

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, DECEMBER 14, 2005

10:05 A.M.

Reported by:
Peter Petty
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COMMISSIONERS PRESENT

Joseph Desmond, Chairperson

Jackalyne Pfannenstiel, Vice Chairperson

Arthur H. Rosenfeld

John L. Geesman

STAFF PRESENT

B.B. Blevins, Acting Executive Director

William Chamberlain, Chief Counsel

Song Her, Acting Secretariat

Guido Franco

Bill Pennington

Valentino Tiangco

Garret Shean

Lisa DeCarlo

Brewster Birdsall, Consultant
Aspen Environmental Group
(via teleconference)

PUBLIC ADVISER

Nick Bartsch

ALSO PRESENT

Robert E. Raymer
California Building Industry Association

Les Guliasi
Pacific Gas and Electric Company

Pat Wolfe
Blythe Airport
(via teleconference)

ALSO PRESENT

Scott Galati, Attorney
Galati and Blake, LLP
representing Caithness Blythe II

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P R O C E E D I N G S

10:05 a.m.

CHAIRPERSON DESMOND: I'd like to welcome everyone here this morning to the California Energy Commission Business Meeting. This is the last business meeting of the year. And please join me in reciting the Pledge of Allegiance.

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

CHAIRMAN DESMOND: I'd like to thank everyone for being here today and welcome those, as well as those on the phone.

First item is the consent calendar. There's only one item on the consent calendar for New Buildings Institute membership renewal.

COMMISSIONER ROSENFELD: I move the consent calendar.

COMMISSIONER GEESMAN: Second.

CHAIRMAN DESMOND: All those in favor?

(Ayes.)

CHAIRMAN DESMOND: Opposed? So moved.

Agenda item 2 has been held for further business meeting. Please make a note in that.

Agenda item number 3, Woodley Weather

1 Consultants, and possible approval of work
2 authorization UC MR-042 with Woodley Weather
3 Consultants not to exceed \$615,000 to authorize a
4 field study to better understand the hypothesized
5 loss of precipitation in the California Sierra
6 Nevada due to aerosols produced in upwind urban/
7 industrial areas. Mr. Franco.

8 MR. FRANCO: Good morning,
9 Commissioners. My name is Guido Franco. I'm the
10 Technical Lead on climate change research projects
11 under the Public Interest Energy Research program.
12 Part of the group is managed by Kelly Birkinshaw.

13 The total funding for climate change
14 research for fiscal year 2005/2006 is about \$3.5
15 million. Additional funds available for the
16 WISCAR project.

17 These funds have tentatively been
18 reserved for research projects on regional climate
19 modeling, greenhouse gas emission inventories,
20 ecological studies, impact analyses and economic
21 studies.

22 With respect to regional climate
23 modeling work so far PIER has funded (inaudible)
24 regional climate modeling work and the developing
25 of the statistical methods to translate the

1 outputs for global climate models into the
2 California region.

3 For example, Scripps has just completed
4 a numerical modeling of climate conditions in
5 California from the 1950s to the present. Some
6 analysis now are underway to find out how well
7 their regional climate model compares with
8 observed measurements before we use the model to
9 develop climate projections for California.

10 As you may know, the final objective of
11 our climate modeling work is to produce
12 probabilistic climate projections for California
13 with an adequate level of geographical and
14 (inaudible) research and adaptation and long-term
15 planning in California.

16 For example, the State Water Resources
17 Control Board plans to use our scenarios for the
18 2010 state water planning.

19 This is an area that is essential for
20 the studies required by the June 1st executive
21 order, which requires the California Secretary of
22 the Environment to prepare (inaudible) on climate
23 change by January 2006, and every other year
24 thereafter. As you may know, the Commission,
25 through the PIER program, is in charge of

1 producing these studies.

2 About two years ago, and now I'm going
3 to be talking about the specific project, a
4 presentation by Professor Rosenfeld at the annual
5 meeting of the American (inaudible) called our
6 attention to the potential impacts of aerosols on
7 precipitation levels in the Sierra Nevada.
8 According to Professor Rosenfeld aerosols from
9 urban areas create more droplets, but for smaller
10 sizes, which do not tend to precipitate as rain or
11 as snow.

12 Professor Rosenfeld's analysis indicates
13 that aerosols over areas in California may be
14 reducing precipitation levels by about 15 to 20
15 percent. Professor Rosenfeld published his
16 findings last year in the Journal of the American
17 Meteorology (inaudible). He's a world class
18 research associated with a leading university in
19 Israel.

20 PIER has contracted with Woodley Weather
21 Consultants engaging Dr. William Woodley and
22 Professor Rosenfeld and others in this study.
23 They are using both satellite data and statistical
24 analysis of runoff and numerical weather models.

25 In addition, Dr. Woodley and Rosenfeld

1 conducted a field study this February using a
2 research graph. The field study was successful in
3 the sense that they were able to confirm the
4 utility of the satellite data to infer the size of
5 the droplets inside the clouds.

6 However, the weather conditions in 2005,
7 February 2005, were highly unusual. If you want I
8 can give you more information about that. A 15 to
9 20 percent reduction of precipitation levels
10 represent a substantial, I would say huge,
11 reduction in the amount of water available to the
12 state for hydropower generation and water
13 deliveries for urban centers, agricultural regions
14 and for environmental requirements.

15 A better understanding of the role of
16 aerosols on precipitation in the state is needed
17 to better understand how precipitation levels are
18 changing in the states due to the increased
19 concentration of greenhouse gases, and to improve
20 our ability to estimate how precipitation may
21 change in the future.

22 Improved climate projections for
23 California depends strongly on our ability to
24 increase our scientific understanding of how
25 aerosols affect precipitation.

1 Under this project researchers will use
2 two researcher graphs to collateralize aerosols
3 emitting from urban areas and to study the effect
4 of these aerosols on precipitation levels in
5 California.

6 It is important to note that researchers
7 from UC Davis and the Scripps are also involved in
8 this project. The researchers from UC Davis will
9 be doing some chemical analysis to trying to
10 figure out what are the sources that are
11 responsible for these aerosols.

12 Researchers from Scripps, they're going
13 to be looking for the first time at the amount of
14 black carbon that is deposited in the snow to find
15 out how black carbon is changing the reflectivity
16 of the snow. That, again, has huge implications
17 in our (inaudible) work.

18 The R&D Committee has requested your
19 approval for this project. And I'm here to
20 transmit this request. And with this I'm ready to
21 answer any questions that you may have about this
22 project and about our work on climate change
23 research in general. Thank you.

24 CHAIRMAN DESMOND: Thank you. Questions
25 or comments?

1 COMMISSIONER ROSENFELD: I'm ready to
2 move the item. The Committee was impressed with
3 this request.

4 COMMISSIONER GEESMAN: I'll second it.

5 CHAIRMAN DESMOND: Okay. All those in
6 favor?

7 (Ayes.)

8 CHAIRMAN DESMOND: Opposed? So moved.

9 Thank you, Mr. Franco.

10 Agenda item number 4, AB-549, Report to
11 the Legislature. Possible approval of the report
12 required by Assembly Bill 549 directing the Energy
13 Commission to investigate options and develop a
14 plan to decrease wasteful peakload energy
15 consumption in existing residential and
16 nonresidential buildings.

17 I'd also note here that we have two
18 members of the public who wish to speak on this
19 issue after the presentation.

20 Go ahead, Mr. Pennington.

21 MR. PENNINGTON: Thank you. My name is
22 Bill Pennington; I'm the Manager of the Buildings
23 and Appliance Office at the Energy Commission.

24 And I wanted to give you some background
25 information on what we've done related to

1 completing this report.

2 AB-549 directed the Energy Commission to
3 investigate options and develop a plan to decrease
4 wasteful peakload energy consumption in existing
5 residential and nonresidential buildings.

6 The report before you today proposes a
7 set of strategies that promote energy efficiency
8 in existing buildings to reduce both annual and
9 peakload energy consumption of both electricity
10 and natural gas.

11 The report recognizes that this report
12 is coming forward in the context of an
13 environment, you know, a history and a current
14 environment of energy efficiency programs in
15 California. California has been a leader in
16 energy efficiency programs. And so the report is
17 in the context of that experience.

18 Since 1976 the utilities have spent over
19 \$5.6 billion on energy efficiency, with about 85
20 percent of that being targeted to existing
21 buildings.

22 Since 1978 the Energy Commission has
23 adopted building standards and appliance
24 standards, and updated those periodically. The
25 building standards impact not only newly

1 constructed buildings, but they also impact
2 additions and alterations to existing buildings.
3 So there is an impact on existing buildings
4 through the building standards.

5 The appliance standards affect all
6 appliances that are sold in California. And for
7 any given appliance, the majority of the
8 appliances in that category are sold into
9 replacement situations. So they affect existing
10 buildings, also.

11 Since the 2000 electricity crisis
12 there's been a marked increase in the amount of
13 energy efficiency programs that have been
14 conducted. The building standards and appliance
15 standards have both been updated twice. The
16 utility programs, PGC-funded programs, were
17 significantly increased starting in that
18 timeframe.

19 More recently the PUC, in collaboration
20 with the Energy Commission, have developed
21 aggressive long-term goals for utility programs
22 through 2013. And have authorized utility plans
23 now for the 2006 to 2008 timeframe to spend
24 approximately \$2 billion over those three years of
25 both PGC funds and resource acquisition funding.

1 The vast majority of that funding would get
2 targeted to existing buildings.

3 Also, another noteworthy thing is that
4 the Governor directed the green building
5 initiative which calls for a 20 percent reduction
6 in energy in state buildings by 2015. And calls
7 upon the private sector to also save a
8 corresponding amount.

9 So, it's in the context of all of that
10 that this report is coming out. Basically we're
11 aiming to fill gaps that we see in that situation;
12 and look for opportunities to go beyond what's
13 happening in other programs or build upon what's
14 happening in other programs.

15 The strategies in this report are expect
16 to increase peakload savings in existing buildings
17 by 300 to 500 megawatts per year, cutting
18 California's annual peakload growth by about 25
19 percent.

20 The report advocates expanded attention
21 on five residential strategies and two
22 nonresidential strategies. The residential
23 strategies are the following:

24 California should begin requiring at the
25 appropriate time in the future the disclosure of

1 home energy ratings when a house is sold. To get
2 to that point we need to do quite a bit of work
3 with the real estate industry and with the
4 utilities to follow through with the home energy
5 rating system procedures that the Commission has
6 on its agenda to adopt.

7 To develop an informational booklet to
8 consumers that would explain what their
9 opportunities are at point of sale and how the
10 HERS program works.

11 And to conduct a pilot project that
12 would demonstrate, in particular regions, that
13 that process can work and is not going to be a
14 major interruption to the process of selling
15 homes. And that that process can work
16 effectively.

17 Second area. The utilities should
18 upgrade their efficiency information programs into
19 an information gateway that motivates homeowners
20 to take action to save energy in their homes. The
21 gateway should make maximum use of utility
22 websites; should target high-peak demand and high-
23 energy-use homes. Should facilitate residential
24 benchmarking, and should enable easy access to
25 utility programs and services.

1 Third area of recommendations under
2 residential. The utilities and state, energy and
3 housing agencies should collaborate to expand
4 energy efficiency through affordable housing
5 programs. The state programs that subsidize
6 affordable housing should expect that energy
7 ratings be conducted in the homes that are
8 qualifying for that subsidization. And the
9 recommendations related to what's cost effective
10 for those buildings should be covered by those
11 subsidies.

12 Another item, another recommendation
13 strategy: The Commission and the utilities should
14 expand their efforts to upgrade the quality of
15 service provided by the HVAC maintenance industry
16 to increase the frequency and effectiveness of
17 tune-ups.

18 And part of the action items relate to
19 expanding industry training for HVAC contractors.
20 And further development of building standards that
21 would require, when equipment is replaced, that
22 you have a quality installation process. And
23 likewise, to expect at the appropriate time in the
24 future, that tuneups to this kind of equipment
25 should be a regular practice at the time of sale

1 point.

2 Finally, the utilities should facilitate
3 expansion of whole building diagnostic testing and
4 repair services, which is kind of an infant
5 industry right now. But there are major
6 opportunities there.

7 On the nonresidential side there's two
8 primary strategies. The Commission and utilities
9 should collaboratively work to establish a
10 California-specific benchmarking system available
11 to all commercial buildings. And that would be
12 consistent with the green building initiative
13 objectives.

14 The second strategy, the utilities
15 should establish a program infrastructure that
16 promotes and facilitates retro-commissioning of
17 existing commercial buildings. So, in these areas
18 there's already existing activity going on. The
19 report is basically saying these are very
20 important strategies that need to be pursued and
21 should be pursued vigorously. We need to work
22 together on that.

23 Related to implementation, the Energy
24 Commission should take the actions that are
25 already within its authority, such as those

1 related to home energy ratings, standards
2 requirements for HVAC installations, and
3 benchmarking tool development.

4 And the Energy Commission should work
5 with the PUC and the utilities to find ways to
6 work the implementation of these strategies into
7 the 2006 to 2008 program plans that the utilities
8 are implementing. And work together to advance
9 these strategies, recognizing those plans and the
10 potential flexibility in adjusting those plans.

11 There are some specific recommended
12 legislative actions that go beyond what the Energy
13 Commission would do on its own, or what the
14 Commission would do in cooperation with the PUC
15 and the utilities.

16 These actions are, there's five of them.
17 The first recommendation is that once the Energy
18 Commission has finished its pilot program related
19 to the home energy ratings and the disclosure of
20 those at time of sale, that the Energy Commission
21 should report back to the Legislature on the
22 outcome of those pilot projects. And to judge at
23 that point whether recommendations should be made
24 to the Legislature to have that program be a
25 mandatory expectation at point of sale.

1 Secondly, the second piece of
2 legislative action here require energy ratings and
3 energy efficiency upgrades for properties that
4 participate in subsidized housing programs,
5 affordable housing programs.

6 Thirdly, require benchmarking when
7 commercial buildings are financed or refinanced.

8 Fourth, require PERS and CalSTRS to
9 report on their progress to benchmark and improve
10 the energy efficiency of buildings in their
11 portfolios.

12 And fourth, there's a recommendation
13 here related to demand response that would have
14 the Legislature look at constraints that exist in
15 current law that, because of a strategy of capping
16 residential rates, and having that be a barrier to
17 the ability to have time-of-use rates for the
18 customers that are covered by those gaps, to look
19 at the perverse consequence of that that results
20 in those customers not being able to be on time-
21 of-use rates and not be able to accomplish utility
22 bill savings by being aware of the need to
23 conserve their energy according to time-of-use
24 needs.

25 So, that's my brief summary of the

1 report. I guess there's a couple of people that
2 want to speak from the audience. And I'd be glad
3 to respond to questions.

4 CHAIRMAN DESMOND: Mr. Raymer, CBIA.

5 MR. RAYMER: Thank you, Mr. Chairman and
6 Commissioners. I'm Bob Raymer, Technical Director
7 and Staff Engineer for the California Building
8 Industry Association. CBIA was the sponsor of AB-
9 549 some years ago.

10 In our view the staff has done an
11 excellent job of preparing this report. Each of
12 the iterations has improved as we've gone over the
13 last few years.

14 Our basis for promoting AB-549 was quite
15 simple. At that time there was only about 12
16 million homes in California. Now there's about
17 13. In either case, though, three-fourths of
18 those homes have been built prior to any energy
19 efficiency standards whatsoever.

20 And while Mr. Pennington clearly
21 indicated that there are some methods of
22 approaching energy efficiency in the existing
23 housing stock, it does represent a huge and
24 largely unutilized area for energy efficiency.

25 This is going to set forth parameters

1 for a statewide and very productive role for
2 energy efficiency in the existing housing stock,
3 and existing nonresidential stock.

4 We look forward to working with the
5 Commission over the coming years on this. Thank
6 you.

7 CHAIRMAN DESMOND: Thank you. Mr.
8 Guliiasi from Pacific Gas and Electric.

9 MR. GULIASI: Thank you. Good morning,
10 Commissioners. First let me wish you a happy
11 holiday season, and extend those wishes to the
12 staff.

13 We've had the opportunity to participate
14 in this process from the beginning, and we've
15 submitted written comments on earlier drafts of
16 the report.

17 As you know, PG&E supports all efforts
18 to find opportunities to capture savings in both
19 existing as well as new buildings in the state.
20 Some of the strategies that the report recommends
21 involved significant use of public goods funds and
22 we're pleased that the staff recommended the
23 flexible use of these funds.

24 I simply wanted to call you attention to
25 one issue and underscore one comment that we made

1 in our written remarks in a follow-up letter that
2 I sent to Commissioners Rosenfeld and
3 Pfannenstiel, and copied each of you.

4 And that simply is to make use of the
5 existing structures that exist and the stakeholder
6 processes that exist in terms of implementing the
7 recommendations in the report.

8 There is a program advisory group,
9 there's a stakeholder peer review group, and we
10 think that we would all best be served if the
11 staff and the other parties were to use these
12 groups and these structures as we move forward to
13 implement some of the recommendations in the
14 report. And certainly we find ourselves with new
15 programs or recommendations for new programs to
16 implement.

17 As you heard from the staff, we already
18 have a portfolio of programs moving forward into
19 next year. And we just wanted to make sure that
20 rather than establish a whole new set of programs
21 that new programs, new projects can be folded into
22 and integrated into the existing portfolio
23 programs that we currently have.

24 Thank you very much.

25 CHAIRMAN DESMOND: Thank you.

1 Commissioners.

2 VICE CHAIRPERSON PFANNENSTIEL: Let me
3 start first by thanking the staff. It's a lot of
4 work that went into this report, a lot of
5 analysis, workshops and input from many parties.
6 It touches on areas that I think many of us
7 involved in efficiency have been concerned about.

8 The real goal here is to find some
9 effective and systematic set of actions that will
10 target existing buildings. We've heard a lot
11 about the existing energy efficiency programs
12 funded through the Public Utilities Commission and
13 implemented by the utilities. And clearly, those
14 are very effective programs. And many of them are
15 targeted at existing buildings.

16 I think what we have found, though, and
17 perhaps the motivation for the legislation that
18 led us to where we are today, is that those
19 programs haven't really had the sort of systematic
20 impact that, for example, the building standards
21 have.

22 They have been -- there's a variety of
23 them and they're fine. But what we're trying to
24 do is to say that with the enormous expenditures
25 that the utilities will be making over the next

1 several years in energy efficiency that the PUC, I
2 believe, very wisely set the program guidelines to
3 be very flexible. So that as new information
4 comes along, as there are different priorities, we
5 can move those dollars where they're most needed.

6 And I believe that picking up some of
7 the strategies recommended in this report will be
8 a very good use of those dollars.

9 I think that the general assessment is
10 that the most effective way of capturing improved
11 efficiency in existing buildings is to do some
12 kind of mandatory time-of-sale upgrade. And we, I
13 believe many of us started into this process
14 thinking that that's where we're going to end up,
15 that this mandatory time-of-sale upgrade was where
16 we would ultimately -- what we'd recommend to the
17 Legislature.

18 I don't think any of us is discouraged
19 from that goal, but we were advised, and I think
20 well advised, by the realtor association and
21 others that it may be premature to try to put a
22 mandate on time-of-sale upgrades. That there's an
23 infrastructure that needs to be available to us.

24 So we still have that. We want to build
25 that infrastructure. We want to look at the pilot

1 and see what needs to be done to get us there.

2 But the staff and the consultants
3 identified a number of other strategies that we
4 should be pursuing also. We've attempted to
5 capture that set of strategies in this report.
6 The report is intended to focus our attention; to
7 highlight some areas where we believe the
8 Legislature can act to help shape some of the
9 utility programs going forward.

10 And I believe it represents a point-in-
11 time effort that we will continue to build off of.

12 CHAIRMAN DESMOND: Commissioners.
13 Commissioner Geesman.

14 COMMISSIONER GEESMAN: I certainly want
15 to compliment Commissioner Pfannenstiel for, in my
16 judgment, rescuing this effort. This law has been
17 on the books for a long time. And I think that we
18 have tended to treat it as a bit of an orphan
19 project until Commissioner Pfannenstiel assumed
20 leadership of it.

21 I think that's not been a good
22 reflection on us since 2001. We've been free to
23 criticize others in their response to the 2000/
24 2001 energy crisis. But I think we bear some
25 responsibility ourselves for the way in which

1 we've addressed the existing retrofit sector.

2 And I think Mr. Raymer certainly is
3 diplomatic and quite generous in his words. I
4 think in his position, representing his industry,
5 I'm not certain that I could be as generous.

6 And I think going forward, you know, we
7 expect a lot of the new homebuyer. I see the
8 Legislature contemplating more additions to what's
9 expected of the new homebuyer. And I think that
10 it's only reasonable that we try to treat the
11 existing-built environment with some parity. And
12 try to pursue cost effective, available and
13 feasible energy savings with the same level of
14 urgency that we've attached to trying to pursue
15 that in the new construction sector.

16 So, I'm certainly complimentary of the
17 effort. I hope our staff gets the message that
18 this deserves quite a bit more urgency than it
19 received in the early years of this study. I look
20 forward to voting for the report.

21 CHAIRMAN DESMOND: Commissioner
22 Rosenfeld.

23 COMMISSIONER ROSENFELD: Very few
24 remarks. First of all, to echo my high praise for
25 both Commissioner Pfannenstiel for really working

1 hard on this, many weekends.

2 Also want to thank one staff member
3 who's not here because he got a hip replacement,
4 but worked many weekends also, and that's Dave
5 Trenchel. We shouldn't forget his hard work.

6 Very small comments. Bill Pennington,
7 of course, pointed out that the utilities in the
8 information programs are spending, have wonderful
9 programs and are spending \$2 billion over the next
10 three years. That, of course, is all voluntary.
11 And what we're supposed to be discussing here is
12 making some of these upgrades mandatory.

13 So, I think I'm two-thirds in agreement
14 with Bill that we do a great job for those people
15 who want to pay attention, but there's the half of
16 the third out there who don't give a darn. And
17 those are the people we have to work on
18 eventually.

19 With respect to Les Guliasi's comment
20 about working with the existing programs, I,
21 myself, am very comfortable with the degree of
22 collaboration we've had with all the utilities.
23 And I think we are transitioning smoothly. What
24 we're doing really is pilot projects now, getting
25 ready to maybe take a deeper plunge in a year or

1 so.

2 So I'm pretty comfortable with all of
3 this and look forward to voting for it, too.

4 CHAIRMAN DESMOND: Thank you. Let me
5 add then some final comments here, as well. I
6 would also like to acknowledge and thank
7 Commissioner Pfannenstiel for what I believe is an
8 excellent piece of work. It really is.

9 And the reason I say that, there are two
10 things that jumped out at me in this report that I
11 think are worth mentioning, emphasizing, from my
12 perspective. Benchmarking and retrocommissioning.

13 Oftentimes when budgets are tight
14 maintenance is the first item that we see cut.
15 And as a result, systems, over time, have a
16 tendency to not perform as originally designed.
17 And there's a significant amount of opportunity to
18 achieve energy savings by going back and looking
19 at that.

20 So from the perspective of being
21 flexible on the use of funds and recognizing that
22 the PUC has increased the amount of funding
23 available for energy efficiency, I think that is
24 clearly an area deserving of far more attention to
25 do so.

1 Relative to Mr. Guliasi's comment about
2 taking advantage of existing systems, another key
3 component here is the training aspect. And we do
4 have an infrastructure here, through apprentice
5 programs, where contractors are trained in all the
6 new technologies, and much like your automobile,
7 most people don't work on them anymore because
8 they've gotten so complex. And the same holds
9 true for today's building systems. You need
10 trained skilled technicians who understand how to
11 make that work.

12 And then lastly, with retrocommissioning
13 come recommendations. But those recommendations
14 will cost money if they involve equipment
15 replacement. So, the next step in the process is
16 to make sure that we're providing a pathway for
17 financing these improvements. And while there are
18 many mechanisms, I would simply once again draw
19 people's attention to the notion of the use of on-
20 bill financing which could easily be used to cover
21 what are operational issues and rather avoid the
22 lengthy capital outlay budget approval process.

23 And so I hope that as people are out
24 there thinking about that, that they revisit the
25 opportunity to use on-bill financing as a

1 mechanism.

2 With those remarks, as I said, this is
3 an outstanding piece of work that I think goes a
4 long way to moving this forward, so.

5 VICE CHAIRPERSON PFANNENSTIEL: Thank
6 you, Mr. Chairman. With that, I would move the
7 Commission's adoption of this report to send to
8 the Legislature.

9 COMMISSIONER ROSENFELD: Second with
10 pleasure.

11 CHAIRMAN DESMOND: All those in favor?
12 (Ayes.)

13 CHAIRMAN DESMOND: Opposed? So moved.
14 Thank you.

15 Item number 5, Department of Environment
16 and Heritage, the Australian Greenhouse Office.
17 And possible approval of contract 400-05-012 for a
18 memorandum of understanding between the Energy
19 Commission and the Australian Greenhouse Office,
20 which is responsible for a wide range of
21 government programs that implement Australia's
22 national greenhouse strategy. This MOU relates to
23 energy efficiency programs for buildings and
24 appliances and encourages information sharing and
25 resources. Mr. Pennington, once again.

1 MR. PENNINGTON: Thank you. Since the
2 2000 electricity crisis the Energy Commission has
3 aggressively pursued building and appliance
4 standards, updating the building standards in 2001
5 and 2005, and we're working on a 2008 update.
6 Updating the appliance standards in 2002 and 2004.

7 Increasingly the appliances within the
8 Commission's authority that represent major
9 opportunities for additional savings, those
10 appliances are manufactured to a worldwide market.
11 And so the effective regulation of those
12 appliances obligates the Energy Commission to pay
13 attention to harmonization of its standards with
14 worldwide efforts to develop test procedures, to
15 establish energy efficiency ratings and labels,
16 and to establish minimum energy performance
17 standards.

18 Over the past several years the
19 Commission has become aware that Australia,
20 particularly the Australian Greenhouse Office, is
21 a world leader and potentially an invaluable ally
22 to the Commission with substantial influence in
23 international standardization efforts throughout
24 the world, including Europe and particularly they
25 have a close working relationship with China, who

1 is the supreme manufacturer of so many of these
2 appliances that we're trying to get a handle on.

3 Also, the Australia Greenhouse Office is
4 vigorously pursuing the adoption and
5 implementation of building energy efficiency
6 standards. And they are also pursuing other
7 strategies such as disclosure of building energy
8 efficiency at time of sale.

9 So this MOU recognizes the major
10 opportunity of continued close collaboration with
11 the Australian Greenhouse Office related to
12 appliance standards, building standards, and
13 potentially other energy efficiency programs.

14 And those are the reasons why we're
15 recommending your approval of it.

16 CHAIRMAN DESMOND: Thank you.
17 Commissioners.

18 VICE CHAIRPERSON PFANNENSTIEL: Mr.
19 Chairman, I move approval of this MOU.

20 COMMISSIONER GEESMAN: Second.

21 COMMISSIONER ROSENFELD: I want to just
22 make a remark in praising Bill Pennington for his
23 huge energy level of making this sort of thing
24 happen. I guess a lot of Commissioners do, I
25 certainly get a lot of invitations to go to far-

1 away places and talk about energy efficiency. And
2 I always decide it's too far away, and I call Bill
3 Pennington, and he goes. I mean he's been to the
4 Persian Gulf, and he's been to Australia, and he
5 really spreads the word. And I think it's
6 wonderful. Thank you, Bill.

7 MR. PENNINGTON: Thank you.

8 CHAIRMAN DESMOND: Thank you.

9 All those in favor?

10 (Ayes.)

11 CHAIRMAN DESMOND: Opposed? So moved.

12 Item number 6, TIAX. Possible approval
13 of an amendment to work authorization UC MR-038
14 under the PIER contract with the Regents of the
15 University of California for scenario development
16 and integration of fuel pathways on the
17 electricity system. This amendment adds \$271,000
18 and no additional time. The total PIER allocation
19 cost is not to exceed \$2.2 million. Mr. Franco.

20 MR. FRANCO: Thank you, Commissioners,
21 again. As indicated before, the total funding
22 available for fiscal year 2005/2006 for climate
23 change is about \$3.5 million. These funds have
24 been tentatively reserved for research projects on
25 (inaudible) modeling, greenhouse gas emissions

1 inventory methods, ecological studies, impact
2 studies and economic studies.

3 I'm here to request your approval for an
4 amendment to an existing contract which was funded
5 using last year's PIER funds.

6 Commissioner Rosenfeld's Office felt
7 that there was a need for an in-depth, long-term
8 analysis of the potential effect of alternative
9 fuel pathways in the transportation system into
10 the natural gas and the electricity systems.

11 We worked very closely with Commissioner
12 Rosenfeld's Office in the development of this
13 original project.

14 In the rest of my presentation I will
15 give you first a very short description of the
16 ongoing research. And then I will describe the
17 new activities that will be undertaken under this
18 amendment.

19 The advanced energy pathway projects is
20 decided again to estimate the effect of different
21 fuels in the transportation sector into the
22 electricity and the natural gas sectors. The
23 modeling horizon for the study goes from the
24 present to 2050. So it's 50 years time horizon.

25 The three overall resource activities

1 are undertaking in this project. The first one is
2 a series of in-depth studies about the technical
3 and economical potential of different technologies
4 on fuels in California.

5 For example, we're studying the effect
6 of the use of natural gas to produce hydrogen.
7 And studying the effect that that will have in
8 residential and commercial sectors, and in
9 electricity production, because natural gas is a
10 fuel of choice in California.

11 Research is with UC Davis, the Institute
12 for Transportation Studies, and GETF, Dr. Jerome,
13 are in charge of this in-depth technical studies.
14 At the same time, researchers associated with
15 Lawrence Livermore National Lab are developing a
16 all-fuels model that will model all the fuels that
17 are used in California. That will analyze in an
18 integrated fashion all the different pathways that
19 are available for the transportation sector, and
20 analyze their effect into the electricity and the
21 natural gas sectors.

22 Finally, researchers at UC Berkeley are
23 enhancing a macro-economic model of the California
24 economy, improving the representation of the
25 transportation sector into the model. The

1 researchers will use the macro-economic model to
2 study potential impacts of the different energy
3 pathways into employment, gross state product,
4 sector economic impacts. And when I emphasized
5 that both modeling approaches are being heavily
6 coordinated.

7 Under this proposed amendment
8 researchers associated with GBN, Global Business
9 Network, will develop plausible and provocative
10 overall socioeconomic scenarios with involving of
11 high level officials in California, such as the
12 Secretary of the Environment, Dr. Alan Lloyd,
13 Commissioner Rosenfeld, Commissioner Boyd, and
14 executives from environmental groups, car
15 manufacturers, and private industry in general.

16 Shell Oil Company, PG&E and other
17 companies have used this type of work to imagine
18 future conditions and to develop long-term
19 planning strategies.

20 GBN will develop storylines describing
21 the scenarios, and will quantify them as much as
22 possible with consistent assumptions about, for
23 example, population and economic growth,
24 availability of oil and other fuels, et cetera.

25 The researchers under our original

1 project will use these scenarios in their modeling
2 analyses. GBN will work closely with the rest of
3 the researchers, and at the end of the project
4 will produce an integration report that will bring
5 together the scenarios, the analysis done by UC
6 Davis, UC Berkeley, GETF, Lawrence Livermore
7 National Lab.

8 The report will have a format that will
9 allow an easy simulation of results to
10 decisionmakers, including the ones involved in the
11 development of the original scenarios.

12 The R&D Committee is asking for approval
13 of this project, and I'm ready to answer any
14 questions that you may have.

15 CHAIRMAN DESMOND: The first question I
16 have, when is the report due?

17 MR. FRANCO: This is --

18 CHAIRMAN DESMOND: Because the materials
19 that I have only talk about no time extension, but
20 I don't see where the report delivery date --

21 MR. FRANCO: Yeah, the study started in
22 June 2005, so it's due in June 2008.

23 CHAIRMAN DESMOND: Due in June 2008. I
24 would point out two things. One, we have a report
25 that's due back to the Governor and the

1 Legislature in March of this year on biomass,
2 which includes biogasification, bioenergy and
3 biofuels, which would be an input into the
4 scenario.

5 The second is we have a law that
6 requires that we report by May of 2007 to the
7 Legislature on our alternative transportation
8 fuels.

9 So my recommendation is that, well, I
10 would like to understand how the modeling will
11 make its way into the report that's due a year
12 earlier.

13 MR. FRANCO: The modeling, when I said
14 it would be in June 2008, I mean there will be --
15 on the way, so we will have probably the
16 modeling -- the modeling being developed by
17 Lawrence Livermore National Lab will be ready one
18 year from now.

19 So, we have been talking to the natural
20 gas office and the transportation office, so we
21 will make sure to, I mean to the extent possible,
22 to produce useful progress for -- I mean for the
23 reports that you mention.

24 CHAIRMAN DESMOND: Okay. Let me ask the
25 question perhaps differently. This is an

1 amendment to deal with scenario modeling, which I
2 think, Commissioner Rosenfeld, has been a very
3 effective tool in the past. I understand -- is
4 your June 2008 delivery of the comprehensive
5 model?

6 Because my suggestion is that you could
7 do the scenario modeling amendment work which
8 would provide valuable input into those reports,
9 and then still complete the model, the econometric
10 flow model, in June of 2008.

11 MR. FRANCO: Absolutely. The scenario
12 work will be done long before that.

13 CHAIRMAN DESMOND: Okay. All right, so
14 then my request is that you coordinate the timing
15 with the Transportation Committee and the
16 development of that report so that the modeling,
17 the amendment work here, the scenario, is, in
18 fact, providing useful input into the development
19 of those recommendations.

20 MR. FRANCO: We'll do that.

21 CHAIRMAN DESMOND: Thank you.

22 COMMISSIONER ROSENFELD: Chairman
23 Desmond, I think I can assure you that the
24 principal investigators are Joe Rome, Joan Dasey
25 and so on, are already nagging at Guido and me to

1 get the scenario stuff straight so they can go
2 ahead and be consistent with that. So we don't
3 intend to hold that up --

4 CHAIRMAN DESMOND: Okay, good, --

5 COMMISSIONER ROSENFELD: -- three years
6 at all.

7 CHAIRMAN DESMOND: -- I just want to
8 make sure.

9 VICE CHAIRPERSON PFANNENSTIEL: Maybe we
10 should clarify that. When will the scenario work
11 be finished? That takes awhile, in my experience.

12 MR. FRANCO: There's going to be a draft
13 in the next four or five months. I would call it
14 the draft final. But, I mean, we could expedite
15 that work, if needed.

16 CHAIRMAN DESMOND: In the stakeholders
17 here, and again I'm only referring to this task
18 amendment, not the development of the model,
19 itself, it references a lot of industry experts.
20 Are you intending in that scenario development to
21 also include members of the transportation
22 community, the automakers, manufacturers? Will
23 they be providing input into that scenario
24 component, as well?

25 MR. FRANCO: Yes, they are. I mean we

1 have the leading representatives from General
2 Motors, Ford Motor Company, PG&E.

3 CHAIRMAN DESMOND: Great, thank you.

4 COMMISSIONER ROSENFELD: I'd like to
5 move the item.

6 COMMISSIONER GEESMAN: I'll second.

7 CHAIRMAN DESMOND: Okay, we have a
8 motion and a second.

9 All those in favor?

10 (Ayes.)

11 CHAIRMAN DESMOND: Opposed? So moved.
12 Thank you.

13 Item number 7 which is the Regents of
14 the University of California at Davis. Possible
15 approval of contract 500-01-016, amendment 1, for
16 \$232,872 and a 21-month time extension with UC
17 Davis to help administer the California Biomass
18 Collaborative. Go ahead.

19 DR. TIANGCO: Good morning; my name is
20 Valentino Tiangco. I am the Senior Technical Lead
21 with the PIER renewables program, energy
22 generation research office, energy research and
23 development division.

24 The PIER program has initiated the
25 establishment of the Biomass Collaborative in 2003

1 in order to help enhance the sustainable
2 management and development of biomass in
3 California.

4 The Biomass Collaborative provides a
5 forum for industry, government, academic and
6 environmental community interactions. The
7 Collaborative supported the 2005 IEPR process by
8 presenting results of the biomass resources
9 estimate and the resource of the biomass
10 facilities reporting system report.

11 The Collaborative is also supporting the
12 PIER program in their review of technology
13 research projects, and review of issues in policy,
14 research, education and public outreach.

15 The Collaborative has written and
16 published a whitepaper on the challenges,
17 opportunities and potentials for sustainable
18 management and development of biomass. This
19 whitepaper became useful to the Bioenergy
20 Interagency Working Group's efforts in the
21 development of integrated and comprehensive
22 biomass policy of which the Collaborative
23 participates.

24 The purpose of this amendment continues
25 the current efforts directed at the development of

1 roadmap for sustainable management of biomass.
2 Laying out recommendations for short-term to long-
3 term management of state's agricultural, forest
4 and municipal biomass resources.

5 The roadmap, itself, is scheduled to be
6 completed by the Collaborative by June 2006
7 timeframe. The amendment is designed to cover
8 resource and technology assessment efforts
9 supporting the roadmapping process, and to assist
10 in the Energy Commission strategic planning for
11 bioenergy and biofuels development.

12 This amendment will continue to provide
13 technical support to the bioenergy interagency
14 working group, as well.

15 The \$232,872 will be funded out of the
16 PIER renewables program, 2005/2006 budget; total
17 of 5.5 million. Of which 1 million out of this
18 5.5 million is allocated for biomass subject area.

19 This amendment helped support the effort
20 in helping to meet the RPS goals. It is also
21 responsive to support the Governor's response to
22 the 2003/2004 IEPR. It also helps support the
23 Governor's ten-point electricity plan. And
24 Western Governors Association clean and
25 diversified energy resolution.

1 I am recommending that this project be
2 adopted. I'm happy to answer any questions on the
3 proposed project.

4 CHAIRMAN DESMOND: Thank you.
5 Questions?

6 COMMISSIONER ROSENFELD: I'm ready to
7 move it.

8 CHAIRMAN DESMOND: Okay.

9 COMMISSIONER GEESMAN: I'll second.

10 CHAIRMAN DESMOND: All those in favor?
11 (Ayes.)

12 CHAIRMAN DESMOND: Opposed? So moved.
13 Thank you.

14 Agenda item number 8, the Blythe Energy
15 Project. Consideration and possible adoption of
16 the Presiding Member's Proposed Decision for the
17 Blythe Energy Project Phase II application for
18 certification. Mr. Shean.

19 MR. SHEAN: Good morning, Mr. Chairman
20 and Commissioners. I'm Garret Shean, the Hearing
21 Officer on the Blythe II AFC.

22 We have before you two documents; one
23 would be the Presiding Member's Proposed Decision,
24 and the Committee's errata, which was filed and
25 served and provided to you yesterday.

1 Just a brief history. Back in August of
2 this year the Committee conducted extensive
3 evidentiary hearings, and as a result published
4 this PMPD on October 21. And followed that with
5 two hearings that took comments from both the
6 active parties; and then yesterday considered
7 late-filed comments, or at least late-received
8 comments that we got from the EPA. As well as the
9 public interest group called The Center for Race,
10 Poverty and the Environment.

11 As a result of yesterday's workshop we
12 have made changes to the PMPD air quality
13 conditions which we believe address the concerns
14 that were voiced by the EPA. The EPA participated
15 by teleconference yesterday. And I think it is
16 fair to characterize their comments and response
17 to the action proposed by the Committee as
18 fundamentally satisfying their concerns.

19 So our present circumstance is we
20 believe we have addressed all the matters that are
21 at issue, that they have been resolved after the
22 deliberation of the Committee, in the manner that
23 is best supported by the record and the weight of
24 the evidence.

25 And therefore, subject to the comments

1 you'll receive from the applicant and the staff
2 and anyone else who is on the telephone, I'm sure
3 that the Committee is going to urge you to adopt
4 it.

5 CHAIRMAN DESMOND: Thank you. We do
6 have two speakers on the phone. Is there any
7 comment first from the Presiding Member?

8 First on the phone is Brewster Birdsall
9 from the Aspen Environmental Group. Go ahead.

10 MR. BIRDSALL: I just wanted to
11 introduce myself. I'm air quality staff available
12 to answer questions from the Commissioners.

13 CHAIRMAN DESMOND: Thank you. Also is
14 Pat Wolfe from the Blythe Airport.

15 MR. WOLFE: Yes, good morning,
16 gentlemen. Pat Wolfe here at the Blythe Airport.
17 I've got a little bit I would like to say before
18 the vote is taken if you'll bear with me for a
19 minute.

20 The vote you're about to make today,
21 it's on the power plant. These power plants are
22 directly related to the safety of this airport.

23 There's a couple witnesses you have I
24 think you should take great stock in. One of them
25 is Mr. Sheble. That's not my son-in-law, we're

1 talking about senior. And the other one is Mr.
2 Weswell.

3 Neither one of them realized it, but
4 during their testimony -- and they have nothing to
5 gain out of this -- both of them quoted each
6 other. Both of these men have a tremendous amount
7 of experience. Mr. Sheble has 30-, 40,000 hours.
8 They both told you the same thing. These plants
9 are dangerous.

10 What they didn't realize, they both said
11 identical same things. The plant probably is
12 going to kill somebody. It is going to be a
13 student pilot. It's going to be at night. He's
14 going to go vertigo, and he's going to die because
15 of it.

16 But gentlemen with this kind of
17 experience telling us things like this, we ought
18 to take great stock in it. It's going to happen.
19 It's just odds, it's just pure odds. I mean Vegas
20 couldn't exist without odds. And this is odds.

21 A vote to let that plant come in under
22 the circumstances that we have now is a vote to
23 kill somebody. That's all there is to it. I mean
24 these two gentlemen have got too much experience.
25 They know what they're talking about.

1 Now, you set some criteria to vote on
2 this plant in your proposed decision. None of
3 this criteria has been met, as I know of, because
4 I've been in contact with the FAA. They said they
5 haven't even been asked.

6 But even if this criteria of making
7 runway 1-7-3-5 a calm wind runway, it's a placebo.
8 This is a noncontrolled airport. A pilot's going
9 to land on whichever runway he wants. And most of
10 my traffic comes from the east and west. The
11 wind's going to be 2-6, the runway that we're
12 having the trouble with.

13 This industry doesn't work on
14 percentages. We have to be 100 percent safe.
15 Actually, everything in this industry is 120
16 percent. We have to use a 20 percent to try to
17 save our lives.

18 And we're talking about letting a few
19 planes come over. We don't work for this. It has
20 to be safe all the time. And making 1-7 a calm
21 wind runway, we're not a controlled airport.
22 They're going to come over it anyway. So that
23 criteria, it's just strictly a placebo.

24 Putting a recording on the ASOS. I've
25 talked to the National Weather Service; I've

1 talked to the FAA; it hasn't been granted. And it
2 has nothing to do with this airport actually.
3 Everybody's wanting a recording put on their ASOS
4 all of a sudden, since the ASOS are popping up.
5 And they're not made for it. They're made for
6 weather reporting, so they're not allowing it.

7 And there, again, it's a placebo.

8 Ten percent of the people listen to the
9 ASOS. The rest of them tune into the Unicom.
10 There's a reason for it. Up in that air up there
11 our safety net is to know where everybody else is
12 at. When you call in on the Unicom, ask for
13 airport advisory, you report your position. Other
14 aircraft know it. So we got to dodge each other.

15 So consequently, even if they did okay
16 the ASOS as part of your criteria, like I said it
17 only takes in a very small percentage of the
18 problem.

19 Now, your criteria is moving 2-6 to
20 right-hand traffic, there's no use to discuss it.
21 It's not going to happen. First of all, it's just
22 too dangerous not even counting the plant. But
23 even if they did, that makes plant number one
24 twice as dangerous because people are going to be
25 turning over the top of it.

1 The criteria hasn't been met. And
2 according to your instructions, you couldn't allow
3 it unless it was met. But even if it was met it
4 doesn't do anything.

5 But the biggest thing is is I'd like to
6 impress on you that your decision today, and I'd
7 hate to be in your position, it's a life-and-death
8 vote you're talking about. If you're wrong, and
9 you make the wrong decision, someone's going to be
10 killed. It's just a matter of time.

11 And, you know, we have the civil part of
12 it. We got the criminal part of it, because it
13 will be negligent homicide on somebody. But we've
14 also got the moral aspect. I mean you've made a
15 decision that's going to kill somebody. It's just
16 a matter of time.

17 I'm really sorry that you're in that
18 position, because I wouldn't want to be in that
19 position.

20 But anyway, saying that, I just wanted
21 to impress on you the vote you're taking today is
22 not just a power plant, but it's someone's life or
23 death.

24 Thank you for your time, gentlemen.

25 CHAIRMAN DESMOND: Thank you, Mr. Wolfe.

1 And I appreciate your concern about these issues,
2 as there are stakeholders concerned about many
3 aspects of any power plant. So, thank you for
4 taking the time to weigh in here today.

5 MR. WOLFE: You're welcome. Do you have
6 any questions?

7 CHAIRMAN DESMOND: Yeah, I'd like to
8 hear from staff.

9 MS. DeCARLO: Lisa DeCarlo, Staff
10 Counsel. I have no particular comments, I'm just
11 available in case the Commission has any
12 questions.

13 CHAIRMAN DESMOND: Thank you. Go ahead.

14 MR. GALATI: Mr. Chairman, Members of
15 the Commission, my name is Scott Galati. I'm
16 counsel to Caithness Blythe II, LLC.

17 I'd like to apologize; Robert Looper was
18 going to be here today. He was here yesterday,
19 and he got called away, couldn't be here for
20 today's hearing. But I can answer any of your
21 questions.

22 I listened to the comments that Mr.
23 Wolfe made. I can tell you that that's one part
24 of the story. The rest of the story was told in
25 evidentiary hearings, I think very detailed

1 information.

2 And I think that the PMPD accurately
3 reflects the evidence in that record. This
4 applicant would not build a power plant if there
5 were any risk to pilots. Voluntarily put forth a
6 series of conditions that it, along with the
7 proponents of Blythe I, are avidly working towards
8 getting resolved.

9 The bottomline here is the project
10 cannot begin construction until the three items
11 are met. I think that the evidence was heard and
12 we'd just ask you to approve the PMPD as is, with
13 the errata, which we support.

14 CHAIRMAN DESMOND: Thank you. Further
15 comments?

16 COMMISSIONER GEESMAN: Mr. Chairman, I
17 would move approval of the PMPD. I'd like to
18 commend both the staff and the applicant for the
19 extremely professional and efficient ways in which
20 they have litigated their differences in this
21 case.

22 As Garret mentioned, we spent an
23 exhaustive period of days in Blythe in August on
24 the evidentiary record in the case. We struggled
25 with the issues that Mr. Wolfe raised. I think

1 that we've come up with a good set of
2 preconstruction conditions that will reduce that
3 risk as much as is humanly possible.

4 And I think that we've also taken some
5 steps that will improve the situation regarding
6 Blythe I.

7 But, as Mr. Galati indicated, if the
8 conditions aren't met, construction of Blythe II
9 will not go forward.

10 So, I would move that we approve the
11 PMPD as submitted, along with its errata.

12 COMMISSIONER ROSENFELD: I second.

13 CHAIRMAN DESMOND: Okay. I'll call for
14 a vote.

15 All those in favor?

16 (Ayes.)

17 CHAIRMAN DESMOND: Opposed? So moved.

18 Thank you.

19 MS. DeCARLO: Thank you.

20 MR. GALATI: Thank you very much.

21 CHAIRMAN DESMOND: Item number 9 on the
22 agenda is approval of the minutes from the
23 November 21st business meeting.

24 COMMISSIONER ROSENFELD: I move the
25 minutes.

1 VICE CHAIRPERSON PFANNENSTIEL: Second.

2 CHAIRMAN DESMOND: All those in favor?

3 (Ayes.)

4 CHAIRMAN DESMOND: Opposed? So moved.

5 I failed to note and included the November 30th
6 business meeting, so amend our votes to include
7 both.

8 COMMISSIONER ROSENFELD: Okay.

9 CHAIRMAN DESMOND: Item number 10,
10 Commission Committee and Oversight. Okay.

11 Item number 11, Chief Counsel's report.

12 MR. CHAMBERLAIN: Yes, Mr. Chairman, I
13 need a brief closed session to discuss some
14 litigation matter.

15 CHAIRMAN DESMOND: Thank you. Following
16 the conclusion of the public comment period we'll
17 move to executive session.

18 Executive Director's report.

19 MR. BLEVINS: Mr. Chairman, briefly at
20 the last meeting I indicated that the Climate
21 Action Team, a draft report was going to be coming
22 out. As I think everyone's aware, both
23 Commissioner Body and myself are members of that
24 team.

25 That report did come out. Yesterday we

1 held a public hearing on the report. There's some
2 press reports relative to the content of that
3 hearing.

4 I just wanted to inform the Commission
5 at this point that there are two additional public
6 hearings on the report that are expected to be
7 scheduled in January; one in southern California;
8 one in northern California.

9 Those public hearings are going to focus
10 on the economic analysis associated with the
11 measures that are being considered. And clearly
12 in January there's a moment where we will want to,
13 Commissioner Boyd and myself will want to come
14 back and report to the Commission some specific
15 elements of that report that involve work that the
16 Commission is expected to do in the future.

17 Thank you.

18 CHAIRMAN DESMOND: Thank you. Leg
19 Director's report. None.

20 Public Adviser's report.

21 MR. BARTSCH: Mr. Chairman and Members,
22 Nick Bartsch representing Margret Kim. We do not
23 have anything new to report.

24 CHAIRMAN DESMOND: Thank you. Anyone
25 else from the public who wishes to make a comment

1 at this time on these matters or any other matter?

2 Not hearing any, we will retire to
3 closed session. Thank you. This public portion
4 of the meeting is completed.

5 (Whereupon, at 11:06 a.m., the business
6 Meeting was adjourned into closed
7 session.)

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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 19th day of December, 2005.

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