



CLAUDIA J. MORROW
Senior Vice President
Development

October 28, 2024

The Honorable Carla Wixom and Members of the
City Council
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Mr. Airlin Singewald
Community Development Director
City of Morro Bay
595 Harbor Street
Morro Bay, CA 93442

Dear Mayor Wixom, Members of the Council & Director Singewald:

On behalf of Vistra Corp., thank you for your service to the community. As you know, California has been modernizing its grid and generation capacities to reduce the reliance on carbon-intensive power plants to generate electricity. In 2020, recognizing the evolving needs of California's grid, our company submitted a development application that proposed constructing 600 megawatts of energy storage on 24 of our 107-acre retired Morro Bay Power Plant property adjacent to critical transmission infrastructure.

We appreciate the work conducted over the past several years to analyze how our plan to repurpose our Morro Bay Power Plant into a battery energy storage facility could benefit the city, region, and state. Recently, there have been several comprehensive technical studies and reviews completed and made available to the public, including:

- **Draft Environmental Impact Report:** The City's [draft EIR](#) was completed in May 2024 and found environmental impacts to be "less than significant with mitigation incorporated" or "less than significant impacts without the need for mitigation."
- **Offsite Consequences Analysis:** A Vistra-commissioned [safety report](#) was peer-reviewed by a City consultant this summer, [concluding that](#) "a credible worst-case scenario would not present any significant health or safety risk to the public."
- **Economic and Fiscal Impact Analysis:** The City was provided [an analysis](#) that projected a fiscal windfall for the City of Morro Bay of \$24.2 million in the first 10 years, providing financial resources for municipal leaders to invest in initiatives and services to improve the community and quality of life for residents and visitors.

To advance the ongoing consideration of this important project, Vistra intends to pursue [Opt-in Certification](#) before the California Energy Commission as established in Assembly Bill 205, which was passed in 2022. The Sept. 17 Staff Report and accompanying discussion at the Sept. 24 council meeting provided updated processes and timelines that added a minimum of another 18 months to the municipal consideration calendar, which began in 2020. Given this extension of municipal consideration, the Opt-in Certification process will provide a more defined pathway for consideration. Please accept this as a formal request that the City of Morro Bay pause its municipal consideration of our development applications.

By pursuing this State-led process, based on the site's coastal location, the California Energy Commission and California Coastal Commission will undertake the statutorily required analysis and review of this proposal.

Vistra recognizes that the plant property is adjacent to the most precious and defining aspect of Morro Bay, your coastline and harbor. We welcome the opportunity the Opt-in Certification process provides to continue our partnership with you and numerous other local and state leaders. Together, we will ensure that the plan to deploy zero-carbon energy technologies at the former fossil-fuel site will be done in a manner that is good for the environment.

While we intend to take a different permitting review path, Vistra's commitment to transparency won't change. To set expectations correctly, we do not currently envision this new permitting process formally beginning before the end of this year. The company will retain our project website and provide updates and information to the community as appropriate.

It is our experience that reusing a power plant site for renewable and zero-carbon energy is the most sustainable and environmentally conscious decision to be made to meet the growing electricity demand. Building a new greenfield facility requires disturbing land and building transmission lines and substations, which are expensive and resource-intensive, including time, land, labor, and more.

The Morro Bay Power Plant provides a unique opportunity to use a small portion of a retired fossil fuel power plant site and for Vistra to invest \$900 million to construct a new state-of-the-art energy storage facility to capture and better utilize excess renewable solar electricity.

Vistra looks forward to working with you through the Opt-in Certification process toward a solution that is good for the community and the state of California's reliability and clean energy needs.

Sincerely,

A handwritten signature in black ink that reads "Claudia J. Morrow". The signature is written in a cursive, flowing style.

Claudia J. Morrow
Senior Vice President, Development Vistra Corp.

Cc: Yvonne Kimball, City Manager
Chris F. Neumeyer, City Attorney
Dan McCrain, Morro Bay Fire Chief