

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Business Meeting Minutes

Of

February 1, 2006

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The meeting was called to order by Chairman Desmond at 10:06 a.m.

The Pledge of Allegiance was led by Chairman Desmond.

Joseph Desmond	Present
Jackalyne Pfannenstiel	Present
Arthur Rosenfeld	Present
James D. Boyd	Present
John L. Geesman	Present

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A Commissioner may request that an item be discussed and moved to later on the agenda).
 - a. COMMISSION CO-SPONSORSHIP. Possible approval of a co-sponsorship for the 2nd Annual Waste Heat-to-Power Workshop, February 15 and 16, 2006, at University of California, Irvine. The Energy Commission will provide \$1,500, staff time, travel expenses, and lend its name.
 - b. U.S. DEPARTMENT OF ENERGY, LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Work Authorization UC MR-030, Amendment 1, under the Energy Commission Agreement Number 500-02-004, for a no-cost time extension from April 30, 2006, to June 30, 2007. This allows the contractor to participate in the ongoing 2008 Title 24 revision process for *The Interaction of Cool Roofs, Cool Ducts, and Cool Condenser Units on the Performance of Commercial Rooftop Package Air Conditioning Units*.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the Consent Calendar. The vote was unanimous. (5-0)

2. 2006 RENEWABLE ENERGY INVESTMENT PLAN. Possible adoption of the 2006 *Renewable Energy Investment Plan*, Committee Draft. This investment plan recommends an allocation of funds collected from January 1, 2007, to January 1, 2012, pursuant to Senate Bill 1194 (Sher), Chapter 1050, Statutes of 2000, and Assembly Bill 995 (Wright), Chapter 1051, Statutes of 2000, Public Utilities Code Section 399.6. The investment plan is due to the Legislature on or before March 31, 2006.

Commissioner Geesman moved and Vice Chair Pfannenstiel seconded adoption of the 2006 Renewable Energy Investment Plan, Committee Draft with the errata. The vote was unanimous. (5-0)

3. RENEWABLES PORTFOLIO STANDARD PROCUREMENT VERIFICATION REPORT. Possible approval of the *Renewables Portfolio Standard Procurement Verification Report*. Senate Bill 1078 (Sher, SB 1078, Chapter 516, Statutes of 2002) directs the Energy Commission to design and implement a tracking system to verify compliance with the Renewable Portfolio Standard (RPS). This report transmits the RPS procurement verification findings for 2004 to the California Public Utilities Commission.

Commissioner Geesman moved and Vice Chair Pfannenstiel seconded approval of the "Renewables Portfolio Standard Procurement Verification Report. The vote was unanimous. (5-0)

4. WALNUT CREEK ENERGY PARK. Possible approval of the Executive Director's recommendation on data adequacy for the Walnut Creek Energy Park Application for Certification (05-AFC-2) and consideration of Committee assignment. Walnut Creek Energy, LLC, a wholly owned subsidiary of Edison Mission Energy, filed an AFC to construct and operate a 500-megawatt peaking power plant in the City of Industry in Los Angeles County.

Commissioner Geesman moved and Commissioner Boyd seconded approval of the Executive Director's recommendation on data adequacy for the Walnut Creek Energy Park Application for Certification (05-AFC-2). The vote was unanimous. (5-0)

Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of the Committee Assignment of Vice Chair Pfannenstiel as Presiding Member and Commissioner Geesman as Associate Member. The vote was unanimous. (5-0)

5. SUN VALLEY POWER PROJECT. Possible approval of the Executive Director's recommendation on data adequacy for the Sun Valley Power Project Application for Certification (05-AFC-3) and consideration of Committee assignment. Valle del Sol, LLC, a wholly owned subsidiary of Edison Mission Energy, filed the Sun Valley Power Project AFC to construct and operate a 500-megawatt peaking power plant near Romoland in Riverside County.

Commissioner Geesman moved and Commissioner Boyd seconded approval of the Executive Director's recommendation on data adequacy for the Sun Valley Power Project Application for Certification (05-AFC-3). The vote was unanimous. (5-0)

Commissioner Boyd moved and Commissioner Rosenfeld seconded approval of the Committee Assignment of Commissioner Geesman as Presiding Member and Vice Chair Pfannenstiel as Associate Member. The vote was unanimous. (5-0)

6. TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY (CSU). Possible approval of the seven highest scoring grant applications, totaling \$524,086, in response to Solicitation Cycle 05-01 of the Energy Innovations Small Grant Program. (PIER funded)
 1. 05-01-20, Federspiel, Federspiel Controls, *Constant-Volume to Variable Air Volume Conversion Technology*, \$75,000.
 2. 05-01-07, Baker, M4 Engineering, Inc., *Lightweight Carbon Fiber Truss Windmill Blade Demonstrator*, \$74,867.
 3. 05-01-03, Arps, University of California, Irvine, *Feasibility of Producing Bio-Hydrogen at Municipal Wastewater Facilities Using Molecular Studies to Optimize Production via the Anaerobic Digestion Process*, \$75,000.
 4. 05-01-28, Kovar, Infoscitex Corporation, *Development of Microencapsulated Phase Change Materials*, \$74,656.
 5. 05-01-38, Pan, University of California, Davis, *Energy Efficient Processing Method for Drying Fruits and Vegetables*, \$74,785.
 6. 05-01-34, Mansell-Guthrie, *Validation of Guthrie Lead Separation Process*, \$75,000.
 7. 05-01-40, Proctor, Proctor Engineering Group Ltd., *Advanced Onboard Diagnostic for Air Conditioners and Heat Pumps*, \$74,778.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the seven highest grant applications in response to Solicitation Cycle 05-01 of the Energy Innovations Small Grant Program. The vote was unanimous. (5-0)

7. CALIFORNIA COMMISSIONING COLLABORATIVE. Possible approval of Contract 400-05-014 for \$50,000 membership fee with California Commissioning Collaborative. (ERPA funded)

Vice Chair Pfannenstiel moved and Commissioner Rosenfeld seconded approval of Contract 400-05-014. The vote was unanimous. (5-0)

8. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA-DAVIS, CALIFORNIA, LIGHTING TECHNOLOGY CENTER. Possible approval of Work Authorization MR-044, under Energy Commission Agreement Number 500-02-004, not to exceed \$560,000, with the Regents of the University of California-Davis, California, Lighting Technology Center. This work authorization will develop and demonstrate energy-efficient lighting systems and improve the functionality of the Sensor Placement Optimization Tool software.

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Work Authorization MR-044, under Energy Commission Agreement Number 500-02-004. The votes was unanimous. (5-0)

9. ENERGY CENTER OF WISCONSIN. Possible approval of Contract 500-05-024 for \$338,000 with the Energy Center of Wisconsin, an administrative agency for Association of State Energy and Technology Transfer Institutions, to develop nationally accepted performance testing and reporting protocols. This project will also design a publicly searchable database for distributed generation systems, with an emphasis on combined heat and power applications. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-05-024. The vote was unanimous. (5-0)

10. AMERICAN ENERGY ASSETS. Possible approval of Contract 500-05-025 for \$700,000 with American Energy Assets to demonstrate high-temperature solar collectors for industrial process heat in an industrial setting. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-05-025. The vote was unanimous. (5-0)

11. U.S. DEPARTMENT OF ENERGY—NATIONAL RENEWABLE ENERGY LABORATORY. Possible approval of Contract 500-05-027 for \$2,500,000 with the U.S. Department of Energy's National Renewable Energy laboratory to develop modular architecture for distributed energy (DER) power electronics that will be cheaper and more reliable. Standardized electrical interfaces, connections, and communication systems are required to achieve a universal plug-and-play environment for interconnection that benefits the customer and the utility grid. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-05-027. The vote was unanimous. (5-0)

12. GAS TECHNOLOGY INSTITUTE. Possible approval of Contract 500-05-026 for \$3,000,000 with Gas Technology Institute to investigate the potential safety, performance, emissions, and air quality impacts of increased variety of natural gas delivered in California. (PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-05-026. The vote was unanimous. (5-0)

Items 13, 14, 15, and 16 are part of the West Coast Regional Carbon Sequestration Partnership (WESTCARB), Phase II. The U.S. Department of Energy (DOE), Fossil Energy (FE), is providing \$10,747,729 of the \$14,076,338 funding. The Partnership will demonstrate the feasibility of forest and geologic carbon sequestration in Arizona, California, Oregon, Washington, and Alaska through regional assessments and pilot demonstration projects.

Items 13, 14, 15, and 16 were voted together as one vote after item 16.

13. CALIFORNIA DEPARTMENT OF CONSERVATION. Possible approval of Contract 500-05-028 for \$150,000 as part of a cooperative agreement with the U.S. Department of Energy, Fossil Energy, and WESTCARB. The contract continues the detailed assessment of geologic formations that are proposed as pilot storage sites for sequestration in California. (PIER funded)
14. CALIFORNIA DEPT. OF FORESTRY & FIRE PROTECTION. Possible approval of Contract 500-05-029 for \$200,000 as part of a cooperative agreement with the U.S. Department of Energy, Fossil Energy and WESTCARB. The contract provides staff and data to support the development of fire models, market validation of forest sequestration credits, and studies of conversion of open land into forest (afforestation) using natural species in California. (PIER funded)
15. ELECTRIC POWER RESEARCH INSTITUTE. Possible approval of Contract 500-05-030 for \$3,654,915, as part of a cooperative agreement with the U.S. Department of Energy, Fossil Energy, and WESTCARB. The contract will:
 - Update and refine assessments of CO₂ capture technology in the WESTCARB region.
 - Combine CO₂ capture, transportation, and storage costs with Geographical Information System (GIS) analyses to match CO₂ sources with geologic storage sites.
 - Conduct a pilot test for CO₂ storage in deep subsurface rock formations in Northern Arizona.(DOE FE funded)
16. CALIFORNIA INSTITUTE OF ENERGY AND ENVIRONMENT (CIEE). Possible approval of Work Authorization Number MR-045, under PIER Contract 500-02-004 for \$10,071,422, as part of a cooperative agreement with the U.S. Department of Energy, Fossil Energy, and WESTCARB. PIER funding of \$2,978,609 will:
 - Conduct a geologic field pilot to inject CO₂ into deep rock formations in the Sacramento/San Joaquin Valley of California.
 - Provide WESTCARB project management support.DOE FE funding of \$7,092,814 will:
 - Conduct a geologic field pilot to inject CO₂ into deep rock formations in the Sacramento/San Joaquin Valley of California and an in-depth assessment of geologic storage potential at a site near Centralia, Washington.
 - Conduct two forest sequestration pilot studies, one in Shasta County, California, and in Lake County, Oregon.
 - Conduct additional assessments of geologic formations for possible CO₂ sequestration sites in the WESTCARB region.(DOE FE and PIER funded)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval for Contract 500-05-028, Contract 500-05-029, Contract 500-05-030, and Work Authorization Number MR-045, under PIER Contract 500-02-004. The vote was unanimous. (5-0)

17. BLYTHE PROJECT, PHASE II. Consideration and possible action on Intervenor Carmela Garnica's Petition for Reconsideration of the Energy Commission Decision certifying the Blythe Energy Project, Phase II, near the city of Blythe. (Docket No. 02-AFC-1)

Commissioner Geesman moved and Vice Chair Pfannenstiel seconded the petition to deny Reconsideration of the Energy Commission Decision certifying the Blythe Energy Project, Phase II. The vote was unanimous. (5-0)

18. COMMITTEE ASSIGNMENTS. Discussion and possible approval of the Committee structures and assignments for 2006.

Vice Chair Pfannenstiel moved and Commissioner Rosenfeld seconded the recommendation of the Committee structures and assignments for 2006. The vote was unanimous. (5-0)

11. Minutes

Commissioner Rosenfeld moved and Commissioner Boyd seconded approval of the January 18, 2006 Business Meeting minutes. The vote was unanimous. (5-0)

12. Commission Committee and Oversight

Mr. Ryan Wiser, with Lawrence Berkeley National Laboratory, made a PowerPoint presentation on solar PV cost in California.

13. Chief Counsel's Report

Bill Chamberlain requested a brief closed session to discuss pending litigation matters.

14. Executive Director's Report

No report was given.

15. Legislative Director's Report

No report was given.

16. Public Adviser's Report

No report was given.

17. Public Comment

Mr. Orozco, with SEMPRA, commented in support of the augmentation for Item 12.

The meeting was adjourned at 12.36 p.m.

SONG K. HER
Acting Secretariat to the Commission