

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
)
Business Meeting)
)
_____)

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

WEDNESDAY, SEPTEMBER 22, 2004

10:09 A.M.

Reported by:
Peter Petty
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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

COMMISSIONERS PRESENT

William J. Keese, Chairman

Arthur Rosenfeld

James D. Boyd

John L. Geesman

Jackalyne Pfannenstiel

STAFF and CONSULTANTS PRESENT

Robert Therkelsen, Executive Director

William Chamberlain, Chief Counsel

Ram Verma

Peter Ward

Barbara Byron

Ricardo Amon

Grace Anderson

PUBLIC ADVISER

Margret Kim

ALSO PRESENT

Mark Johnson

Golden Sierra Power

I N D E X

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P R O C E E D I N G S

10:09 a.m.

CHAIRMAN KEESE: Good morning. We'll call this meeting of the Energy Commission to order. We'll recite the Pledge.

(Whereupon the Pledge of Allegiance was recited in unison.)

CHAIRMAN KEESE: Thank you. After this business meeting we're going into a discussion here of the western interconnection activities for a period of time. And after that we're going to discuss, upstairs on the third floor, we're going to have a nonbusiness discussion of the California performance review; followed by an executive session of the Commission on personnel matters. So we will clarify that again as we end this meeting.

Consent calendar, do I have a motion?

COMMISSIONER ROSENFELD: I move the consent calendar.

CHAIRMAN KEESE: Motion, Rosenfeld.

COMMISSIONER BOYD: Second.

CHAIRMAN KEESE: Second, Boyd.

All in favor?

(Ayes.)

1 CHAIRMAN KEESE: Opposed? Adopted five
2 to nothing.

3 Item -- let me clarify that motion. I'm
4 going to call that item again and I'm going to
5 move items a through d, dropping item 3 of the
6 consent calendar.

7 So, with no objection, we'll withdraw
8 that first vote. May I have a motion on the
9 consent calendar items a through d?

10 COMMISSIONER ROSENFELD: I again move
11 the consent calendar.

12 CHAIRMAN KEESE: Motion, Rosenfeld.

13 COMMISSIONER BOYD: Same second.

14 CHAIRMAN KEESE: Second, Boyd.

15 All in favor?

16 (Ayes.)

17 CHAIRMAN KEESE: Approved five to
18 nothing.

19 Item 2, Energy Efficiency Revenue Bond
20 Program, is over until October 6th.

21 Item 3, County of Alameda. Possible
22 approval of a \$2,154,848 loan to the County of
23 Alameda to install a 750 kilowatt natural gas fuel
24 cell cogeneration plant.

25 Good morning.

1 MR. VERMA: Good morning. My name is
2 Ram Verma and I work in the energy efficiency
3 division.

4 I am seeking approval for a \$2.1 million
5 loan to the County of Alameda. With the help of
6 this loan the County will install three fuel cells
7 with a total generating capacity of 750 kilowatt.

8 In addition to power generation the
9 waste heat from the fuel cells will be used to
10 heat the buildings and domestic waters.

11 The total cost for this project will be
12 \$4.5 million. The County is getting a rebate from
13 the Department of Defense and PG&E. The total
14 rebate is \$1.8 million. The loan amount is \$2.1
15 million. And this project will save the County
16 5.2 million kilowatt hours per year. The total
17 saving will be \$215,485 per year. The simple
18 payback is ten years.

19 In the past we have given this County a
20 loan of 3.6 million, and the County has completed
21 the project. And we have verified with the
22 (inaudible) from the bills the County saving over
23 \$400,000 per year.

24 The funds for this loan will come from
25 energy consideration assistant account and/or bond

1 funds. Any questions?

2 CHAIRMAN KEESE: Thank you.

3 COMMISSIONER PFANNENSTIEL: This item
4 has been discussed at the Efficiency Committee and
5 it was approved there, so I move the item.

6 CHAIRMAN KEESE: Motion, Pfannenstiel.

7 COMMISSIONER ROSENFELD: Second.

8 CHAIRMAN KEESE: Second, Rosenfeld.

9 All in favor?

10 (Ayes.)

11 CHAIRMAN KEESE: Opposed? Just as an
12 aside, on the dedication of the Santa Rita's PV
13 system, which we participated in funding, I took a
14 tour. It's a spectacular 1 megawatt facility on
15 the roof of the jail. As I understand it, it's
16 still online. You can go online on the internet
17 on Santa Rita Jail and see what it's producing at
18 any given moment.

19 COMMISSIONER GEESMAN: I'm hopeful
20 that's the last time you're ever at Santa Rita.

21 (Laughter.)

22 CHAIRMAN KEESE: I'd suggest you try a
23 tour, but the security was quite tough even three,
24 four years ago.

25 Item 4, U.S. Department of Energy -

1 Clean Cities. Possible approval to enter into
2 grant agreements with 13 project applicants that
3 have been awarded grants under the USDOE's 2004
4 clean cities SEP grant solicitation.

5 A pass-through, sir?

6 MR. WARD: Good morning, Commissioners.
7 Peter Ward from the transportation technology
8 office.

9 For your approval to enter into
10 agreements, 13 agreements, with various clean
11 cities coalitions and entities in the state.

12 Also like to point out a couple of
13 changes from what you have in your materials.
14 Item number 10, with the South Coast Air Quality
15 Management District, not Southern California.
16 That's a typographical error which inadvertently
17 expanded the territory for the South Coast Air
18 Quality Management District.

19 Also on that item the amount will be
20 \$237,939. There was a late donation from the
21 hydrogen program of DOE, \$50,000 in 2005, \$50,000
22 in 2006, bringing the total of all the grants
23 \$1,633,019 to California.

24 CHAIRMAN KEESE: Thank you.

25 COMMISSIONER BOYD: Mr. Chairman.

1 CHAIRMAN KEESE: Commissioner Boyd.

2 COMMISSIONER BOYD: This item was
3 reviewed, discussed and approved by the
4 Transportation Committee. So, I would move its
5 adoption.

6 CHAIRMAN KEESE: Motion, Commissioner
7 Boyd.

8 COMMISSIONER PFANNENSTIEL: Second.

9 CHAIRMAN KEESE: Second, Commissioner
10 Pfannenstiel.

11 Discussion?

12 All in favor?

13 (Ayes.)

14 CHAIRMAN KEESE: Opposed? Five to
15 nothing. Thank you.

16 COMMISSIONER BOYD: Thank you.

17 CHAIRMAN KEESE: Item 5, Governor's
18 Office of Emergency Services. Possible approval
19 of contract 150-03-003, amendment 2, to provide
20 \$40,049 of additional funding to the \$80,600 for
21 Office of Emergency Services to continue emergency
22 response preparation.

23 Ms. Byron.

24 MS. BYRON: Good morning. Items 5 and 6
25 are related. Item 6 is the Western Governors

1 Association pass-through funding from the
2 Department of Energy that comes to the Energy
3 Commission, and we pass through the funds, most of
4 them, to the Office of Emergency Services for
5 emergency response training and instruments.

6 Item 5 is the OES portion of it.

7 CHAIRMAN KEESE: Thank you. Do we have
8 a motion on item 5?

9 COMMISSIONER BOYD: Mr. Chair, may I
10 suggest we take items 5 and 6 together?

11 CHAIRMAN KEESE: Certainly.

12 COMMISSIONER BOYD: I would like to move
13 their --

14 CHAIRMAN KEESE: I will just read, for
15 the record, item 6. Western Governors
16 Association. Possible approval of contract 150-
17 03-002, amendment 2, to provide \$71,399 in
18 additional funding to the Energy Commission for
19 planning and preparation for transuranic waste
20 shipments.

21 Motion, Commissioner Boyd, on items 5
22 and 6.

23 COMMISSIONER PFANNENSTIEL: Second.

24 CHAIRMAN KEESE: Second, Commissioner
25 Pfannenstiel. Discussion?

1 All in favor?

2 (Ayes.)

3 CHAIRMAN KEESE: Opposed? Both of those
4 are approved five to nothing.

5 Item 7, Oregon Department of Energy.
6 Possible approval of contract R400-01-003 to
7 receive \$71,800 from the U.S. Department of
8 Energy, State Technologies Advancement
9 Collaborative to support our partnership in the
10 Western Food Industry Collaborative.

11 MR. AMON: Good morning. Thank you. My
12 name is Ricardo Amon; I'm with the efficiency
13 division.

14 We're asking for your approval to enter
15 into a contract with the Oregon Department of
16 Energy, \$71,800. The Department of Energy in
17 Oregon is the lead partner in a multistate effort
18 that USDOE promoted through NASEO -- they call it
19 the STAC Initiative -- to bring multiple states to
20 work together on given issues.

21 With the work that we've done in the
22 California food processing industry to date, we
23 were very encouraged to participate with them.
24 And we're now moving into a hopefully 18-months to
25 two-year program to implement.

1 I should mention that it's taken us
2 quite a long time to, from the time that we went
3 to our Policy Committee, to today to bring the
4 item to you, due to administrative contracting
5 issues.

6 But I'm moving it for your approval.

7 CHAIRMAN KEESE: Thank you.

8 COMMISSIONER PFANNENSTIEL: I'll move
9 approval.

10 COMMISSIONER ROSENFELD: Second.

11 CHAIRMAN KEESE: Motion, Pfannenstiel;
12 second, Rosenfeld.

13 All in favor?

14 (Ayes.)

15 CHAIRMAN KEESE: Opposed? Adopted five
16 to nothing.

17 MR. AMON: Thank you.

18 CHAIRMAN KEESE: Thank you. The STAC
19 program is an interesting program that we've done
20 quite a bit of work through NASEO on increasing
21 DOE funding to the states. And I'm glad to see
22 we're participating in some of these.

23 Item 8, Robert Sarvey. And I see Mr.
24 Sarvey is not in the audience at this time. I
25 understand he is not on the phone. The last time

1 this was before us Mr. Sarvey arrived after a
2 similar issue was in front of us; he arrived late.
3 But I will take this one up.

4 Commission consideration of a complaint
5 and request for investigation of alleged
6 violations of the rules of practice and procedure
7 by the Siting Committee in the Tesla Power Project
8 proceeding.

9 Mr. Chamberlain, would you walk us
10 through this, please.

11 MR. CHAMBERLAIN: Yes. Mr. Chairman, as
12 I indicated to you at the last meeting at the end
13 of the meeting I received a letter on September
14 8th from Mr. Sarvey requesting an investigation
15 and making a complaint on two grounds.

16 The complaint does not indicate what
17 relief Mr. Sarvey is expecting. But the two
18 grounds are basically that he contends that the
19 Siting Committee violated the Commission's rules,
20 regulations by not acting within 30 days on a
21 motion that he made to compel staff to respond to
22 data requests.

23 And then he also complains that the
24 Siting Committee allegedly altered the evidentiary
25 record and disallowed responses of a witness to

1 questions posed in public comments.

2 The Commission heard Mr. Sarvey's
3 arguments with respect to the first item at the
4 petition for reconsideration. And as staff
5 counsel pointed out at that time, his motion to
6 compel was out of order to begin with inasmuch as
7 it called for staff to develop analysis for him,
8 rather than simply providing data that existed.

9 In addition, if he believed that he was
10 prejudiced by the Committee's failure to act on
11 his motion within the 30-day period, he could have
12 filed an interlocutory appeal with the full
13 Commission in a timely manner pursuant to section
14 1215 of the Commission's regulations.

15 Instead, he waited to raise the issue
16 for the first time to the full Commission in his
17 petition for reconsideration.

18 And finally, if the full Commission
19 had -- the full Commission did consider the merits
20 of his argument at the reconsideration hearing,
21 and specifically denied the motion.

22 So, it's my belief that he has had
23 whatever relief he is entitled to on that matter.

24 The second ground for the complaint, I
25 would suggest, is also without merit because the

1 record does not establish what Mr. Sarvey claims
2 it does.

3 He cites a transcript to support his
4 claim that the evidentiary record was illegally
5 altered, but when you look at that transcript it
6 simply indicates that at one point in the hearing
7 process there was an off-the-record discussion.

8 Neither Mr. Sarvey nor anyone else who
9 was a party to the proceeding apparently thought
10 that whatever that discussion was, was of
11 sufficient importance that it was worth objecting
12 to the Commission at that -- or on the record
13 objecting that something had been told to them by
14 the Hearing Officer or by the Committee that was
15 improper. None of that is on the record, though
16 apparently Mr. Sarvey believes that something
17 improper occurred.

18 I have examined the two documents which
19 are in the Commission's docket that are public
20 comments. And they have to do with the contention
21 that there might be Legionella bacteria growing in
22 the cooling towers for the project. Those issues
23 were discussed in other hearings, and they were
24 responded to and dealt with in the decision at
25 page 210 and 211.

1 If Mr. Sarvey believed that this
2 treatment of the issue was insufficient for his
3 case, or that the Committee's procedural handling
4 of the matter was improper, Mr. Sarvey, again,
5 should have brought this to the attention of the
6 Commission, either in an interlocutory appeal or
7 when the Commission considered the proposed
8 decision.

9 And so for that reason I suggest that
10 you dismiss the complaint with prejudice at this
11 time. And I will draft an appropriate order and
12 send it to Mr. Sarvey if you approve that.

13 CHAIRMAN KEESE: Thank you. I would --
14 unless there's any further discussion here I would
15 ask for a motion dismissing the complaint with
16 prejudice.

17 COMMISSIONER BOYD: I'll so move.

18 CHAIRMAN KEESE: Motion, Boyd.

19 COMMISSIONER ROSENFELD: Second.

20 CHAIRMAN KEESE: Second, Rosenfeld.

21 All in favor?

22 (Ayes.)

23 CHAIRMAN KEESE: Opposed? Five to

24 nothing. Thank you.

25 Minutes, we have the minutes from

1 September 8th business meeting. Do I have a
2 motion?

3 COMMISSIONER GEESMAN: So moved.

4 CHAIRMAN KEESE: Motion, Geesman.

5 COMMISSIONER ROSENFELD: Second.

6 CHAIRMAN KEESE: Second, Rosenfeld.

7 All in favor?

8 (Ayes.)

9 CHAIRMAN KEESE: Five to nothing.

10 Commission Committee and Oversight.

11 Chief Counsel's Report.

12 MR. CHAMBERLAIN: Yes, Mr. Chairman, I'm
13 pleased to report that on Monday, notwithstanding
14 the flooding and power outage here, we were able
15 to file our statement in opposition to a petition
16 for writ of mandate in the Tesla Power Project.

17 This was thanks to the, shall we say,
18 good habits of Paul Kramer in my office in saving
19 his document to a flash chip, which allowed us to
20 get the Friday version and put it up on the screen
21 over at the Power Authority's Offices.

22 Chester Hong assisted Paul and I, and I
23 have to say that the only downside of the whole
24 event was that some of the clerical work that was
25 done by Paul and I is not particularly good, but I

1 do have copies here for you.

2 CHAIRMAN KEESE: Thank you.

3 COMMISSIONER GEESMAN: You know, on that
4 note I would also acknowledge that a number of
5 staff responded very quickly and clear-headedly to
6 maintain the IEPR workshop that had been scheduled
7 to be held here. They were quickly able to get a
8 transfer to the Bonderson Building, and we were
9 able to move forward as if nothing else had ever
10 happened.

11 I think that that episode was probably
12 repeated numerous times in other Commission
13 business on Monday. And I think we're fortunate
14 that so many of our staff were so quick witted.

15 CHAIRMAN KEESE: I second that
16 completely, having located my staff here at 6:30
17 in the morning.

18 Executive Director's report.

19 MR. THERKELSEN: Good morning,
20 Commissioners. On that note, I, in particular,
21 would like to recognize Betty LaFranki and Pat
22 Flint for the work they did during that flooding
23 exercise. Betty was up all night on Sunday making
24 sure people were contacted, although not everybody
25 was contacted, and we apologize for that.

1 Pat was instrumental, along with several
2 other folks, in terms of getting other meetings
3 locations arranged, not just the IEPR workshop,
4 but a number of other meetings found other
5 locations and were able to continue on.

6 What happened in that event was the
7 massive rainfall caused flooding in the street
8 which ended up flowing into a SMUD vault,
9 electrical vault, and flowing into our building.
10 We actually had about 20 feet of water standing in
11 one part of the basement. And they had to pump
12 that out to be able to get the circuits going
13 again. That's why we lost the power.

14 Turns out that there was some equipment
15 that was not operating exactly the way that it
16 should be operating, and that is being rectified
17 by the Department of General Services.

18 We also did a test of our emergency
19 notification process, and it worked in many
20 instances, but not all. And so we have learned
21 that we need to tighten up a little bit more on
22 our communication networks that we have going on
23 in case an event like this happens.

24 But, I think overall the thing ended up
25 going well. It was a learning exercise for us.

1 And that's all I have to report today.

2 CHAIRMAN KEESE: Thank you. Leg
3 Director's report. We have none today. We still
4 await the signature of the last three significant
5 bills for a good report.

6 Public comment.

7 I do understand that the -- did I skip
8 the Public Adviser? Do you want to make a
9 statement, Public Adviser?

10 MS. KIM: You can skip me.

11 (Laughter.)

12 CHAIRMAN KEESE: Pardon? I do
13 understand that Mr. Mark Johnson desired to speak
14 to us today. He is not --

15 MS. KIM: He's not here. He called
16 earlier and said he was going to be here by 10:30.
17 And I said, well, I cannot hold the meeting for
18 you, so.

19 CHAIRMAN KEESE: All right, well, we're
20 going to move into -- are we going to keep the
21 reporter on the next portion of our meeting, Mr.
22 Therkelsen?

23 MR. THERKELSEN: I think that's fine.

24 CHAIRMAN KEESE: Then we'll give Mr.
25 Johnson a chance at the end of our next

1 presentation.

2 So we will, at this time, move into the
3 presentation by staff on western entities and the
4 Western Interconnection.

5 MR. THERKELSEN: Commissioners, you have
6 asked periodically for briefings on various staff
7 activities. We actually have a number of things
8 that are going on in terms of the western
9 electrical system. Grace Anderson is here to
10 provide an overview of some of those activities.

11 And this will be an overview. And if,
12 in the future, you want more detailed briefings on
13 any specific aspects of this, then again we can
14 arrange for some time to do that.

15 We'll provide the briefing and want to
16 make sure that we have sufficient time to answer
17 any of your questions. So, I'll turn the show
18 over to Grace.

19 MS. ANDERSON: Thank you. Thanks, Bob;
20 and thank you guys for your interest in this
21 subject. I'll be joined in giving this
22 presentation by Bill Chamberlain.

23 As you know, Bill and Chairman Keese
24 hold frontline positions in collaboration at WECC
25 and WEIB. Mike Jaske would also be here with us

1 presenting, but he's out in the field at a
2 collaboration meeting in Portland on western
3 resource adequacy.

4 There are other staff here who lead
5 elements of the Commission's work in the west.
6 And that includes Barbara Byron and Rasa Keanini,
7 the transmission staff, Jim McCluskey, Dave Maul
8 also, although I don't actually see him here.

9 Really all the Commission Staff make a
10 significant contribution to western collaboration
11 through their work on the California system
12 analysis and policy development.

13 One main goal of our collaboration is to
14 carry forward into regional forums the results of
15 the Energy Commission analysis that provides a
16 foundation for California's energy policy
17 development.

18 Rasa. As Bob said, our strategy is to
19 provide a survey of the regional institutional
20 landscape. If we can peak enough interest to be
21 invited back, we'll go into specific subjects, or
22 into more vertical depth on specific entities.

23 Today we're going to introduce the major
24 players in regional collaboration and identify
25 their major purposes related to electricity and

1 natural gas fuels. Petroleum is clearly a
2 regional question, also, but we're not covering it
3 today.

4 But first, why regional collaboration?

5 I think you all appreciate this already, but no
6 state is an island. Our water, air and energy
7 resources are intrinsically linked. We have an
8 interconnected grid subject to cascading failures;
9 westwide markets where spot prices and
10 manipulation can affect all.

11 Regional communication is good for all
12 the states; and high quality regional analyses are
13 essential to provide consistent contacts for
14 individual state policy decisions.

15 Where we are is that we're challenged to
16 seek efficient winning solutions across geographic
17 boundaries and integrated energy systems.

18 I've portrayed three lineages on this
19 slide. I call them lineages because they are
20 distinct and they also all create their own
21 hierarchy of things beneath them.

22 The primary lineage really stems from
23 the western governors, themselves, the Western
24 Governors Association. They meet annually to set
25 broad policy goals in energy, drought, water,

1 health, species, waste, nuclear -- radioactive
2 waste transport and disposal.

3 WECC you're familiar with. It is the
4 regional council responsible for western
5 electricity reliability in the western
6 interconnection.

7 And finally, the SEAMS steering group
8 which is composed of members of utilities
9 proposing to form regional transmission
10 organizations under FERC direction.

11 Just to dwell on WGA briefly, they act
12 through an energy policy roadmap and they update
13 that via resolutions at their annual meetings.
14 Governor Schwarzenegger and Richardson cochair the
15 energy committee of the governors; and Governor
16 Owen of Colorado is the overall WGA Chair.

17 It's a consensus based process that can
18 lend itself to ambiguity. But they do produce
19 resolutions. And I know you're familiar with the
20 most recent one that referred to clean and
21 diversified energy and set efficiency goals for
22 the west. They have a policy seeking
23 implementation of a renewable energy tracking
24 system. And they are an advocate of renewable
25 energy credit trading. They're also very

1 interested in the adequacy of the electricity
2 system, including its natural gas fuels and
3 infrastructure.

4 The Energy Commission Staff doesn't
5 participate in the WGA meetings. That's handled
6 by the individual governor's offices's staffs.
7 But we can be called on to implement their policy
8 resolutions.

9 And examples of that include, for
10 example, WREGIS, the natural gas western study,
11 nuclear waste, and others.

12 So of the lineage below, though WGA, the
13 most important one at least for the Energy
14 Commission include WEIB and CREPC. You're
15 familiar with those. The Chair of the CEC serves
16 as the Governor's appointee to WEIB. And Chairman
17 Keese is also the Chair of WEIB at this time.

18 One of the most critical committees of
19 WEIB is CREPC, which focuses on electricity system
20 information sharing, and acting by consensus.
21 It's rare for CREPC to find consensus, but when it
22 does it submits comments on issues to FERC, the
23 governors or others.

24 Recently you saw a set of comments on
25 national interest transmission lines submitted to

1 DOE by CREPC. Doug Larson is the Executive
2 Director and the staff to CREPC. And WEIB also
3 has a very active, high level, nuclear waste
4 committee, which Barbara Byron leads California's
5 efforts on that subject. And we'll talk about
6 that more later.

7 WEIB and CREPC, in turn, have spun their
8 own set of working groups and teams. You may have
9 heard talk of what we call the WRAT, the Westwide
10 Resource Assessment Team; the recently formed
11 NGAT, the NGAT, is the western technical staff
12 that is working on the western gas study. You
13 probably have never heard of WIWET, that's the
14 Western Interconnection Wind Evaluation Team.
15 There's other working groups that are active on
16 market monitoring; not so active on transmission.
17 And then a kind of hybrid group on the Western Air
18 Regional Air Partnership, WRAP.

19 I'm going to talk about the WRAT, WRAT,
20 a little bit more now. It's one of four of
21 CREPC's active working groups. Has 17 members
22 from the technical staffs of eight states and
23 British Columbia. Its membership covers a
24 majority of the western interconnection in
25 geography and electricity loads.

1 I lead this group; and Mike Jaske and
2 Bill Chamberlain are members; they're charter
3 WRATs. The PUC Staff also is represented.

4 Our main goal is to urge improvements in
5 assessment, that is to say counting the beans, the
6 electricity system, how much we have. And
7 adequacy of the electric system, deciding if there
8 are enough beans.

9 We want to improve the planning tools
10 and studies that already exist in a way that they
11 can give western states and provinces confidence
12 that the system is adequate.

13 We have several products to date; that
14 includes a critique of the region's electricity
15 assessments currently underway; a review of the
16 need for regional electricity decisionmaking
17 entity; and our resource adequacy briefing paper
18 in March that was presented to CREPC. CREPC and
19 WEIB meet twice a year in the spring and the fall.

20 Right now we're participating in
21 staffing a group that Bill's going to talk about,
22 a WECC resource adequacy workgroup. And we're
23 leading a seminar on adequacy to educate both the
24 WECC Board members and CREPC members about the
25 importance of an adequate system.

1 Next I would focus on the western
2 natural gas study. I know you all are aware of
3 this. The interest in this originated from the
4 governors. They passes a resolution at their Big
5 Sky meeting on September of 2003. At that time
6 the governors realized that they not only didn't
7 know whether the electric system was adequate,
8 they didn't know whether the gas infrastructure
9 and fuels to support the western electricity
10 system was adequate.

11 So, they asked that regional entities,
12 such as CREPC and WECC, go out and provide them a
13 report on adequacy. WEIB, of the existing
14 regional entities, was the likely suspect to take
15 on this assignment. And they agreed to do it.
16 And WEIB asked the Energy Commission Staff to do
17 some analysis.

18 WEIB formed this assessment team. And
19 the Energy Commission Staff right now is defining
20 a two-phase study plan and schedule, working with
21 the Natural Gas Committee. And they're beginning
22 to initiate their workplan coordination with IEPR
23 '05. There is a workshop on the initial study
24 proposal at the WEIB/CREPC meeting in October,
25 next month.

1 My next highlight, and actually my final
2 one for the lineage of the WGA, is related to
3 nuclear waste transportation and disposal. I
4 would give recognition to the full-time effort
5 that we've had for many years here with Barbara
6 Byron, presently under the leadership of
7 Commissioner Boyd.

8 The western states have a clear interest
9 in the USDOE's waste transportation and disposal.
10 Over 90 percent of the existing inventory of
11 radioactive transuranic waste is located in the
12 western states. And, of course, you know the
13 nation's two permanent disposal facilities are
14 both in the west.

15 We have important roles related to this.
16 The Energy Commission represents California on
17 WEIB's high-level waste transportation group. We
18 represent WGA and WEIB on a funding subcommittee
19 of the DOE's transportation external working
20 group.

21 And in order to be able to represent the
22 state in these regional fora, since 1989 Barbara
23 has been, the Energy Commission's been responsible
24 for coordinating the interests of nine California
25 agencies in a state working group on nuclear waste

1 transport. Truly, these routes will have a real
2 impact on California and its natural systems.

3 So now I'm going to turn to Bill
4 Chamberlain. He's a board member of the entity
5 that's our second lineage, WECC, the Western
6 Electricity Coordinating Council. And he's going
7 to talk about WECC and also WREGIS.

8 MR. CHAMBERLAIN: Okay, thank you,
9 Grace. So our second lineage for western energy
10 collaboration is the WECC, which was formed in
11 2002 through the merger of Western Systems
12 Coordinating Council and two of the west's three
13 regional transmission associations. As usual, the
14 Northwest went its own way, and they still have a
15 regional transmission association, though I don't
16 think it ever meets.

17 This is a membership organization that
18 includes both a variety of power industry players,
19 end-use organizations and state government
20 regulatory and policy entities.

21 Next slide. Now before you panic let me
22 assure you I'm not going to describe what each of
23 these committees, subcommittees, workgroups and
24 task forces does. What you need to know is the
25 WECC is not a top-down organization, but rather a

1 member-driven entity.

2 It has a board of directors; it has some
3 board committees that handle various corporate
4 responsibilities. It has a chief executive
5 officer and a small staff of about 20 that
6 coordinates the work that is done by the
7 volunteers that participate in these three member
8 committees. The operating committee with all of
9 these subcommittees and task forces and
10 workgroups, a planning committee, planning
11 coordination committee. That's an important
12 distinction to the members, in that the members
13 believe they do the planning and WECC simply
14 coordinates the planning of the various member
15 systems.

16 Within the planning coordination
17 committee we have the reliability subcommittee
18 that does much of the work that we're the most
19 interested in. And then you have the market
20 interface committee. And these committees are all
21 more or less coordinated by a joint guidance
22 committee that consists of the leadership of the
23 various subcommittees.

24 The board of directors only meets four
25 times a year and provides strategic guidance;

1 performs essential corporate functions; and serves
2 as sort of an ultimate arbiter of disputes. But
3 the real decisions about the work that's done and
4 what timetable tend to be made by the leadership
5 of these three operating committees. And depends
6 in large part on whether they can get volunteers
7 to do the work.

8 The volunteers tend to come from
9 utilities because those are the organizations that
10 have knowledgeable staff that can do the work.
11 And those organizations can usually fund the work.
12 But every member organization has the right to
13 have a member, at least of the main committees,
14 and participation in the subgroups is usually
15 welcomed.

16 The CEC and other state entities tend to
17 be most interested, as I said, in the work of the
18 RS, or the reliability subcommittee of the PCC,
19 the planning coordination committee, because
20 that's the group that's tasked with assessing the
21 resource adequacy of the western interconnection.

22 The western states now contribute four
23 members to the this board. Former Energy
24 Commissioner Jan Sharpless is one of the
25 nonaffiliated directors. The directors serve

1 three-year terms; they're selected by an annual
2 election in April when nine of the 27
3 directorships come up each year.

4 Member class directors are elected by
5 their class. So, for example, the state and
6 provincial representatives are selected by a vote
7 of the 23 state and provincial regulatory and
8 policy entities that have joined WECC.
9 Nonaffiliated directors are elected by the
10 membership at large at each annual meeting.

11 Most of WECC's focus is on planning and
12 operating standards for maintaining reliability
13 and not on whether member systems have enough
14 capacity. But even though WECC has no role in
15 requiring member systems to maintain adequate
16 planning reserve margins, the WECC Board wants to
17 reinstitute some form of adequacy criteria as a
18 guideline.

19 WECC also produces power supply
20 assessments for the entire interconnection twice a
21 year. And these are used by NERC as part of its
22 nationwide assessments.

23 As Grace has indicated, the WRAT is
24 working to help WECC improve the quality of these
25 assessments, a task that can be frustrating at

1 times because the member committees only meet
2 three times a year, and the board has little
3 leverage to insist that work be done according to
4 a deadline.

5 Nevertheless, by working patiently to
6 educate the board and the committee members alike,
7 and by providing labor for analytic tasks I
8 believe the states and provinces are assisting in
9 improving the adequacy assessments for the west.

10 Two additional areas where the states
11 have benefitted through their active participation
12 on the WECC Board are WECC's agreement so far to
13 partner with us to create the Western Renewable
14 Energy Generation Information System and WECC's
15 interest in developing and maintaining a public
16 database that can be used for transmission
17 planning.

18 The latter effort has been delayed due
19 to intense concern of some member systems that
20 WECC will displace their own transmission
21 expansion planning. But as the WECC Board and
22 committees sort out the appropriate role of WECC
23 as an umbrella organization to coordinate that
24 kind of planning, it's likely that the public
25 databases created for the SEAMS steering group

1 will be transferred to WECC and become available
2 to all western entities that need to do any form
3 of transmission planning study or resource
4 adequacy study.

5 The WREGIS, which I think most of you
6 are pretty familiar with, so I won't spend too
7 much time on it, is intended to, in essence, allow
8 each megawatt hour of renewable energy to gain a
9 unique serial number, more or less, of a
10 certificate, an electronic certificate. And to
11 allow that attribute of that megawatt hour to be
12 traded.

13 At some point the load-serving entity
14 that needs to show compliance with an RPS
15 requirement or that wants to establish a credible
16 claim for renewable product can retire those
17 certificates, ending their trading existence.
18 And in that way, WREGIS will allow a market to
19 exist for the renewable attribute that is separate
20 from the megawatt hours, itself.

21 Financial transactions will take place
22 outside the system. And although account holders
23 will not be telling WREGIS how much is spent on
24 the WREGIS certificate, WREGIS will facilitate
25 trading by offering a bulletin board.

1 As you're probably aware a stakeholder
2 process began about a year ago with a needs
3 assessment survey of what stakeholders would like
4 to see in a regional tracking system. Six
5 stakeholder workshops were held around the west in
6 October and November, and a kickoff meeting was
7 held in January.

8 Operating rules have been developed.
9 These include functional requirements, or a
10 detailed description of how WREGIS will work.
11 Work continues on finalizing recommendations on
12 both the government structure and the cost and
13 fees associated with WREGIS. We expect that work
14 to be completed in October.

15 Two main costs are software, which is
16 anticipated to be paid for by the CEC and WGA.
17 And technical and administrative operations, the
18 ongoing costs of which should be paid through user
19 fees, the CEC acting as a financial backstop in
20 case of shortfall. And based on those assumptions
21 the WECC Board approved having WREGIS as part of
22 WECC's structure, having its staff, in essence,
23 provide the institutional home for WREGIS.

24 Grace.

25 MS. ANDERSON: Thank you, Bill. Now

1 we're going to lineage three, slide 17, the third
2 of the three. And this is the SEAMS steering
3 group of the western interconnection. This is an
4 ad hoc group that was established by the utilities
5 that were proposing to form regional transmission
6 organizations.

7 It includes the ISO, Gridwest, which is
8 in the northwest, and Westconnect, which is in the
9 southwest. It's focused on westwide transmission
10 planning and market development. It's supporting
11 the development of a westwide market monitor; and
12 it has developed and maintained a public database
13 for analyses, a production cost type database.

14 It puts a major investment into
15 coordinating subregion transmission planning
16 efforts, such as the intermountain west or the
17 southwest or the northwest is what we call a
18 subregions. This entity has its own five
19 workgroups. Those include planning, market
20 monitoring, common systems interface, price
21 reciprocity, and congestion management.

22 The one I'm going to talk in detail
23 about in one more slide is the planning workgroup.
24 This group oversees the coordination work of the
25 subregional transmission planning efforts, and it

1 also conducted its own interconnection
2 transmission expansion modeling exercise last
3 year. It submitted what it called a western
4 interconnection transmission expansion framework
5 to FERC in fall of last year.

6 One of the things that's important about
7 this is that this planning workgroup emphasizes
8 public and inclusive working relationships.
9 That's not always the feel that you have when you
10 work with WECC.

11 It also, as I said, developed a public
12 database, and that is the foundation of the
13 subregional analyses, for example, including the
14 ISO's transmission economic assessment
15 methodology.

16 It shepherds the subregional
17 transmission studies. Right now there's one being
18 completed called the Rocky Mount Area Transmission
19 Study. And I know you're familiar with STEP from
20 the Energy Commission's own transmission planning
21 staff.

22 Bill mentioned the proposal to shift the
23 public database maintenance to WECC. In part this
24 reflects the potential for change in the landscape
25 as WECC seeks to define its roles. And the

1 western energy industry continues to sort through
2 its desired organizational structure. Are we
3 going to have, you know, state vertically
4 integrated; or are we going to have subregional
5 FERC-regulated transmission system operators.

6 Right now the future of the SEAMS
7 steering group isn't entirely clear. But until
8 this point it's been a critical force for openness
9 and transparent analysis. And the only one doing
10 interconnection-wide transmission planning.

11 So, this next slide is a quiz to see who
12 has absorbed the alphabet soup and can identify
13 who's doing what when. Our attempt here is to
14 portray the array of the more visible meetings
15 that have happened recently or will happen in the
16 near future.

17 I have used the acronyms just to save
18 space. The highlights that I would note are that,
19 for example, today the WECC resource adequacy
20 workgroup is meeting in Portland. That's where
21 Mike Jaske is. He and I are members of that
22 workgroup.

23 I might mention that it's so far down
24 the pecking order, it's not even listed on that
25 organization slide that Bill put up there. So

1 that tells you the amount of effort that's
2 required to get from a concept to really up to the
3 board of WECC.

4 The RMATS, the Rocky Mountain Area
5 Transmission Study, is releasing its transmission
6 plan today. And the governors and stakeholders
7 will be meeting September 29th in Salt Lake. And
8 I do have four slides I'm not going into today
9 attached to your package that tell you more about
10 RMATS.

11 WEIB and CREPC have their fall meetings;
12 they meet in the spring and the fall. And those
13 are October 19th to the 21st in Vancouver. CREPC
14 and WECC will have this resource adequacy seminar
15 the 21st. WEIB's high level waste committee will
16 meet November 5th. And again, there's a WECC
17 Board meeting, one of the four each year, in
18 December. And that's the next decision point for
19 some of the mechanics of WREGIS as it is housed at
20 WECC.

21 So, we hope that from that landscape
22 you'll have an idea of the overall picture of
23 these entities and the breadth of the things they
24 do, and their relationship to one another.

25 And that, when time allows, you will

1 suggest any either specific entities that you want
2 more information about. There's a tremendous
3 amount of information in the iceberg below the
4 water. Or that there will be specific subjects
5 that we can come back and, you know, spend a half
6 an hour just on reliability concepts, just on
7 WREGIS, no nuclear waste transport, on the natural
8 gas study or, for example, we could probably
9 arrange to have someone from RMATS come and make a
10 presentation on their results and their next
11 steps.

12 I haven't personally participated in
13 that study because I can't care and feed all the
14 regional entities at the same time as the
15 subregional ones, also, the northwest has a very
16 elaborate subregional transmission study also.

17 So, petroleum could be put on the table,
18 also, in a separate briefing.

19 So that's kind of the picture. We'll be
20 looking for feedback on what subjects you're most
21 interested in; you know, what time you have; and
22 also sort of effectiveness of how to present this
23 information in a way that isn't sort of
24 overwhelming with detail or acronyms.

25 Some closing observations, you know,

1 California has a vital interest in all of these
2 entities and subjects. There is no regional
3 multi-state government structure in the west. And
4 the west would never give California its sort of
5 fair share vote if there were such a multi-state
6 structure.

7 There is a growing awareness, though, of
8 the need to have a stronger regional electricity
9 and natural gas analytic function. There's a
10 growing perception that the west could be
11 approaching another crisis of some kind related to
12 electricity and supply and price. And certainly
13 the regional petroleum infrastructure challenges
14 were clear in the last two summers.

15 So, no state is an island. We clearly
16 are a region, even if California would rather be a
17 nation in its own right. We're intrinsically
18 linked to the grid and a fully integrated western
19 energy infrastructure.

20 Our best and only option really is to
21 persevere with WECC, which is somewhat daunting,
22 but they are the entity that we have in the
23 electricity reliability area. And to continue to
24 work through WGA and implement, as best we can,
25 the kinds of resolutions that they indicate are

1 the priority for the region.

2 We believe we can have a substantial
3 influence by contributing resources to critical
4 westwide analyses and insuring that California's
5 adopted policies are articulated in regional
6 settings.

7 So, thank you. And we have staff
8 members, and I and Bill are happy to answer any
9 questions.

10 CHAIRMAN KEESE: Questions?
11 Commissioner Geesman.

12 COMMISSIONER GEESMAN: If we asked you
13 to give a comparable briefing on petroleum
14 infrastructure, could you provide a roadmap of
15 what interstate coordination currently exists or
16 is being contemplated in that area?

17 MS. ANDERSON: I, myself, would not be
18 able to do that. And I don't think there is
19 anything as elaborate as the electricity side of
20 the picture. Honestly, natural gas is not being
21 explicitly addressed, although I tried to
22 introduce the fact that we see they're related.
23 And the governors and WEIB have asked for that
24 relationship.

25 The governors have a policy resolution

1 on the adequacy of the petroleum system, and WEIB
2 is aware that it's something it should be looking
3 at. I'm more than happy to work with Rosella and
4 Gordon and others here to bring back to you, you
5 know, what it is we do know about that.

6 MR. CHAMBERLAIN: Commissioner Geesman,
7 I think there is an incipient effort to share
8 information between the States of Arizona, Nevada
9 and California in this area. But I think it's
10 just beginning.

11 COMMISSIONER BOYD: I would just add,
12 Mr. Chairman, in response to that dialogue, and
13 particularly the comment by Mr. Chamberlain, that
14 yes, of late there has been dialogue initiated
15 between those three states on the subject of
16 petroleum.

17 I think an initial dialogue took place
18 at the, I would say, Western Governors
19 Association-sanctioned North American Energy
20 Summit that Governor Richardson, as Chair of the
21 WGA last term, held in Albuquerque. At which time
22 we had a very broad and general discussion of the
23 issue of petroleum in the western states, and have
24 agreed to initiate a dialogue. The crises of
25 price spikiness and supply concerns clearly shows

1 a need for more of that to take place.

2 And if I may, Mr. Chairman, while I've
3 got the microphone, change subjects, unless
4 somebody wanted to --

5 CHAIRMAN KEESE: Well, let me make one
6 addition to what you're talking about. I think it
7 was the 2003 IEPR that actually started some of
8 this activity by suggesting that if there was an
9 ability to transport petroleum fuels from Texas
10 west, that that could alleviate some of the
11 problems that both California and Arizona and New
12 Mexico and Nevada are having.

13 We supply most of the Arizona and Nevada
14 product coming out of California refineries. If
15 that could be supplanted from the Texas area, the
16 Houston area where there's over-capacity of
17 refining it would relieve pressure on us. And it
18 would give them an assurance that they could get
19 the supply.

20 It also gives them options. Right now
21 if their supply from California is cut off, they
22 are cut off. So there is finally a recognition.
23 Unfortunately, after we'd identified it in the
24 IEPR, they said that's a great plan, what do you
25 plan to do to fund the expansion of the line. To

1 which our response was we didn't quite have that
2 in mind.

3 So it is moving forward. I think it
4 would be a very good topic to present here to get
5 the state focused on the different options that
6 are available. There is some work taking place on
7 expanding those gasoline transmission lines, but,
8 you know, we're not fully privy to the --

9 COMMISSIONER BOYD: The Chairman is
10 correct in that we embraced the so-called Longhorn
11 Pipeline as a component of the system in the west
12 that was needed. But we're in no position to
13 finance it.

14 I recall reading in the last two days
15 yet another article about a proposed refinery in
16 Arizona. I think I read last night a refinery is
17 proposed about 40 miles west of Yuma. But I am
18 wondering where they're going to get the crude and
19 what pipeline they're going to use for that. But
20 nonetheless.

21 If I might, Mr. Chairman, two additional
22 comments. Grace, as a result of your extensive
23 discussion here I was reminded of at least two
24 other areas that I would say almost belong under
25 the heading of work with the WGA. One is, as I'm

1 sure you're aware, the WGA, for many years, their
2 staff has been working with border Mexican states
3 on the question of energy efficiency.

4 At the same North American Energy Summit
5 the WGA released that report. And they, in
6 effect, turned it over to yet another committee,
7 the energy worktable of the Board of Governors
8 Conference, and asked for a cooperative
9 relationship with that group in order to try to
10 implement and effect those recommendations, since
11 the western U.S. governors do not have influence
12 directly over the States of Mexico. And so that
13 is another partnership that has been formed since
14 the energy summit.

15 And lastly, I'm reminded that the Energy
16 Commission has helped cofund, and I believe is
17 basically managing the so-called West Coast
18 Regional Carbon Sequestration Partnership under
19 the umbrella climate change, that is the WGA is
20 one of the partners in that effort.

21 So if we're making an inventory of
22 activities, I would suggest adding that to the
23 list, as well.

24 Thank you, Mr. Chairman.

25 COMMISSIONER PFANNENSTIEL: Mr.

1 Chairman, one question, if I might.

2 CHAIRMAN KEESE: Commissioner
3 Pfannenstiel.

4 COMMISSIONER PFANNENSTIEL: The
5 discussion here of the Western Governors
6 Association, now there's a certain -- are those
7 the same eight states and British Columbia that
8 are captured all the way through? Is the
9 definition of all of these entities other than the
10 subregions, of course, the same group?

11 MS. ANDERSON: The governors are a
12 larger group, the western governors, include more
13 states and also the trust territories --

14 CHAIRMAN KEESE: Twelve.

15 COMMISSIONER PFANNENSTIEL: That's the
16 full 12, then?

17 MS. ANDERSON: Yeah. CREPC defines
18 itself more by the western interconnected states.
19 So it's a -- you would find more members on WGA
20 than on --

21 COMMISSIONER PFANNENSTIEL: Well, it did
22 occur to me, as we talked about whether it's a
23 natural gas coordination or potential for
24 transportation fuels coordination, that we may be
25 talking about different groupings of states with

1 different common interests or issues.

2 CHAIRMAN KEESE: Correct. Although we
3 do draw on Washington refineries, also, so you
4 can't quite go straight linear east. You have to
5 go linear west.

6 I would make two points that I guess, I
7 appreciate the thoroughness of the presentation,
8 but let me give you a context. Because seven
9 years ago when it was WSCC, it was utility. And
10 there was nothing else in WSCC, reliability or any
11 other consideration other than utility.

12 The Energy Commission was the first
13 nonutility entity participating in WSCC because we
14 had the database. And over the years this has
15 increased. As Grace presented, you see a board of
16 WECC now that is comprised of five areas in the
17 electricity field with four votes apiece; and
18 seven unaffiliated members. So that there has
19 been a great movement in WECC towards this.

20 I guess my concern has always been that
21 when the rubber hits the road it's the governors
22 who are going to get the blame; have in the past
23 gotten the blame for failed energy planning; and
24 will get it in the future. And we need even more
25 to increase a role for government somewhere in

1 this process.

2 And I don't mean to take it away from
3 the people, the planners at the utility, but there
4 has to be a stronger role for government.

5 The fact that we did move forward in
6 these areas has resulted in the federal
7 government, particularly at FERC, deferring to the
8 west to handle its own reliability issues. And
9 backing away from one RTO in the west and saying,
10 do it, as long as you do it your way, you're okay.

11 And even in the energy bill that hasn't
12 made it, there are specific provisions in there
13 giving deference to the west. And it's been a
14 result of all of these different entities, WEIB
15 and CREPC and WECC working together that has
16 accomplished that purpose.

17 It's an ongoing chore because most
18 likely we're not going to have an energy bill this
19 year. So we'll have to start again next year and
20 make sure that stays in there.

21 But the interconnected activities of
22 these bodies in the west have been extremely
23 important to California, and we've got to continue
24 to emphasize that.

25 And the Energy Commission, even though

1 it's not a prime responsibility of ours, has been
2 the lead in doing this because of our expertise
3 and our knowledge about how the system works.

4 Anything else?

5 MS. ANDERSON: Thank you. I could say,
6 too, that I learned last week, I believe, I have
7 been told that the NERC has incorporated the
8 deference language from the legislation into its
9 regulations, even though the federal bill hasn't
10 passed.

11 CHAIRMAN KEESE: And NERC is the
12 national entity which was created actually
13 originally by the regionals after the New York
14 blackout, and has now become the parent and the
15 regionals have become the children.

16 NERC has gone all the way to
17 establishing a segment of their board that is
18 independent. And a provision that once federal
19 language, federal action is taken on an energy
20 bill, that dealing with them, all the utility
21 members will resign and NERC will become totally
22 unaffiliated directors.

23 The west is not interested in looking at
24 that structure, most of the members in the west
25 are not yet willing to look at a structure such as

1 that. But I think it would be a good template,
2 again, to apply to the west should that take
3 place.

4 Anything else? On this subject?

5 MR. CHAMBERLAIN: Mr. Chairman, on that
6 note, I should indicate that the governance and
7 nominating committee of the WECC is doing a --
8 WECC is required by its bylaws, every five years,
9 to do a review of its effectiveness, including its
10 governance structure.

11 And so we are doing that. It's due
12 about a year and a half from now. We're just
13 starting that effort. It will actually be kicked
14 off at the October meetings.

15 CHAIRMAN KEESE: Thank you. All right,
16 thank you, Grace; thank you, Bill.

17 Since we have not adjourned our meeting,
18 Mr. Mark Johnson is present at this time. We
19 postponed our public comment, so you're welcome --
20 you got five minutes.

21 MR. JOHNSON: Mark Johnson from Golden
22 Sierra Power. I was before the Commission
23 earlier, a few months ago, about an extension
24 problem that we were having with Fitzpatrick
25 Winery. We've again gotten into a bump on the

1 road in getting our payment from the Commission
2 and the staff.

3 We received a letter, or Assemblyman
4 Leslie received a letter from the Commission
5 stating that our extension had been approved, our
6 final paperwork had been processed, and we would
7 be receiving a check within 30 days. And that was
8 on August 18th.

9 On September 17th I received an
10 additional needs list of documentation that the
11 staff is adding on after we have gone through this
12 whole process with you guys.

13 I don't mind supplying the
14 documentation. This is costing my company money.
15 We have been in contact with trying to get in
16 touch with staff, either through email or through
17 phone messages from last Friday. It was not until
18 last night at 6:00 that I received a message
19 saying please just send in the materials and we'll
20 sign off.

21 The materials that we're providing, that
22 they're asking us --

23 CHAIRMAN KEESE: We discussed earlier,
24 we were flooded out with 20 feet of water and we
25 were down.

1 MR. JOHNSON: Unfortunately, this is
2 staff playing games. This is a political game
3 that staff is trying to play with Golden Sierra
4 Power. And we're not quite sure what the motive
5 is. We think it has to do with something that --
6 a petition that we have filed with the Commission,
7 and a report that we will be submitting to the
8 Governor's Office next week. And a report that we
9 have put together last summer that brings up some
10 improprieties of the renewables program and the
11 cost to the state.

12 So we're not sure where this is coming
13 from, but the bottomline is what we'd like the
14 Commission to do today is to instruct the staff to
15 review the documentation that we've presented to
16 them, and ask them to make a decision and get our
17 check to us, please. This is costing my company
18 and my family too much money. And I don't think
19 this is the goals of the Energy Commission. And
20 this is what we're about.

21 CHAIRMAN KEESE: Well, not having
22 received what you have in writing, we'd be happy
23 to receive it. And we will refer it immediately
24 to the appropriate Committee of Commissioners
25 who --

1 MR. JOHNSON: The appropriate Committee
2 people are here, Commissioner.

3 CHAIRMAN KEESE: -- the appropriate
4 Committee of Commissioners, and they will take it
5 up with staff. So if you'll give it to us today
6 we'll take care of it --

7 MR. JOHNSON: And what --

8 CHAIRMAN KEESE: -- today.

9 MR. JOHNSON: Today. I can expect an
10 answer today by close of business, is that what
11 you're saying?

12 CHAIRMAN KEESE: I'm saying I will give
13 it to the -- unless somebody wants to guide me as
14 to who -- this is Committee work of this
15 Commission. We've received your public comment.

16 MR. JOHNSON: I understand --

17 CHAIRMAN KEESE: If you give it to us, I
18 will assign it to the appropriate Commissioner --

19 MR. JOHNSON: This doesn't have to do
20 with the Committee comments. This has to do with
21 getting Mr. Fitzpatrick his \$100,000 back.

22 CHAIRMAN KEESE: I will have the
23 appropriate Commissioner who will deal directly
24 with staff.

25 MR. JOHNSON: Okay, thank you.

1 CHAIRMAN KEESE: Thank you.

2 With that, we will adjourn to the third
3 floor conference room where we will talk about
4 performance review. Is that a 30-minute project?

5 MR. CHAMBERLAIN: I would expect that
6 probably to last 10, 15 minutes.

7 CHAIRMAN KEESE: Okay, no later than
8 quarter to 12 we will go into executive session.
9 And adjourn by noon.

10 Subject to these two events, this
11 meeting is closed.

12 (Whereupon, at 11:16 a.m., subject to
13 aforementioned events, the business
14 meeting was adjourned.)

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CERTIFICATE OF REPORTER

I, PETER PETTY, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 1st day of October, 2004.

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