection, to which Mr. Dufay stated yes – two by the BESS and one by the TNMP grid.

Chairman Campbell recalled the first BESS and how the power goes into the grid, but it's not really designated for Texas City – it goes wherever it is needed and asked if this is correct. It helps the company and the landowner, and he understands this.

Mr. Dufay replied that the reason they are developing physically in Texas City is because it is one of the largest industrial nodes in Texas - where there is the most power demand in Texas. A lot of the power for Texas PC comes from Fort Bend County, Brazoria and from West Texas. So, there is a rush of power coming to Texas City from all these power lines. The power lines are all congested and it is a major problem in Galveston County. The utilities cannot upgrade fast enough to get all the power needed for industrial use.

When there is a rush of power need (i.e., 5:00 PM) what happens is that the way the grid is set up there is a price signal for every node in the grid, so when's there's a rush of demand the price goes up for all the consumers and there is no way to get more power. These locations charge during the night or when there is plenty of power available and then at 5:00 PM they provide the power to the industries that need it in Texas City. This does two things – 1) it allows for the utility to need less

transmission upgrades in the future, and 2) it cuts millions of dollars, and they are straight across the rate of payers through everybody's power belt. Will this save millions for everybody? Probably not, but this thing probably will contribute to a few dollars of savings on your power bill every month.

Mr. Owens asked if they are doing this for tax credit or are they doing this out of their dollar only. He stated because if not then it's coming out of our pocket regardless, right? He added that if they could tell him that they are funding 100% of this project he can see that, but if they are getting something back in return then what Mr. Dufay is telling them is not accurate.

Mr. Dufay replied that renewable energy projects are qualified under the Inflation Reduction Act that was passed three years ago for a tax credit of 30%. Mr. Owen stated that this doesn't really do much for the local guy as they are suggesting making it cheaper, it makes it beneficial to them as an investor.

Mr. Dufay stated that what it does for the local guys is that you take federal money, and you make a local investment. Mr. Owen replied that he is making his point for him.

Mr. Dufay stated that power in the United States has always benefited from politics and policies, and everybody has their own political view. He added that the Biden administration and the Trump administration have maintained tax credit on renewable energy, and it is what it is. They are funding these projects and the rest of the 70% that does not come from tax credits is funded by a group of investors called Fengate which is also cofounded by the owners of the company, which he is a part of. They have a direct interest in making these projects intrinsically safe and it's going to come back to one of the previous questions.

They also don't really look at proliferation of these assets as a good thing for anybody because when you have twenty 10MW assets anywhere they have to be managed and they usually end up needing a little bit of tender loving care. These 200 MW assets are going to have a dedicated team on the project that will be located in an office that will be somewhere between here and La Marque. These guys are going to be dedicated to this project. Whenever there's something happening at the project it will usually send a message about a small thing like a fuse that is out or a piece of the transducer that needs to be changed. It will come to this location, and they will replace it. They also create more benefit for the local community because you've got 200MW of grid support here as opposed to smaller projects that have a limited impact.

Chairman Campbell asked Mr. Dufay if he stated a few minutes ago that this project would directly put electricity into the local industrial complex.

Mr. Dufay replied that this project provides power at the TNMP Heights substation and as such, all the electrons that come out of this project are not subject to all the congestion. It is going to the grid, but it's going to the grid at this location where it's needed.

Chairman Campbell asked Co-Chairman O'Brien to help the Board understand what is being said about the power going to local industry.

Co-Chairman O'Brien stated that TNMP is in the process of upgrading every station right now by removing 69K and putting up 138K. It has been 69K for a long time. TNMP's power goes all over their service area. Industry within Texas City takes a lot of TNMP's juice from Heights, from Cattail and from the ones that are close to the sites - they directly feed into it. At the same time, TNMP's electricity goes on to the big grid that services all our houses. So, to say that that power exclusively will go to industry is inaccurate. A portion of it may go to industry, especially during peak times. So, where these things are extremely helpful is storm situations and peak times during the extreme high temperature days or cold temperature days and that's where these are beneficial, in his opinion.

Co-Chairman O'Brien continued by saying the nice thing about this project is its size. Mr. Dufay stated it is 200MW, so that's a large one. It's not the little 10K that is on 34th Street North. Co-Chairman O'Brien continued that what he sees in West Texas where they have the large ones - Reeves County is just covered with these things. You see large developments like this, the 100MW and 200MW, and there are always people there in those stations. It seems like when he goes by them, there's some sort of truck with a team working on them. He doesn't know what they're doing there, but the fact is

that they are attended to. The other smaller ones, they're not really attended unless there's a light that goes off somewhere and then somebody has to go to it. From this standpoint he prefers the bigger stations and believes there is a need for this type of development all across our state.

Co-Chairman O'Brien stated TNMP cannot tell them [the BESS project] "no". If a company makes a request for a tie-in, they [TNMP] nor any other provider can't say no. If a developer is willing to make the tie in and pay what it cost to make the tie in, TNMP can't say no. So, if a company or a city or a development or whatever is going to object it is not coming from the power company because they can't say no.

Mr. Owens stated he had two other questions he would like to ask. [First], 10MW was a good thing in your investment a couple years ago and now 200MW is much better. But now 10MW is really not a good thing and we are stuck with it at this point. At what point does 200MW become too small? Do these things grow over time and become maybe less attended? [Second] The huge problem he has with this is the location which is right next to the regional Gulf Coast Water Facility, so this does not impact only Texas City. It impacts League City, Galveston, La Marque, Tiki Island, San Leon, and Dickinson. [The GCWA plant] supplies all the raw water to industry. Let's say there's a problem at the BESS site and that somehow reaches into our water system we've got a massive problem. He just doesn't believe the location is the right place. He doesn't know if anybody has talked to the folks at Gulf Coast Water Authority. If not, he would encourage them to do that. This is the water supply for the entire county.

He added that this might be a great investment for the Applicant, but he does not believe this is a great investment for our community.

Mr. Boix stated that he thinks the city should come up with an overall plan on how to manage these units because there are going to be problems. He asked about the other BESS projects that have been approved. Ms. Golden replied that there is one active site and another that has been approved. If those smaller sites are not manned, he is concerned that the load will be placed upon the city. He loves the technology, but he is concerned there is not a master plan for the Planning Board to either consistently approve or not approve something – and now we have two small BESS approved in the city. He asked what the objective was and how many others will be allowed. For this reason, he is staying away from an approval.

Mr. Dufay asked if he could reply to Mr. Owens' question earlier about contamination and explained that the battery containers that you see there are enclosures that look like a Conex typical shipping container. They are built with IP55 protection or higher at the container level. This means they are waterproof, and the opposite is true, they are leaking proof so if you have a spill inside, they will contain it. The battery container itself is not full, it's stacked with the modules inside. Each module is about the size of a typical suitcase and each of these modules get stacked side by side within the container. Each module is made of cells about the size of a laptop. The cells are made of the lithium-ion technology that everybody talks about mysteriously and they don't know what it is. Lithium-ion technology is kind of like a lead acid battery with a cathode and anode and a solution that flows in the middle. The difference is that the anode and cathode are actually flat. Think about foils and they are very close together and the solution is in the middle and there's 57 cathodes and 57 anodes in each module. It's kind of like a book with pages of cathode and anode. The electrolyte that carries the lithium-ions is in the middle and each cell has an IP67 rating, which is one of the highest IP ratings you can think of. It's not bulletproofed, but it won't take any dust, water, or anything from the outside.

So, what can happen in the case one of these units sets on fire is yes, you may have some spillage, but the fire should actually consume the electrolyte because it's a Hydrocarbon based electrolyte, so you won't have much spillage into the container and the container itself is made to contain the spillage.

All these things are actually tested in real life. They work with several suppliers, but the supplier for this project they expect to be Fluence, which is a US based company and listed on the New York Stock Exchange. The company that makes these enclosures, they're the second biggest after Tesla. He has also worked with Tesla, but they like Fluence better for different reasons. No, they're not cheap.

Affluence gives you a little bit more freedom than Tesla which is very strict, and you can re-cycle them differently, so it's just a matter of flexibility. But price wise, they talk to each other. These guys run these containers through a UL 9458 type of testing. Every container has to be approved for that UL type of testing. They set them on fire, and they see what happens. So, what happens when they set the module on fire is that they see if the next module sets on fire as well. They set a cell on fire to see if the next cell catches on fire and if the fire stays within the module or if it goes to the next module and to the next track, etc.

They also measure the gas coming out of it and they measure the spillage out of it. They have a criterion for passing or failing and they work with the biggest insurance companies in the country to validate all of these results. They are only going to use top-tier-one batteries from either Tesla or Fluence or one of the top five suppliers that makes the best product.

Because the big project has had a lot of scrutiny, it's going to be insured. There will be hundreds of people looking at your project, making sure you're doing things right. On the small project sometimes there are a little bit of shortcuts being made, so you want to be more careful as a jurisdiction. All of this is checked, and Mr. Dufay has never heard of any spillage issue on any of the top-tier battery containers.

Mr. Boix believes that if the city develops a master plan, he would rather see the BESS projects installed on the Greenbelt just by the industry.

Mr. Dufay replied that they aimed for this area because it is industrial.

Chairman Campbell asked Commissioner Clark if she had anything to ask about this project.

Chairman Clark asked what the Fire Marshal had to say about the site plan. Ms. Golden replied that the Fire Marshal asked for the 15 ft. spacing requirement and the Applicant has met that requirement. The Fire Marshal also asked for the two opposite accesses and that requirement has also been met.

When it gets to the actual permitting process, then there's going to be requirements for a decommissioning plan, a security plan, and posting a bond. This is when they will look into their insurance, so they'll get a lot more into the specifics about what exactly is going in there, but from a site plan standpoint, the Fire Marshal's requests have been accommodated in the site plan.

The property owner, Deano Merrigan, added that the property is already polluted and so are the neighboring properties. The property can't be anything but industrial or commercial. He stated that most of the properties along the refineries are polluted. TCEQ came out there and took samples on the monitoring wells he has out there. They came back and told them nobody could build any houses out there, but it could be used as industrial and got a notice of no further action required from the TCEQ. He stated that the water that is out there is in the canal is refinery water, it is not drinking water. Once it goes past the water authority the water is not drinkable.

Mr. Owens stated that this is not 100% accurate because this is north of the water plant.

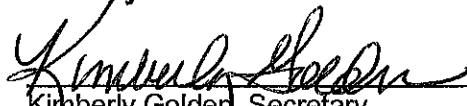
Co-Chairman O'Brien asked if this is coming with no recommendation from the city. Ms. Golden replied that it is coming with no recommendation from staff. She stated that what the Planning Board is doing is making a recommendation to move the site plan forward to the Zoning Commission.

A motion was made by Co-Chairman Perry O'Brien/Commissioner Jami Clark to approve the Site Plan for Southern Select Energy, a Battery Energy Storage System (BESS) rezoning from District F to District SP. Voting by show of hands was 3 – 2 in favor of the motion. Chairman Dickey Campbell, Co-Chairman Perry O'Brien, and Commissioner Jami Clark voted aye. Alternates Aric Owens and Jose Boix voted nay.

4) GENERAL UPDATES

5) OTHER BUSINESS (Any conceptual development proposal requesting to come before the Planning Board)

Chairman Dickey Campbell asked if there was any other business to which there was none. **A motion was made by Commissioner Jami Clark/Alternate Aric Owens to adjourn. All members present voted aye.**


Kimberly Golden, Secretary

8/19/2024
Date

Minutes approved by the Planning Board at its meeting on 8/19/2024.