

**STATE OF CALIFORNIA**  
**CALIFORNIA ENERGY COMMISSION**

**Business Meeting Minutes**

**of**

**October 9, 2002**

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

The Pledge of Allegiance was given by Commissioner Rosenfeld.

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

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-SPONSORSHIPS. Possible approval of co-sponsorship requests for which the Energy Commission might provide financial support, the participation of key speakers, provide guidance in the selection of speakers, permit the use of its name, plus staff time for a speaker, and include promotional materials with regularly scheduled mailings.
    - ASERTTI (Association of Energy Research and Technology), November 13-15, 2002, The Hilton Garden Inn, Napa, California.
    - Lake Arrowhead Symposium, October 20-22, 2002, Lake Arrowhead, California.
    - National Renewable Energy Lab (NREL) 15<sup>th</sup> Industry Growth Forum, October 29-30, 2002, Desmond Hotel and Conference Center, Albany, New York.
    - National Association of Energy Service Companies (NAESCO) Conference, International Roundtable, Overcoming Structural & Financial Barriers, October 10-11, 2002, Wyndham Bel Age Hotel, Los Angeles, California.
    - Michelin Challenge Bibendum 2003, September 23-25, 2003, begins at Infineon Raceway in Sonoma and ends in San Francisco, California.
    - California Alliance for Distributed Energy Resources (CADER) Conference, Distributed Generation: Opportunities & Obstacles, November 11-12, 2002, Hyatt Regency Islandia, San Diego, California.
  - b. SHUTE, MIHALY & WEINBERGER. Possible approval of Contract 150-00-004 Amendment 1, for a one-year, no-cost, time extension to allow the contractor to continue to support legal staff in facility siting matters.

- c. RECONCILIATION OF RETAILER CLAIMS, 2001 REPORT. Possible approval of the SB 1305 (Public Utilities Code Section 398.5(e)) report, "Reconciliation of Retailer Claims, 2001," which requires the Energy Commission to annually prepare and submit a report to the California Public Utilities Commission about retail power source claims made to consumers. The Draft Report is available via the Energy Commission's Web site or by contacting Drake Johnson at (916) 653-5898.

*Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of the Consent Calendar. The vote was unanimous. (4-0) Commissioner Pernell arrived at the meeting immediately after this vote was taken.*

2. SAN FRANCISCO ELECTRICITY RESOURCE PLAN. Informational presentation by Ed Smeloff, Assistant General Manager for Power Policy, Planning and Resource Development at the San Francisco Public Utilities Commission, on San Francisco's electricity resource plan. This plan describes how the city can meet its future electricity needs through use of renewable energy, distributed generation, aggressive energy efficiency and peak load management and support of future transmission additions and upgrades.

*This was an informational item only. No vote was taken.*

3. DEPARTMENT OF ENERGY, LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Contract 150-99-003 Amendment 2, for \$1,105,000 to conduct follow-on research on real-time grid reliability management.

*Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Contract 150-99-003 Amendment 2. The vote was unanimous. (5-0)*

4. INTERNATIONAL ENERGY FUND PROPOSED AWARDS. Possible approval of the top ten proposals in ranked order for the 13<sup>th</sup> solicitation cycle of the \$250,000 International Energy Fund. Under the rules, funding cannot exceed \$25,000 per project and is awarded based on ranking of proposals. (ERPA funded)

*This item was moved to the October 24, 2002 Business Meeting.*

5. RENEWABLE ENERGY SUBJECT AREA (PIER). Possible approval of Fiscal Year 2002/2003 funding recommendation for the Targeted Biomass Solicitation for Biogas Systems or Anaerobic Digestion Technologies, Renewable Energy Subject Areas, PIER program. For this solicitation, five applicants are proposed to receive awards totaling \$2,380,403 with \$2,211,818 in matching contributions.

*Commissioner Rosenfeld moved and Commissioner Pernell seconded approval of the 2002/2003 funding recommendation for the Targeted Biomass Solicitation for Biogas Systems or Anaerobic Digestion Technologies, Renewable Energy Subject Areas, PIER program. The vote was unanimous. (5-0)*

*Immediately after the vote on this item, Chairman Keese called Valentino Tiangco out of the audience to recognize him as a National award winner from the Biogas Industry.*

6. GEOTHERMAL PROGRAM. Possible approval of Fiscal Year 2002/2003 funding recommendation for the Geothermal Resources Development Account (GRDA). For this solicitation, seven projects are proposed to receive awards totaling \$5,045,174 with \$5,045,174 in matching contributions. Projects shall be funded in the order of ranking beginning with rank one.

*Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of the 2002/2003 funding for the Geothermal Resources Development Account solicitation. The vote was unanimous. (5-0)*

7. BUILDING INDUSTRY INSTITUTE. Possible approval of Contract 400-02-002 for \$97,000 to provide builder training. The training provides valuable information to raise the builder's level of understanding and compliance with the State Energy Code (Model Energy Code (Nevada) or Title 24 (CA)) and achieving the program goal of measurably increasing the quality and energy efficiency of new homes in Nevada and California.

*This item was moved to a future meeting.*

8. HYDROLOGIC RESEARCH CENTER. Possible approval of Contract 500-02-008 for \$300,000 to demonstrate a reservoir management program at four Northern California reservoirs to optimize water resource management and hydropower production.

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-02-008. The vote was unanimous. (5-0)*

9. STATE AND CONSUMER SERVICES AGENCY. Possible approval of Contract 400-02-003 for \$350,000 to provide technical assistance, project implementation assistance and training to identify and encourage expeditious installation of energy efficiency measures in public K-12 schools located in 8 counties in the Central Valley.

*Commissioner Pernell moved and Commissioner Rosenfeld seconded approval of Contract 400-02-003. The vote was unanimous. (5-0)*

10. TIAX, LLC. Possible approval of Contract 600-02-003 for \$1,680,000 to provide expert technical assistance for advanced transportation technologies and non-petroleum fuels infrastructure support, global climate change, and program and policy development in the advanced transportation technologies areas.

*Commissioner Boyd moved and Commissioner Geesman seconded approval of Contract 600-02-003. The vote was unanimous. (5-0)*

11. SALTON SEA UNIT #6 GEOTHERMAL POWER PROJECT (02-AFC-02). Possible reconsideration of a Committee for the Salton Sea Unit #6 Geothermal Power Project Application for Certification (Docket No. 02-AFC-02).

*Commissioner Geesman moved and Commissioner Boyd seconded approval to remove Commissioner Geesman as the Associate Member and replace him with Commissioner Pernell, with Chairman Keese remaining as the Presiding Member. The vote was unanimous. (5-0)*

12. Minutes

*Commissioner Geesman moved and Commissioner Pernell seconded approval of the September 25, 2002 Business Meeting Minutes. The vote was unanimous. (5-0)*

13. Commission Committee and Oversight

*Mr. Tim Schmelzer gave a brief overview of the energy bills that Governor Davis signed and on which the Commission worked during the past legislative session. The most significant bill is AB 3000, which increases the state energy surcharge on electricity consumption from two tenths of a mil (\$0.0002) to three tenths of a mill (\$0.0003) per kilowatt-hour (kWh). This surcharge supports the Energy Resources Program Account (ERPA) that serves as the core funding for the Energy Commission. Commissioner Pernell commended Tim and his staff on a job well done; he noted that every bill sponsored by the Commission was passed and every bill opposed by the Commission was defeated. Executive Director Steve Larson assured the Commissioners that Mr. Schmelzer would continue this outstanding performance in the years to come.*

14. Chief Counsel's Report

*Assistant Chief Counsel Jonathan Bles informed the Commissioners that a brief had been filed with the California Court of Appeals on the Metcalf case and that the legal department has been very busy with powerplant litigation.*

15. Executive Director's Report

*Executive Director Steve Larson reported that Calpine was withdrawing from the Gilroy Powerplant Phase II project.*

16. Public Adviser's Report

*No report was given.*

17. Public Comment

*No comments were received.*

The meeting was adjourned at 12:20 p.m.

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BETTY A. McCANN  
Secretary to the Commission