

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Business Meeting Minutes

of

May 8, 2002

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The meeting was called to order by Chairman William Keese at 10:05.m.

Pledge of Allegiance was given by Commissioner Laurie

William J. Keese	Present
Robert Laurie	Present
Robert Pernell	Absent
Arthur Rosenfeld	Present
James D. Boyd	Present
Margaret Kim, Ex-Officio	Present

Prior to the beginning of the Business Meeting, Susan Bakker was presented with 25-year service certificate by Chairman Keese, Commissioner Boyd and via the phone, former Commissioner Michal Moore. Ms. Bakker also received a gold watch.

THE COMMISSION WILL CONSIDER THE FOLLOWING ITEMS:

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed and moved to later on the agenda)
 - a. COMMISSION CO-SPONSORSHIP. Possible approval of a co-sponsorship request for which the Energy Commission will lend its name, include promotional material with regularly scheduled mailings and possible provide financial support.
 - 23rd Annual Utility Energy Forum, May 15-17, 2002, Granlibakken Conference Center, Lake Tahoe.
 - b. SAN DIEGO REGIONAL ENERGY OFFICE. Possible approval of Contract 400-01-033 for \$25,000 to act as the Rebuild America representative in the San Diego region. (DOE funded)
 - c. ELEY ASSOCIATES. Possible approval of Contract 400-00-005 Amendment 3, for a time extension to January 1, 2003 to complete the development of cool roof labeling and certification procedures required by the AB 970 standards.
 - d. GLOBAL ENERGY PARTNER, LLC. Possible approval of Contract 400-00-035 Amendment 2, to increase the magnitude and certainty of peak savings achieved by the installations of demand response systems. The original peak savings goal of 57 megawatts was achieved by September 15, 2001 and this contract will require an additional 12.5 megawatt load reduction beyond the 57 megawatt all ready attained and maintain the demand response network for the original customers for the summer of 2002, with no additional cost to the State.

Item 1(b) was taken out of the Consent Calendar and voted on separately. Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of the Consent Calendar.

The vote was unanimous. (4-0)

Item 1(b)--Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of Contract 400-01-033. The vote was 3-1 with Commissioner Laurie abstaining. (3-0-1)

2. UTILITY GENERATION PROCUREMENT & RENEWABLE RESOURCE DEVELOPMENT (R.01-10-024). Possible Commission approval for participation in the California Public Utilities Commission (CPUC) proceeding R.01-10-24. This proceeding will set interim energy procurement rules for UDC procurement beginning January 1, 2003, when the Department of Water Resource's authority to procure sunsets. In this proceeding, the CPUC will also consider long-term renewable energy procurement purchases.

Commissioner Laurie moved and Commissioner Boyd seconded approval for the Energy Commission to participate in CPUC proceeding R.01-10-24, with the Electricity and Natural Gas Committee taking the lead on the matter. The vote was unanimous. (4-0)

3. THREE MOUNTAIN POWER PLANT (99-AFC-2C). Possible approval of a petition to amend various air quality Conditions of Certifications. The modification will clarify the emission measurement testing method for PM10 and revise SO2 emission limits.

Commissioner Laurie moved and Commissioner Rosenfeld seconded approval of the Three Mountain Power Plant petition to amend various air quality Conditions of Certifications. The vote was unanimous. (4-0)

4. CITY OF VERNON-MALBURG GENERATING STATION PROJECT. Commission consideration of the Executive Director's Data Adequacy Recommendation for the city of Vernon-Malburg Generating Station Project Application for Certification. The applicant is requesting a 6-month process. This is a 134-megawatt combined-cycle project located in the city of Vernon. (Docket No. 01-AFC-25)

Commissioner Laurie moved and Commissioner Rosenfeld seconded approval of the Executive Director's Recommendation that the Commission find the AFC for the city of Vernon-Malburg Generating Station Project data adequate. The vote was unanimous. (4-0)

5. CITY OF VERNON-MALBURG GENERATING STATION PROJECT. Possible approval of a Committee for the city of Vernon-Malburg Generating Station Project Application for Certification (Docket No. 01-AFC-25).

Commissioner Laurie moved and Commissioner Rosenfeld seconded approval of Commissioner Boyd as the Presiding Member and Commissioner Pernell as the Second Member of the Committee for the city of Vernon-Malburg Generating Station Project AFC proceeding. The vote was unanimous. (4-0)

6. BLYTHE ENERGY PROJECT PHASE II. Commission consideration of the Executive Director's Data Adequacy Recommendation for the Blythe Energy Project Phase II. This is a 6-month, 520-megawatt combined-cycle power plant located in the city of Blythe. This project is an addition to the approved Blythe Energy Project (BEP) described in

(99-AFC-8) (Docket No. 02-AFC-1).

This item was moved to the May 29, 2002 Business Meeting.

7. BLYTHE ENERGY PROJECT PHASE II. Possible approval of a Committee for the Blythe Energy Project Phase II Application for Certification (Docket No. 02-AFC-1).

This item was moved to the May 29, 2002 Business Meeting.

8. INNOVATIONS SMALL GRANT PROGRAM. Possible approval of twelve grant projects totaling \$892,052 under the Public Interest Energy Research (PIER) program funding.

Commissioner Rosenfeld moved and Commissioner Laurie seconded approval of twelve grant projects totaling \$892,052 under the PIER program. The vote was unanimous. (4-0)

9. INTER-CON SECURITY SYSTEMS, INC. Possible approval of Contract 200-01-006 for \$80,000 to provide for the services of the security officers for the building.

Commissioner Rosenfeld moved and Commissioner Laurie seconded approval of Contract 200-01-006 for \$53,000. The vote was unanimous. (4-0)

10. CALIFORNIA AIR RESOURCES BOARD. Possible approval of Contract 500-01-031 for \$500,000 to develop a less costly portable ambient air monitoring that can be used to better evaluate background air pollution of proposed power plant sites and indoor air. Less costly portable air monitors will allow for improved site specific monitoring resulting in better data for power plant analysis thus improving siting decisions and enhancing Environmental Justice. The Air Resource Board is also providing \$500,000 and will provide in-kind services to manage the project. In addition, in coordination with the Commission and CARB, the New York State Energy Research and Development Authority will fund approximately \$500,000 in a related project. (PIER funded)

Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of Contract 500-01-031. The vote was unanimous. (4-0)

11. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, SANTA CRUZ. Possible approval of Contract 500-01-032 for \$1,000,484 to reduce avian fatalities and electrical outages caused by avian electrocution and collisions with power structures. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Laurie seconded approval of Contract 500-01-032. The vote was unanimous. (4-0)

12. CATALYTICA ENERGY SYSTEMS, INC. (CESI). Possible approval of Contract 500-01-030 for \$2,997,986 to develop a catalytic combustion system for achieving ultra-low emission in small, multi-combustor gas turbines without the need for exhaust gas clean-up devices.

Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of Contract

500-01-030. *The vote was unanimous. (4-0)*

13. THE COLLABORATIVE FOR HIGH PERFORMANCE SCHOOLS (CHPS).

- a. DIVISION OF THE STATE ARCHITECT. Possible approval of Contract 400-01-031 to receive \$60,000 to expand, by six, the number of Energy Commission planned design workshops conducted on the CHPS Best Practices Manual.
- b. COLLABORATIVE FOR HIGH PERFORMANCE SCHOOLS, INC. Possible approval of Contract 400-01-032 for \$60,000 to conduct at least six design workshops on the CHPS Best Practices Manual.

Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of Contract 400-01-031 to receive \$60,000 and Contract 400-01-032 for \$60,000 to conduct design workshops. The vote was unanimous. (4-0)

14. ADVANCED TECHNOLOGY AND EFFICIENT GASOLINE FUEL VEHICLE INCENTIVE PROGRAM. (PVEA funded)

- a. SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. Possible approval to accept Contract 600-01-092 for \$1.5 million to support the Efficient Vehicle Incentive Program to provide match funds incentives to private individuals, fleets and dealers.
- b. GENERAL MOTORS (GM). Possible approval of Contract 600-01-093 for \$500,000 to provide incentives for efficient-gasoline fuel and alternative fuel vehicles and information to private individuals, fleets and dealers. GM will provide an in-kind outreach and education campaign to dealers and consumers to introduce the program.
- c. DAIMLER CHRYSLER MOTOR COMPANY. Possible approval of Contract 600-01-094 for \$500,000 to provide incentives for efficient-gasoline fuel and alternative fuel vehicles and information to private individuals, fleets and dealers. Daimler Chrysler will provide an in-kind outreach and education campaign to dealers and consumers to introduce the program.

Items 14 a., b., and c. were moved to the May 29, 2002 Business Meeting.

15. Minutes

Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of the minutes for February 27, 2002, March 5, 2002, March 20, 2002, April 3, 2002, and April 17, 2002. The vote was unanimous. (4-0)

16. Commission Committee and Oversight

Commissioner Laurie reported that the Draft Strategic Plan on Distributed Generation is now a public document.

17. Chief Counsel's Report

A Executive Session was requested regarding items of possible litigation.

18. Executive Director's Report

It was noted that a Staff Presentation would be given directly following the Executive Session.

19. Public Adviser's Report

No report was given.

20. Public Comment

No comments were received.

The meeting was adjourned at 10:45 a.m.

BETTY McCANN
Secretary to the Commission