

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Business Meeting Minutes

of

March 5, 2003

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The meeting was called to order by Chairman Keese at 10:08 a.m.

The Pledge of Allegiance was given by Commissioner Boyd.

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

Chairman Keese introduced Phil Misemer from the PIER program, who said a few words about the death of Dr. Robert Kendall. After speaking he turned to Commissioner Rosenfeld, who read a Resolution in honor of Dr. Kendall into the record and also expressed his condolences at the family and Commission's loss. Mrs. Angela Kendall came forward to accept the resolution and thanked the Commission for acknowledging her husband in this way.

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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. UNIVERSITY OF CALIFORNIA, BERKELEY. Possible approval of a Work Authorization WA-006, not to exceed \$1,100,000 with the University of California, Berkeley to perform preliminary work on economic analyses on climate change impacts.
 - b. ASPEN ENVIRONMENTAL GROUP. Possible approval of Contract 700-99-014 Amendment 3, to provide sufficient overlap time (two months) between the termination of this contract (August 30, 2003) and the start of the replacement contract (June 30, 2003) to allow for adequate training of the winning bidder from the replacement RFQ.
 - c. KING CITY ENERGY CENTER (01-EP-6C). Possible approval of an application for Modification to Permit Condition for the King City Cogeneration and King City Energy Center, LLC that was submitted to the Monterey Bay Unified Air Pollution Control District. The application is requesting an increase in the quarterly and annual NOx emissions from the combined sources at both sites. Calpine will provide additional NOx emission reduction credits in the amount of 56,480 pounds per year to offset the proposed NOx increases.

Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of the Consent Calendar. The vote was unanimous. (4-0)

2. MAGNOLIA POWER PROJECT. Possible approval of the Presiding Member's Proposed Decision (PMPD) recommending certification of the proposed 250-megawatt Magnolia Power Project sponsored by the Southern California Public Power Authority. Docket No. 01-AFC-6.

Commissioner Geesman moved and Commissioner Rosenfeld seconded adoption of the PMPD and Errata approving certification of the Magnolia Power Project. The vote was unanimous. (4-0)

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3. EAST ALTAMONT ENERGY CENTER. Possible approval of the Presiding Member's Proposed Decision (PMPD) recommending certification of the proposed 1,100-megawatt East Altamont Energy Center sponsored by Calpine. Docket No. 01-AFC-4.

This item was moved to a future date.

Chairman Keese took a moment to acknowledge the new Executive Director of the Energy Commission, Mr. Bob Therkelsen. Chairman Keese said he wanted to say something before he became "the old" Mr. Therkelsen, as the Chairman had forgotten to acknowledge him last week. Mr. Therkelsen thanked the Chairman and Commissioners for their vote of confidence, and the meeting continued.

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4. RENEWABLES PORTFOLIO STANDARD PROGRAM IMPLEMENTATION. Commission order authorizing the Renewables Committee to work collaboratively with the California Public Utilities Commission to implement the Renewable Portfolio Standards Program under Senate Bill 1078 and Senate Bill 1038.

Commissioner Geesman moved and Commissioner Boyd seconded approval of an order authorizing the Renewables Committee to work collaboratively with the CPUC to implement the Renewable Portfolio Standards Program. The vote was unanimous. (4-0)

5. RENEWABLE ENERGY PROGRAM. Possible approval of restoration of full funding awards for New Renewable Resources Account projects that originally received reduced awards in the October 2000 and June 2001 auctions.

- NEO Colton Landfill Gas Project, proposed restored award, \$1,207,919.45
- NEO Milliken Landfill Gas Project, proposed restored award, \$2,409,668.65
- NEO Mid-Valley Landfill Gas Project, proposed restored award, \$1,703,375.74
- Keating Associates, proposed restored award, \$290,250
- El Dorado Irrigation District, proposed restored award, \$3,994,560

This item has been moved to the March 19, 2003 Business Meeting.

6. ENERGY CONSERVATION ASSISTANCE ACT ACCOUNT. Possible approval of a \$390,000 loan to the city of Santa Rosa to retrofit and modify two pump stations at the Laguna Wastewater Treatment plant to reduce peak load and energy consumption. These changes will reduce the peak electrical demand of the plant by 214-kilowatts and annual electrical energy consumption by 390,000-kilowatt hours. This project is estimated to save the city about \$70,600 annually in reduced energy costs and has a simple payback of 5.5 years.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a \$390,000 loan to the city of Santa Rosa. The vote was unanimous. (4-0)

7. PIER ANNUAL REPORT. Possible approval of the PIER Annual Report to the Legislature.

Commissioner Rosenfeld moved and Commissioner Geesman seconded the approval of the PIER Annual Report. The vote was unanimous. (4-0)

8. IOWA STATE UNIVERSITY. Possible approval of Contract 500-02-020 for \$400,000 for a 3-year collaborative research with the National Building Controls Information Program (NBCIP) and the Iowa Energy Center (IEC). NBCIP is a long-term, multi-sponsored program dedicated to improving the design and operation of building HVAC control systems while the IEC is an energy research, demonstration and education organization which administers NBCIP. (PIER funded)

This item has been moved to the March 19, 2002 Business Meeting.

9. CALIFORNIA COUNCIL ON SCIENCE AND TECHNOLOGY. Possible approval of Contract 500-02-021 for \$298,000 to support an independent review of the Public Interest Energy Research (PIER) Program resulting in a report to the Governor and Legislature.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-02-021. The vote was unanimous. (4-0)

10. ARGONNE NATIONAL LABORATORY. Possible approval of Contract 500-02-022 for \$1,000,000 to develop and demonstrate an Advanced Laser Ignition integrated ARICE system for distributed generation in California. The \$1million coming from PIER will leverage \$2,175,000 from Department of Energy for a total project cost of \$3,175,000.

Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of Contract 500-02-022. The vote was unanimous. (4-0)

11. ASPEN SYSTEMS CORPORATION. Possible approval of Contract 300-99-014 Amendment 1, to extend the contract date to December 31, 2003. This contract used surveys plus literature search to gather information on market shares of energy efficient technologies in the nonresidential sectors and of purchasing and sales behaviors to aid in the design and evaluation of energy efficiency programs. Work was delayed as utilities were slow to provide the billing data we used for sampling frames. The contract was to end March 31, 2003.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 300-99-014, Amendment 1. The vote was unanimous. (4-0)

12. CALIFORNIA AIR RESOURCES BOARD. Possible approval of Contract 500-02-023 for \$2,500,000 to obtain information that can be used to better understand and quantify the relationship between Indoor Environmental Quality (IEQ) and energy use and to provide guidance for achieving both improved indoor energy efficiency and improved IEQ. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of Contract 500-02-023. The vote was unanimous. (4-0)

13. Minutes

Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of ~~the Minutes from February 19, 2003. The vote was 3-1 with Commissioner Geesman abstaining. (3-0-1)~~

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14. Commission Committee and Oversight

No report was given.

15. Chief Counsel's Report

Chief Counsel Bill Chamberlain reminded the Commission that approximately four weeks ago there was a favorable ruling for the Commission in the Metcalf case in the California Court of Appeal. The plaintiffs then filed a petition for rehearing, to which the Commission responded; if the Court takes no action by the end of the week, the favorable ruling will stand. Plaintiffs then can appeal to the Supreme Court, which it is expected they will do.

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16. Executive Director's Report

Executive Director Bob Therkelsen reported that the Budget Hearings are ongoing and that there are meetings this afternoon and again on the 12th. He also requested ~~an~~ Executive Session to discuss a legal matter.

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17. Public Adviser's Report

No report was given.

18. Public Comment

No comments were received.

The meeting was adjourned at 10:55 a.m.

BETTY A. McCANN
Secretary to the Commission