

BUSINESS MEETING
STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION AND
DEVELOPMENT COMMISSION

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

WEDNESDAY, OCTOBER 17, 2001

10:00 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

CONTRACT NO: 150-99-02

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMISSION MEMBERS

Michal Moore

Arthur Rosenfeld

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

PROCEEDINGS

1
2 COMMISSIONER MOORE: All right, good morning to
3 the regularly scheduled meeting for October 17th of the
4 California Energy Commission. I'm Commissioner Michal
5 Moore. I'll be the Acting Chairman this week. And we
6 should announce that we do not have a quorum at this
7 moment and we will be planning to take up our regular
8 agenda items at 5:30 this afternoon. There may be people
9 who want to talk to us about that, they should realize
10 they're talking not even to a committee of the whole, but
11 to two members, Commissioner Rosenfeld and myself being
12 present.

13 But we expect all members to be in attendance at
14 the meeting at 5:30 either by phone from remote locations
15 or that we will have the presence of Commissioner Laurie
16 who is flying back from a meeting with the nuclear
17 regulatory officials in San Onofre this morning.

18 So let me just open this and say is there anyone
19 here in the audience who came to speak to us who'd like to
20 have their remarks briefly noted on the record? We'll
21 pass them on to our colleagues who can't attend this
22 afternoon, but they have to realize that they won't be
23 speaking to the Commission as a whole.

24 Is there anyone in the audience who would like to
25 address us?

1 Come forward.

2 Give us your name for the record.

3 MR. PREVOST: I'm John Prevost from Pacific
4 Lumber Company in Scotia, California. I wanted to briefly
5 just talk about this last new bid auction that went out,
6 that I understand is on the agenda today for finalization.

7 CHAIRPERSON KEESE: Right, John. It will be up.
8 Our Renewables Chief is over at the President's speech
9 this morning, but you are talking to committee members, so
10 if you'd like --

11 MR. PREVOST: I think that the opportunity
12 existed to touch a lot of renewables in California and
13 small renewables. There were a lot of small people on
14 that list. And when the final list came out, there were
15 ten big winners, a tire burner, a hydro owned by one of
16 the districts, one of the irrigation districts and the
17 rest of them were all big wind people from -- most of them
18 out of state.

19 And I think something -- you know, we put this
20 thing off for three weeks so they could go back and relook
21 at some of the applications. And the rules on the bid
22 said, if your application isn't complete, it's going to
23 get tossed out. And, as it was, it worked out to exactly
24 \$40 million and no cents. And the whole thing just seemed
25 like an opportunity that was lost to pick up some small

1 people.

2 COMMISSIONER MOORE: Okay. John, I'm very
3 sensitive to that. And I know Commissioner Rosenfeld is
4 too with regard to what we can do to stimulate the market.
5 Are you here for today's -- were you here specifically for
6 today's meeting?

7 MR. PREVOST: I just was going to mention that
8 when it came up on the agenda.

9 COMMISSIONER MOORE: Can you come back this
10 afternoon?

11 MR. PREVOST: I'm going to try. I'm not sure I
12 can, Commissioner Moore.

13 COMMISSIONER MOORE: If you can't, this meeting
14 will be web broadcast and we can, from -- if you're going
15 back to Scotia this afternoon, we could get you in on the
16 800 number and have you talk to us.

17 MR. PREVOST: I'll be in town this afternoon, but
18 I think I've got another commitment. That's the only
19 problem. I'm not sure I can make it.

20 COMMISSIONER MOORE: I know your concern, and I
21 promise you I'll raise it, and we'll discuss it when we've
22 got the renewables staff here this afternoon.

23 MR. PREVOST: Yes, sir. I really appreciate it.
24 Thank you very much.

25 COMMISSIONER MOORE: John, before you go, you're

1 still selling into the grid?

2 MR. PREVOST: Yes, sir, with the existing -- we
3 brought an old -- in our old power plant, we --

4 COMMISSIONER MOORE: Let me just remind
5 Commissioner Rosenfeld, John runs the biomass plant at
6 Scotia and it is net selling into the grid in the north
7 area.

8 MR. PREVOST: Up to 20 megawatts into the grid.
9 And what we did, we had some available extraction steam
10 off our turbines and so we brought up a -- we had some
11 shutdowns in the mill, and so we had some extra steam, so
12 we took one of our old generators in the old power plant
13 and refurbished it and we're running extraction steam to
14 that, then we were purchasing a new transformer to up the
15 amount of power we could sell, so we were trying to sell
16 up to four megawatts of new, but we bid too high.

17 I mean, clearly we overbid. The winning bids
18 were, I think, about five cents or half a sent, and we
19 were higher than that.

20 COMMISSIONER MOORE: Okay.

21 MR. PREVOST: But there were an awful lot of
22 small renewable energy people in that thing. And it
23 just -- you know, the big guys just came in and took it,
24 and it was kind of disheartening. There was a lot of
25 effort put into it by a lot of people, and I guess it's

1 all in the bid.

2 COMMISSIONER MOORE: Well, of course, in the end
3 it is all in the bid, and the way that you structure it,
4 because for our part we've got to be as impartial as we
5 can. And once we set the rules up, we've got to play
6 exactly by them.

7 On the other hand, there's been no interest or
8 effort to disenfranchise any of the small producers. And,
9 perhaps, we can target them in a different way. Now, I
10 had asked to put together an advisory group of people from
11 the biomass industry. We never really did do that. Maybe
12 we can reinvent that and get some of your advice before
13 the end of the year.

14 MR. PREVOST: That would be nice.

15 COMMISSIONER MOORE: I'll bring this up this
16 afternoon. If you can come back --

17 MR. PREVOST: I will, if I can.

18 COMMISSIONER MOORE: -- we'll take it up. We've
19 got another item that's coming on at pretty close to 5:30
20 that's a policy item that may take a little bit of time,
21 but after that we'll get to it.

22 MR. PREVOST: Thank you very much for your time.
23 I appreciate it.

24 CHAIRPERSON KEESE: Anyone else who'd like to
25 address us prior to the afternoon?

1 All right. With that, I'll tell you that the
2 meeting is open, but is in recess until 5:30 this
3 afternoon, at which time we'll reconvene with three
4 Commissioners here and two Commissioners communicating
5 remotely.

6 We are in recess.

7 Thank you.

8 (Thereupon the California Energy Commission
9 recessed until 5:30 p.m.)

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

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 29th day of October, 2001.

15

16

17

18

19

20

21

22

JAMES F. PETERS, CSR, RPR

23

Certified Shorthand Reporter

24

License No. 10063

25

PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

□