

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

**Business Meeting Minutes**

**of**

**March 3, 2004**

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

The Pledge of Allegiance was led by Commissioner Geesman.

William J. Keese	Present
Arthur Rosenfeld	Present
James D. Boyd	Present
John L. Geesman	Present
B. B. Blevins	Present

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. COOLSMART LLC. Possible approval of Contract 500-02-012 Amendment 1, for a no-cost time extension for one year to June 30, 2005, due to construction delays. (PIER funded)
  - b. FELDERSTEIN FITZGERALD WILLOUGHBY & PASCUZZI LLP. Possible approval of Contract 140-01-004 Amendment 1, for a no-cost time extension, from March 31, 2004 to March 31, 2006, for the continued need of bankruptcy counsel services and the availability of funds. (ERPA funded)
  - c. FLEXENERGY, INC. Possible approval of Contract 500-99-030 Amendment 1, for a one-year no-cost time extension to March 30, 2005, due to unforeseen building schedules. (PIER funded)
  - d. DEPARTMENT OF ENERGY (DOE), LAWRENCE LIVERMORE NATIONAL LABORATORY (LLNL). Possible approval of Work Authorization MR-023 with the DOE, LLNL to develop a protocol that will subsequently be used to compare regional climate models against each other and against observational data prior to their use for the development of climate scenarios for California. This amount is not to exceed \$100,000 under Agreement Number 500-02-004. (PIER funded)
  - e. CONSERVATION INTERNATIONAL (CI). Possible approval of Work Authorization MR-024 with CI to develop and enhance a modeling tool for assessing ecosystem impacts under a wide variety of climate scenarios in California. This amount is not to exceed \$596,778 under Agreement 500-02-004. (PIER funded)

*Item 1(a) was withdrawn from the agenda. Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the remaining items on the Consent Calendar. The vote was unanimous. (5-0)*

2. PETITION TO RECONSIDER COMMERCIAL CLOTHES WASHER STANDARDS. Acceptance or rejection of a petition from Governmental Advocates, Inc on behalf of the California Multi-Housing Laundry Association to initiate a rulemaking regarding the appliance efficiency standards for commercial clothes washers that were adopted by the Commission on February 6, 2002.

*Commissioner Rosenfeld moved and Commissioner Blevins seconded granting of the petition and inclusion of the issues it raises to the Commission's current appliance rulemaking, Docket No. 03-AAER-1. The vote was unanimous. (5-0)*

3. MERCED COUNTY ASSOCIATION OF GOVERNMENTS (MCAG). Possible approval of a \$93,210 loan from the Local Jurisdiction Account for the installation of a 35-kilowatt photovoltaic generating system for MCAG's administrative office building. The total installed system cost is \$289,058 with Pacific Gas and Electric Company providing a \$144,529 rebate and MCAG self-funding the \$51,319 balance. This installation will save MCAG \$9,321 annually in electricity use, resulting in a simple payback of 10 years on the portion loaned by the Energy Commission. (Energy Partnership Program)

*Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of a loan to the MCAG. The vote was unanimous. (5-0)*

4. CITY OF WOODLAND. Possible approval of a \$2,150,000 loan to the city of Woodland from the Energy Conservation Assistance Act (ECAA) Account Bond Fund for energy-efficient HVAC, control system upgrade, municipal well pump upgrades and cool roof installation. These projects are estimated to save the city of Woodland \$254,041 in electricity costs annually, with a resulting simple payback of 8.5 years. (Energy Partnership Program)

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of a loan to the city of Woodland. The vote was unanimous. (5-0)*

5. NEW RENEWABLE RESOURCES ACCOUNT. Possible approval of a conditional awards from the auction in September 2001 (Notice of Auction 6-01-03). The following projects have met the requirements and submitted the necessary documentation to the Commission.
  - a. HIGH WINDS, LLC, PHASE II – 75.6-megawatt wind facility, proposed conditional award - \$4,947,428.56, came on-line August 3, 2003.
  - b. EL DORADO IRRIGATION DISTRICT, PROJECT 184 – 20-megawatt small hydro facility, proposed conditional award \$1,997,280, came on-line December 11, 2003.

*Commissioner Geesman moved and Commissioner Boyd seconded approval of the conditional awards from the New Renewable Resources Account September 2001 auction. The vote was unanimous. (5-0)*

6. NEW RENEWABLE RESOURCES ACCOUNT. Possible approval of a conditional award from the auction in November 2000 (Notice of Auction 500-00-504). The following project has met the requirements and submitted the necessary documentation to the Commission.
  - a. WINTEC ENERGY, LTD, WINTEC ENERGY #2 – 4.62-megawatt wind facility, proposed conditional award - \$367,444, came on-line December 30, 2003.

*Commissioner Geesman moved and Commissioner Boyd seconded approval of the conditional award from the New Renewable Resources Account November 2000 auction. The vote was unanimous. (5-0)*

7. WESTERN GOVERNORS' ASSOCIATION. Possible approval of Contract 500-03-032 to accept \$80,000 to co-fund preliminary work to comply with the statutorily-required development of an accounting system to verify retail sellers' compliance with California's Renewables Portfolio Standard. (WGA funded)

*Commissioner Geesman moved and Commissioner Boyd seconded approval of Contract R500-03-032. The vote was unanimous. (5-0)*

8. PALMDALE WATER DISTRICT. Possible approval of Contract 500-03-028 for \$985,666 to develop, field test and operate an ultracapacitor-based electric energy storage system that integrates wind, hydro and DG technologies into a MicroGrid network. (PIER funded)

*Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Contract 500-03-028. The vote was unanimous. (5-0)*

9. ZBB ENERGY CORPORATION. Possible approval of Contract 500-03-031 for \$1,873,133 to demonstrate the benefits of energy storage for utility distribution system upgrade deferral and congestion relief. (PIER funded)

*Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Contract 500-03-031. The vote was unanimous. (5-0)*

10. AMERICAN WATER WORKS ASSOCIATION RESEARCH FOUNDATION. Possible approval of Contract 500-03-025 for \$1,000,000 to fund projects that will improve the energy efficiency, increase the reliability and reduce the energy costs of water treatment utilities. These projects will be selected from a priority list contained in the PIER funded Water and Wastewater Energy Efficiency Roadmap. (PIER funded)

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-03-025. The vote was unanimous. (5-0)*

11. ARCHITECTURAL ENERGY CORPORATION. Possible approval of Contract 500-03-030 for \$2,935,240 to introduce new commercial products based on PIER funded research. Using computer-based fault diagnostics, these new products will give advanced warning of malfunctioning HVAC equipment and prioritize repairs, resulting in increased comfort and reduced energy and maintenance costs. (PIER funded)

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-03-030. The vote was unanimous. (5-0)*

12. UNIVERSITY OF CALIFORNIA, OFFICE OF THE PRESIDENT/CIEE. Possible approval of Contract 500-02-004 Amendment 2, to add \$25,000,000 and extend the term of the contract to March 31, 2009. A key aspect of this amendment is to add the additional funds to support the PIER Transmission Program. Specific projects will be funded through work authorizations approved by the Energy Commission. (PIER funded)

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-02-004 Amendment 2. The vote was unanimous. (5-0)*

13. REGENTS OF THE UNIVERSITY OF CALIFORNIA, UCOP/CIEE. Possible approval of a Work Authorization MR-022 for the “Energy Efficient UC/CSU Campuses Project” not to exceed \$3,000,000. This will be a partnership between the PIER Buildings Program and the \$12,000,000 UC/CSU/IOU Energy Efficiency Program, awarded by the California Public Utilities Commission. (PIER funded)

*Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Work Authorization MR-022. The vote was unanimous. (5-0)*

14. Minutes

*Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of minutes from the February 18, 2004 business meeting. The vote was unanimous. (5-0)*

15. Commission Committee and Oversight

*Commissioner Boyd commended the “professionally done” printing of the IEP, and he acknowledged the staff who worked on it, especially Jackie Gilbreath for the work she did to save printing costs.*

16. Discussion and possible approval of Committee Structure.

*Commissioner Boyd moved and Commissioner Geesman seconded approval of Order 04-0303-16, modifying members of the Commission’s standing Committees. The vote was unanimous. (5-0)*

*Commissioner Geesman moved and Commissioner Blevins seconded approval of Order 04-0303-16(a), modifying members of the Commission’s Siting Committees. The vote was unanimous. (5-0)*

17. Chief Counsel's Report

*Chief Counsel Bill Chamberlain informed the Commission that (1) the Department of Forestry was going to be short of legal staff for a week, due to a retirement and vacations, and that Energy Commission attorneys will be providing assistance; and (2) the Department of Personnel Administration approved the Commission's request to create two Attorney IV positions in the Chief Counsel's Office.*

18. Executive Director's Report

*Executive Director Bob Therkelsen commended the PIER staff and announced his appointment of Rosella Shapiro as the Deputy Director for the Transportation Energy Division.*

19. Public Adviser's Report

*No report was given.*

20. Public Comment

*No public comments were received.*

The meeting was adjourned at 10:40 a.m.

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BETTY A. McCANN  
Secretary to the Commission