

MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

HEARING ROOM A
CALIFORNIA ENERGY COMMISSION
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, FEBRUARY 21, 2001

10:00 A.M.

JAMES F. PETERS, CSR, RPR
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMISSIONERS

William Keese, Chairperson

Robert Laurie

Robert Pernell

Arthur Rosenfeld

STAFF

Mr. Boyd

Mr. Bruce Cenicerros

Mr. Bill Chamberlain, Chief Counsel

Ms. Beverly Duffy

Mr. Alec Jenkins

Mr. Steve Larson, Executive Director

Mr. Bruce Maeda

ALSO PRESENT

Mr. Michael Boyd

Mr. Chris Chaddock

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

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1 PROCEEDINGS

2 COMMISSIONER LAURIE: Ladies and gentlemen, I'll
3 call the meeting to order. Commission Pernell, could you
4 lead us in the Pledge, please.

5 (Thereupon the Pledge of Allegiance was
6 led by Commissioner Pernell.)

7 COMMISSIONER LAURIE: Ladies and gentlemen, good
8 morning. Both Commissioners Rosenfeld and Pernell have to
9 depart by 11:00 o'clock is my understanding, so we will
10 not waste time.

11 Good morning, Mr. Larson. Good morning, Mr.
12 Bles.

13 Consent agenda.

14 COMMISSIONER PERNELL: Mr. Chairman, I move the
15 consent calendar.

16 COMMISSIONER LAURIE: Do I hear a second?

17 COMMISSIONER ROSENFELD: Second.

18 COMMISSIONER LAURIE: All in favor, please say
19 aye?

20 (Ayes.)

21 COMMISSIONER LAURIE: Opposed?

22 Item 2, Gabel Dodd/Energy Soft. Possible
23 approval of contract 400-00-032 for \$30,000 to make the
24 necessary changes to PERFORM-98 to provide a certifiable
25 public domain compliance program for supporting the AB

1 970/2001 nonresidential building and energy efficiency
2 standards.

3 I'll accept a motion and a second and then we'll
4 have discussion. Is there a motion on the recommendation?

5 COMMISSIONER PERNELL: Mr. Chairman, so moved on
6 Item 2.

7 COMMISSIONER LAURIE: Is there a second?

8 COMMISSIONER ROSENFELD: Second.

9 COMMISSIONER LAURIE: Public discussion?
10 Seeing none, all in favor please say aye?

11 (Ayes.)

12 Opposed?

13 Motion passes unanimously.

14 Noting the presence of the Chairman. Mr.
15 Chairman, we're on Item 3.

16 CHAIRPERSON KEESE: Please continue.

17 COMMISSIONER LAURIE: Item 3, Global Energy
18 Partners. Possible approval of contract 400-00-035 for
19 \$1,410,000 to recruit commercial customers, perform
20 customer site surveys, install real-time meters, two-way
21 communication hardware and demand responsiveness software
22 that will provide up to 15 megawatts of peak electricity
23 demand savings during the summer of 2001.

24 A motion would be in order on the recommendation.

25 COMMISSIONER PERNELL: So moved.

1 COMMISSIONER ROSENFELD: Second.

2 COMMISSIONER LAURIE: Public discussion on the
3 motion?

4 Seeing none, all in favor please say aye?

5 (Ayes.)

6 COMMISSIONER LAURIE: Opposed?

7 Motion passes unanimously.

8 Item number 4, Innovative Efficiency and
9 Renewables Element of the AB 970 Peak Electricity Demand
10 Reduction Program. Possible approval of grants totaling
11 up to \$2 million to install a variety of electric demand
12 reducing equipment and renewable electric generation
13 equipment contingent upon funds becoming available. The
14 recommended projects will reduce peak load on the
15 California electric grid by more than four megawatts.

16 We do have staff present for discussion. I would
17 look forward to a motion and a second and then a
18 determination whether or not the motion made would like
19 any staff discussion on the issue.

20 COMMISSIONER PERNELL: Mr. Chairman, I would move
21 the item and would like Bruce to briefly describe the
22 items that came before you at the last business meeting.

23 And so I do move the item.

24 COMMISSIONER LAURIE: Thank you.

25 COMMISSIONER ROSENFELD: Second.

1 COMMISSIONER LAURIE: Thank you.

2 Mr. Cenicerros.

3 MR. CENICEROS: Thank you, Mr. Chairman and
4 Commissioners. I'll just very quickly go through these
5 projects and first note that we're asking for a
6 preapproval in the event that funding becomes available
7 through some other mechanism, so we can look forward to
8 meeting with them.

9 The first project, number 12, in the County of
10 Alameda to install a 458 kilowatt photovoltaic system in
11 the Santa Rita Jail in Dublin.

12 The next two projects involve installing
13 absorption chillers to shift the ease of electricity to
14 available steam capacity in their central plants at
15 several facilities.

16 Ranked number 15 is with Campbell's Soup Company
17 in Dixon, California. And that will involve installing
18 steam turbines to replace electric motors in Tomato
19 processing plants.

20 Ranked number 16, the City of Burbank to request
21 \$250,000 to install ten 30-kilowatt microturbines that
22 will be run on landfill methane gas.

23 And the last project, ranked 17, is with Grimmway
24 Frozen Foods in Arvin, California to install an energy
25 management system and make other system improvements to

1 reduce refrigeration equipment essentially locking out the
2 equipment during peak hours in the summer.

3 COMMISSIONER LAURIE: Thank you, sir.

4 Commissioner Pernel, do you have any additional
5 comments at this time, sir?

6 COMMISSIONER PERNELL: No, I don't.

7 COMMISSIONER LAURIE: Any public comment on the
8 motion?

9 Hearing none, all in favor of the motion, please
10 say aye?

11 (Ayes.)

12 COMMISSIONER LAURIE: Opposed nay?

13 Motion passes unanimously.

14 COMMISSIONER PERNELL: Mr. Chairman.

15 COMMISSIONER LAURIE: Sir.

16 COMMISSIONER PERNELL: A point of personal
17 privilege. I'd like to go back to Item 3 and note
18 something for the record.

19 COMMISSIONER LAURIE: Yes, sir.

20 COMMISSIONER PERNELL: For the record, although
21 the work statement originally indicated June 15th
22 completion date, the work statement will be changed to
23 June 1 completion date per 970. And I just wanted to note
24 that for the record that staff has talked to the applicant
25 and they have agreed to be completed by June 1st.

1 COMMISSIONER LAURIE: Thank you, Commissioner
2 Pernell. The minutes will so reflect.

3 Anything else?

4 Item number 5 is moved to the March 7th agenda.

5 Item number 6, I do not see the appellant in the
6 audience. We will move to item number 7.

7 Mr. Jenkins, why don't you come up and take a
8 seat and Mr. Surles.

9 Commissioner Rosenfeld, would you like a
10 discussion on this matter before a motion is taken? How
11 would you prefer to handle that or would you like to make
12 a motion and a second and then have it discussed?

13 COMMISSIONER ROSENFELD: I think I will just move
14 the motion.

15 COMMISSIONER LAURIE: Thank you. A motion is
16 made per a recommendation.

17 Is there a second to the motion?

18 COMMISSIONER PERNELL: Second.

19 COMMISSIONER LAURIE: Thank you. Mr. Surles.

20 MR. SURLLES: As usual, where is this -- which
21 button? I promise to be brief, so maybe I'll just sit
22 here. This is the report that we're submitting, the plan
23 that we're submitting in response to the legislation that
24 was developed under AB 995 and Senate Bill 1194, SB 1194.
25 And it's also in response to concerns raised by the

1 independent review panel.

2 And we feel it's the platform that we're using to
3 make modifications as it deals with the change in energy
4 landscape certainly since the original enactment in 1996
5 that established the Public Interest Energy Research
6 Program.

7 While we're looking at a number of things that
8 affect the country and affect the world as much as it does
9 us, we're also focusing our research in the California
10 context. And some of those things include the
11 demographics of the State, particularly in light of the
12 fact that we're having a large -- we're having a shift in
13 population to inland regions that require more air
14 conditioning. We're also concerned about the industrial
15 sector.

16 Our industrial sectors are different than other
17 parts of the country because of the nature of the high
18 technology and the power quality and reliability
19 requirements that these industries have.

20 And there are other, rather than -- there are
21 also other points, social values I think that California
22 citizens are more concerned about green technology and the
23 environment than others. And then we're also worried
24 about air quality, water availability quality and seismic
25 concerns.

1 And also within the California context, we have
2 in-state capabilities in terms of our university system
3 and the institutes such as the Electric Power Research
4 Institute.

5 Part of the investment plan was put together to
6 identify problems and also to provide solutions. And we
7 basically focused on four problem areas. First, demand is
8 increasing faster than supply, so our interest is to
9 improve and develop technologies that are going to
10 increase our generating capacity, particularly focused on
11 distributed generation.

12 We're also looking at technologies that are going
13 to improve venue sufficiency across all sectors
14 industrial, agriculture, residential and commercial. And
15 we're also going to develop better decision-making tools
16 that will -- and related and enabling technologies that
17 will allow us to better monitor electricity use and the
18 transmission of electricity.

19 The second problem we've all seen that rise in
20 peak demand threatens reliability and power quality. That
21 is in -- the solutions to that and what we're working on
22 is to also increase and improve the technology choices for
23 local and distributed generation, as well as improving the
24 demand responsiveness related to end-use energy -- to
25 end-use energy use, as well as coming and developing new

1 technologies in the area of load management storage and
2 conversion technologies that will remove -- that will
3 shift peak demand to off-peak.

4 And also, in this area, we're concerned about
5 transmission congestion. We want to enhance the
6 performance of transmission and distribution systems
7 through the development of improved information systems,
8 sensors and software.

9 One of our charges is also the need to protect
10 and enhance the environment. And so we need to provide
11 balance between energy development, end-use and the
12 environment. The solutions to that are to develop a
13 science base for improving the prediction and measurement
14 of energy impacts and also working on related mitigation
15 strategies.

16 We also are interested in developing new
17 technologies that can benefit the environment by reducing
18 emissions in the process of addressing other existing
19 problems. In other words, we can get collateral benefits
20 from the development of new energy technologies that will
21 benefit the environment.

22 And finally, the fourth point is that market
23 uncertainty and price volatility impact energy delivery
24 and use. This goes back to the other three problem areas,
25 but we also need to develop models and tools to better

1 understand the market structure. And those tools we're
2 going to include better information systems and
3 decision-analysis tools.

4 In the implementation, we've addressed the
5 independent review panel's recommendation. We've made
6 changes in our management and leadership. All of this are
7 now in place, which was not true back in March when they
8 issued their interim report. We've also made advances in
9 policy and planning. This is one of the templates for
10 that.

11 We're going to be developing road maps not only
12 for the overall program with explicit metrics so we can
13 measure the progress of the program, but also the
14 individual areas.

15 And finally, we're working real hard on the
16 administration of the program. We've made advances in
17 streamlining our contracting activities. We've been able
18 to hire staff to alleviate problems in that area and we're
19 moving forward in those activities.

20 Some of the near-term actions that we've also
21 closely coordinated with the independent review panel is
22 that we're going to work with Steve Larson and the
23 Commissioners to make sure that we have the authority and
24 flexibility to conduct the program effectively.

25 As I mentioned, we're going to be developing road

1 maps for all the program areas and we're going to work --
2 we're going to continue to work on decreasing the contract
3 line, because the point is to get the funding out so we
4 can get the work done and see improvements in technology.

5 Externally, we want to have better integration
6 with the public goods programs. As part of the proposed
7 reorganization, the Renewables Program will also be
8 reporting to me so we can get better integration in that
9 context. Where we need to, we will ask for relief for
10 contracting and staffing issues, if we're not able to
11 accomplish these ourselves. We're going to be working a
12 lot more closely with the US Department of Energy to make
13 sure we've got the right collaborative activities going on
14 that will benefit California and avoid us duplicating
15 their efforts. And then we will also be developing better
16 partnerships with the university system and other R&D
17 institutions.

18 And I think that's the brief summary of what the
19 report says.

20 COMMISSIONER LAURIE: Thank you, Mr. Surles.

21 Commissioner Rosenfeld, did you have any
22 additional comments at this point?

23 COMMISSIONER ROSENFELD: It seems fine to me.

24 COMMISSIONER LAURIE: Thank you.

25 COMMISSIONER PERNELL: I had one question. This

1 is a five-year plan. And it certainly sounds great and
2 I'm going to support it, but my question is, is there,
3 within the plan, a built-in revisit clause to see whether
4 or not it's working properly or are you getting the
5 results you need?

6 MR. SURLLES: Sure. The revisit is, in fact,
7 we've -- as part of the independent review panel, we've
8 actually encouraged them to move up the review date,
9 because we feel that we need, in effect, to keep our feet
10 to the fire. So the review date was originally scheduled
11 to commence in January '03 with a report completed in '04.
12 And we're suggesting that they -- that there's a new
13 review team to get formed in January '02 with the review
14 to be conducted over the course of the year in '03.

15 And we all believe that this is an R&D program,
16 so it takes time to roll our results that are going to get
17 into the marketplace. But we feel that this is timely, at
18 this point, because the program will have been in
19 operation for about five years by then, so we think that
20 that's an appropriate time to look at it.

21 So there is that type of review mechanism.

22 COMMISSIONER PERNELL: Thank you.

23 COMMISSIONER LAURIE: Thank you, sir.

24 Public comment at this point would be welcomed.

25 Seeing none, Mr. Boyd, did you have any comment

1 on this item?

2 MR. BOYD: No, thank you. I follow with interest
3 the progress this program is making and I commend staff
4 for responding to all the concerns of the past.

5 COMMISSIONER LAURIE: Thank you, sir.

6 Commissioner Rosenfeld, are you ready for a vote
7 at this time?

8 COMMISSIONER ROSENFELD: You bet.

9 COMMISSIONER LAURIE: All in favor please say
10 aye?

11 (Ayes.)

12 COMMISSIONER LAURIE: Opposed?

13 None. The motion passes unanimously.

14 Our thanks to Mr. Surles and Mr. Jenkins and the
15 entire staff and they have done a very good job on that.

16 Thank you.

17 Return to item number 6, Appeal Filed by
18 Intervenor. Possible consideration of appeals --
19 actually, actual consideration of appeals filed by
20 Intervenor CARE, re Metcalf Siting Committee rulings
21 regarding override authority, public participation and
22 intervenor funding as well as CARE request to stay all
23 siting proceedings.

24 Mr. Bles, what's the recommended procedure as to
25 how to address this issue?

1 ASSISTANT CHIEF COUNSEL BLEES: If the --

2 COMMISSIONER LAURIE: I know both the appellant
3 and the representative from the city of San Jose are
4 present. They're ready to go.

5 ASSISTANT CHIEF COUNSEL BLEES: The Appellant
6 should be allowed to speak first, followed by anybody else
7 who wishes to make a response.

8 COMMISSIONER LAURIE: Thank you.

9 Mr. Boyd.

10 Please, state your name for the record, sir.

11 MR. BOYD: Mike Boyd, President of CARE.

12 I'm getting a display loaded right now.

13 COMMISSIONER LAURIE: I should note for the
14 Commissioners that the entirety of the appeal is part of
15 your packet.

16 MR. BOYD: This is just like -- they asked that I
17 make like some bullets and a Powerpoint presentation.

18 COMMISSIONER LAURIE: I'm sorry, you have to
19 speak directly into the microphone, sir.

20 MR. BOYD: I've got it right here now.

21 Mike Boyd with the Californians for Renewable
22 Energy. And basically we originally petitioned for the
23 Committee on this issue. And we were really denied any
24 consideration on the issues we raised. We were told that
25 these issues were spurious, so we went ahead and appealed

1 to the full commission.

2 (Thereupon an overhead presentation was
3 presented as follows.)

4 MR. BOYD: Basically, our understanding of the
5 issues is this, you have three goals that you have to --
6 three goals that the Energy Commission needs to address in
7 its siting process. The first being the goal with
8 especially with the existing emergency situation to
9 expedite the siting of new generation in the State.

10 The second goal is an administrative goal to make
11 an informed decision based on the entire record on the
12 project.

13 The third goal is a CEQA goal, a CEQA review
14 requirement, in fact. We're well-informed and what this
15 means is full disclosure and meaningful participation.
16 And what we mean by that is an opportunity to politically
17 influence the decision makers.

18 In regards to the administrative goals, it's our
19 understanding that once the override is so foreseeable,
20 irrespective of whether or not the City had -- in this
21 case, the City has already voted 11 to nothing against the
22 project. But if there was any anticipation that the
23 override had possibly exercised -- it's our understanding
24 that you need to factor this into the administrative
25 process to balance this against the public participation

1 process.

2 MR. BOYD: Basically, there's two problems with
3 you overriding that we understand. One is there's really
4 no case law directly on point to interpreting override in
5 this situation where we have 11, 0 city council vote
6 against the project, where the Commission staff report has
7 identified viable alternative sites.

8 There's also Constitutional problems with this
9 involving the Separation of Powers doctrine, which is the
10 City's legislative decision for the Cisco project over the
11 MEC, requires override by the State. That's the
12 Constitutional issue.

13 And then the other issue is the
14 disenfranchisement of the voters of the City's legislative
15 11 to 0 decision against the project for 20,000 Cisco jobs
16 will require override, which is disenfranchised the San
17 Jose' voters.

18 Now, how this relates to the issue of intervenor
19 funding for public participation. Our counsel told us
20 that once the City voted 11 to nothing that the CEC should
21 have, at that point, made a decision on whether or not it
22 needed to exercise its override authority.

23 By failing to do that, you've actually damaged
24 CARE in our ability to participate in other proceedings
25 that we're party to. We're an intervenor in a Contra

1 Costa Project. We're an intervenor in Protero, United
2 Golden Gate. And we have been unable to meaningfully
3 participate in those projects, because we've had to focus
4 all of our resources on the Metcalf Energy Center. And we
5 feel that if you're going to go ahead with it, if you're
6 going to go ahead with that project, you need to address
7 the override first.

8 Short of that, we believe that you should fund
9 intervenors and the public's participation, because you
10 made a discretionary decision to continue with the process
11 as it is now going through all the evidentiary hearings
12 irrespective of the damage that it's going to cause on the
13 public.

14 And, basically, our counsel has, to quote him
15 said, "This is a humongous abuse of discretion," on your
16 part.

17 And so we are basically here today to ask you to
18 reconsider that decision, ask you to address this override
19 decision upfront before it costs any further damage to
20 CARE and its participation in other proceedings
21 aforementioned.

22 And that basically summarizes our position.

23 COMMISSIONER LAURIE: Thank you, sir.

24 Any questions of Mr. Boyd by Commissioners?

25 Anybody in the audience wish to offer comment on

1 the matter before the Commission?

2 Ms. Ross.

3 MS. ROSS: My name is Priscilla Ross and I'm
4 representing the Public Adviser's office. And the Public
5 Adviser and the other associate are in Huntington Beach
6 and Morrow Bay, so I had a message dictated to me this
7 morning by Mr. Garbett, who is also an intervenor in
8 Metcalf. He represents the PUBLIC. And he just asked me
9 to read these remarks into the record for him.

10 "The PUBLIC supports Mike Boyd and Californians
11 for Renewable Energy and the access of the PUBLIC has
12 changed with the emergency and final regulations regarding
13 electronic access rather than US mail for the proof of
14 services." And he quotes the Code of Civil Procedures CCP
15 1013(a) and CCP 1012.

16 "These changes have made it difficult or
17 impossible for the PUBLIC to provide information to the
18 Commissioners on an equal basis. The PUBLIC having no
19 telephone and therefore no electronic access.

20 "The PUBLIC was refused by the docket unit when
21 they tried to deliver information by the desk. The PUBLIC
22 wanted to look at the Commissioner's computer and was
23 refused to do this also."

24 COMMISSIONER LAURIE: Mr. Garbett refers to the
25 public, that's the name he --

1 MS. ROSS: His organization.

2 COMMISSIONER LAURIE: Thank you very much.

3 COMMISSIONER PERNELL: He says that they have no
4 telephone?

5 MS. ROSS: Yes, sir. I think there was some
6 activity in their past history where their telephone lines
7 were taken away from them and they feel they've been
8 denied the ability to talk to the Commission in an
9 electronic format because they have no telephone lines.

10 COMMISSIONER LAURIE: Thank you, ma'am.

11 Mr. Brees, do you have any comments?

12 ASSISTANT CHIEF COUNSEL BLEES: Very briefly. As
13 you know, the Chief Counsel's office and the hearing
14 advisors -- hearing officer's office has prepared a draft
15 order addressing the points addressed in the appeals in
16 recommending that they be denied.

17 So I want to go over that, but I just -- two
18 things very briefly. First of all, this concern that Ms.
19 Ross just referred to about electronic mail is not part of
20 the appeals before you today that have been filed by CARE.

21 And second, I believe that Mr. Boyd has raised
22 some new arguments today, in particular, the alleged
23 violation of the Separation of Powers Doctrine, which, in
24 my view, have no merit, and second, were not raised in his
25 written petition, and therefore you do not need to

1 consider them today.

2 COMMISSIONER LAURIE: What are the options
3 available to the Commission?

4 ASSISTANT CHIEF COUNSEL BLEES: You have two
5 basic options. One is to do nothing, in which case the
6 appeals will be denied by operation of law under Section
7 1215(c) of the Commission's regulations.

8 You may also act affirmatively. You may act
9 affirmatively to deny the appeals or you may act
10 affirmatively to vacate the Committee orders on the
11 subject of the appeals, or you may amend them here today.
12 You can vacate and have further proceedings or you can
13 take steps to amend the Committee orders today, if you
14 want to grant the appeals.

15 COMMISSIONER LAURIE: Thank you, sir.

16 Any final comments from the public before we
17 close the public hearing?

18 Mr. Boyd.

19 MR. BOYD: I would just state that the issues
20 that I raised in my summary, I have provided in advance in
21 writing to the Commission including the issue that he just
22 raised that he said that the Separation of Power issue was
23 raised in prior filings by CARE.

24 COMMISSIONER LAURIE: Okay, sir, thank you very
25 much.

1 At this point, we'll close the public hearing and
2 bring it back to the Commission. What's the desire of the
3 Commission?

4 Is there a motion to be made?

5 COMMISSIONER PERNELL: Mr. Chairman.

6 COMMISSIONER LAURIE: Commissioner Pernell.

7 COMMISSIONER PERNELL: I would simply make a
8 motion to deny the appeal.

9 COMMISSIONER LAURIE: Motion to deny. Is there a
10 second?

11 COMMISSIONER ROSENFELD: Second.

12 COMMISSIONER LAURIE: Commissioner Rosenfeld
13 seconds. Sir, as part of the motion are specific findings
14 required? What is your recommendation, Mr. Brees?

15 ASSISTANT CHIEF COUNSEL BLEES: The hearing
16 officer and the Chief Counsel recommend that you do
17 approve the draft order.

18 COMMISSIONER LAURIE: And is the draft order part
19 of the record? What I'm asking is that is this a
20 legislative act or a judicial act? Do we have to make
21 specific findings as part of the motion or is my question
22 unclear?

23 ASSISTANT CHIEF COUNSEL BLEES: You do not have
24 to, but it is our recommendation that you do make the
25 responses that we have provided for you.

1 COMMISSIONER LAURIE: Thank you. To the motion
2 maker and the second, can you include in your motion
3 adoption of the proposed order as submitted?

4 COMMISSIONER PERNELL: Yes.

5 COMMISSIONER ROSENFELD: Yes.

6 COMMISSIONER LAURIE: Thank you.

7 MR. BOYD: Question.

8 COMMISSIONER LAURIE: Sir.

9 MR. BOYD: I never received a copy --

10 COMMISSIONER LAURIE: I'm sorry, sir, the matter
11 is before the Commission.

12 MR. BOYD: I don't have an opportunity to know
13 what your voting on in this matter.

14 COMMISSIONER LAURIE: Thank you. The matter is
15 before the Commission.

16 All in favor of the motion please say aye?

17 (Ayes.)

18 COMMISSIONER LAURIE: Opposed?

19 The motion passes unanimously.

20 Thank you, sir.

21 There are no minutes to be approved.

22 Committee comments, committee reports?

23 Seeing none, Mr. Larson, do you have any to
24 report.

25 EXECUTIVE DIRECTOR LARSON: No, sir.

1 COMMISSIONER LAURIE: Mr. Chamberlain, Mr. Blee.

2 CHIEF COUNSEL CHAMBERLAIN: I'm sorry that for
3 the second week in a row, I will not be able to introduce
4 to you our newest member of our office Paul Kramer. The
5 reason is because he's already so firmly in our office
6 that he's handling the hearing down in Huntington Beach,
7 but I will introduce him on the 7th.

8 COMMISSIONER LAURIE: Thank you, sir.

9 Public Adviser's report, Ms. Ross?

10 MS. ROSS: There's no report today.

11 COMMISSIONER LAURIE: Thank you.

12 We do have a public comment, Chris Chaddock.

13 Sir, good morning.

14 MR. CHADDOCK: Yes, my name is Chris Chaddock.

15 And I would like to make one public comment and I have one
16 question. I slightly might be uninformed, but if you
17 could maybe give me a brief answer, I would appreciate it.

18 The first is I have great concern about the
19 closed and private meetings in regards to the State of
20 Emergency that the Governor, Gray Davis, has cited giving
21 him powers of authority to expedite the siting process of
22 power plants.

23 And I find that by doing so it takes us out of
24 the realm of public participation, which I feel that your
25 commission is partly responsible to see that there is some

1 type of public participation in the matters.

2 And it seems to me that since there's basically a
3 great issue of just financial achievement by these power
4 producers for their benefit, that the bulk of the costs
5 should be put on to the power producers and maybe
6 providing quicker environmental review and such like this
7 to enhance the siting process if it would be deemed
8 necessary.

9 And secondly, I have three power plants that are
10 being proposed within 15 miles of my house, a 750 megawatt
11 from Enron, there's 560 megawatts 174 feet from my bedroom
12 window, and then there's 500 to 2,000 SMUD is proposing to
13 be produced here in the City of Sacramento.

14 It seems like these are quite substantial power
15 plants all being very closely associated with each other.
16 They're going to be taking their supply off of an already
17 tight pipeline, 400 pipeline interstate connection
18 transmission.

19 And my question is I've read somewhere that in
20 1998 that the Energy Commission did a study that they felt
21 that there was a need for 6,500 megawatt power generating
22 increase into the power grid in the near future.

23 And that they did think that they'd be able to
24 convince enough producers to jump in on this. But I
25 understood that within a year or two that there was

1 approval of 11,000 megawatts of generating power being
2 promised, and that now on the plan there's 22 plants being
3 studied or reviewed giving approximately 20,000 megawatts
4 of power. This seems to be adequate in a private person's
5 view of the energy crisis is going and that there would
6 not be a need for a State of Emergency Act by the
7 Governor, Mr. Davis.

8 Thank you.

9 COMMISSIONER LAURIE: Thank you, sir very much.
10 And anybody have any questions of Mr. Chaddock?

11 CHAIRPERSON KEESE: Mr. Chairman, I would just
12 respond somewhat that the Commission has approved 6,300
13 megawatts of construction. There are further plants
14 before the Commission. As you're undoubtedly aware, once
15 approval comes on, then construction starts. And none of
16 those 6,300 megawatts are producing today.

17 There's a hope that two of them will be producing
18 by July. There's a hope that by next July, four or five
19 of those will be producing. But there is little
20 likelihood from the group that you have just described
21 that there will be 6,500 megawatts producing before 2003.

22 The Governor's orders, as we have seen them, are
23 specifically aimed to meeting the short-term needs to get
24 generation into the system in 2001 and 2002. Our web site
25 is pretty full of information on this. I would suggest

1 you might want to check the web site.

2 MR. CHADDOCK: Yeah, being overwhelmed with
3 trying to gather information out for my own particular
4 crises that is before me.

5 Thank you.

6 CHAIRPERSON KEESE: Thank you.

7 COMMISSIONER LAURIE: Thank you, sir.

8 Any other public comment?

9 If not, the meeting stands adjourned.

10 Thank you very much.

11 (Thereupn the California Energy Commission
12 meeting was adjourned at 10:40 a.m.)

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Energy Commission Meeting was
7 reported in shorthand by me, James F. Peters, a Certified
8 Shorthand Reporter of the State of California, and
9 thereafter transcribed into typewriting.

10 I further certify that I am not of counsel or
11 attorney for any of the parties to said meeting nor in any
12 way interested in the outcome of said meeting.

13 IN WITNESS WHEREOF, I have hereunto set my hand
14 this 23rd day of February, 2001.

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