

Minutes of the September 14, 2006 Energy Commission Business Meeting.

The meeting was called to order at 10:04 a.m. by Chairman Jackalyne Pfannenstiel.

Present:

Chairman Jackalyne Pfannenstiel

Vice Chair James D. Boyd

Commissioner Jeffrey D. Byron

The Pledge of Allegiance was led by Chairman Pfannenstiel.

Chairman Pfannenstiel announced that Item 2 will be moved to the end of the agenda, following Item 14. Item 13 is held to the next Business Meeting.

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 moved and discussed later in the meeting.)
 - a. LOCAL GOVERNMENT COMMISSION. Possible approval of Amendment 2 to PIER Contract 500-03-04 with the Local Government Commission for a no-cost time extension of 18 months. The project is developing a template of analytical and cost models that local governments can use in evaluating the feasibility of implementing community choice aggregation within the Renewables Portfolio Standard to significantly exceed the state's 20 percent goal. The time extension will allow the contractor to finish data collection on regulatory issues that the California Public Utilities Commission is currently addressing through hearings. (PIER electricity funding)Contact: Hassan Mohammed.
 - b. PLATTS RESEARCH AND CONSULTING/E SOURCE COMPANIES, LLC. Possible approval of Amendment 2 to Contract 500-03-005 to change the name of the contractor from Platts Research and Consulting to E Source Companies, LLC. In addition, the contractor's rates will be lowered to reflect the new company structure. An updated contact list and some minor modifications to the Scope of Work are included in this amendment. (2004-2005 PIER electricity funding) Contact: Norm Bourassa.
 - c. CO-SPONSORSHIP OF THE NATIONAL ENERGY SYMPOSIUM. Possible approval of a co-sponsorship of \$2,000 and use of the Energy Commission's name for the Communications Institute's National Energy Symposium, October 12, 2006, in Sacramento. The event targets policy makers from federal, state, regional and local governments, energy industry representatives, environmental groups, and public interest organizations. (ERPA funding) Contact: Lorraine White.
 - d. CO-SPONSORSHIP OF THE BIOCYCLE CONFERENCE ON RENEWABLE ENERGY FROM ORGANICS. Possible approval of a co-sponsorship of \$4,995 and use of the Energy Commission's name for JG Press, Inc.'s, 6th Annual Biocycle Conference on Renewable Energy from Organics, October 30-

November 1, 2006, in Minneapolis, Minnesota. The event will focus on biological processes that produce methane, ethanol, alcohol fuels, compost, and other value-added materials from biomass, primarily in the waste stream. (PIER electricity funding). Contact: Zhiqin Zhang.

Commissioner Boyd moved and Commissioner Byron seconded approval of the consent calendar. The vote was unanimous. (3-0)

2. HUNTINGTON BEACH GENERATING STATION RETOOL PROJECT (DOCKET NO. 00-AFC-13C).
 - a. Possible decision on the amount and final application of compensation funds to mitigate for impingement and entrainment losses resulting from the operation of the cooling water system for Units 3 and 4. Commission staff recommends the restoration and maintenance of 104 acres of the Huntington Beach Wetlands for approximately \$7.9 million. (Condition of Certification BIO-5.) Contact: Donna Stone. (1 hour)
 - b. Possible approval of a request by AES for the Energy Commission to find the Huntington Beach Generating Station Retool Project (450 MW) in substantial compliance with the Commission's conditions of certification and required permits. Approval of the request will allow the project to continue operation through September 30, 2011. (Condition of Certification Emergency 2.) Contact: Donna Stone. (15 minutes)

Commissioner Boyd moved and Commissioner Byron seconded a motion to continue Item 2 until the next Business Meeting, September 27, 2006. The vote was unanimous. (3-0)

3. VERNON POWER PLANT PROJECT (DOCKET NO. 06-AFC-4). DATA ADEQUACY RECOMMENDATION AND COMMITTEE ASSIGNMENT.
 - a. Possible approval of the Executive Director's data adequacy recommendation for the Vernon Power Plant, a 943-megawatt combined-cycle facility in the City of Vernon, Los Angeles County. Contact: James W. Reede, Jr. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of the Executive Director's recommendation. The vote was unanimous. (3-0)

- b. Possible committee assignment for the Vernon Power Plant Project. Contact: James W. Reede, Jr. (5 minutes)

Chairman Pfannenstiel appointed a siting committee of herself and Commissioner Boyd for the Vernon Power Plant Project. Chairman Pfannenstiel will preside. Commissioner Byron moved and Commissioner Boyd seconded approval of the committee assignment. The vote was unanimous. (3-0)

4. PANOCHE ENERGY CENTER (DOCKET NO. 06-AFC-5).DATA ADEQUACY RECOMMENDATION AND COMMITTEE ASSIGNMENT.

- a. Possible approval of the Executive Director's data adequacy recommendation for the Panoche Energy Center, a nominal 400 megawatt simple-cycle facility located in unincorporated western Fresno County. Contact: James W. Reede, Jr. (5 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of the Executive Director's recommendation. The vote was unanimous. (3-0)

- b. Possible committee assignment for the Panoche Energy Center. Contact: James W. Reede, Jr. (5 minutes).

No committee was appointed, as the project was determined to be data inadequate.

5. ENTERPRISE NETWORK SOLUTIONS, INC. Possible approval of Purchase Order 06-433.00-008 for \$250,000 to Enterprise Network Solutions, Inc., for technical support and the integration of computer related technologies into the Energy Commission's information technology structure. (ERPA funding). Contact: Atlas Hill. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of Purchase Order 06-433.00-008. The vote was unanimous. (3-0)

6. PUBLIC SECTOR CONSULTANTS, INC. Possible approval of Purchase Order 03-05-70-0471D for \$55,100 for an Independent Project Oversight Consultant to provide project oversight services for the Western Renewable Energy Generation Information System (WREGIS) project. The consultant will identify, quantify, and recommend measures to reduce or eliminate potential risks to the WREGIS project. The California Department of Finance requires the WREGIS project to employ an Independent Project Oversight Consultant. (RRTF funding). Contact: Kate Zochetti. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of Purchase Order 03-05-70-0471D. The vote was unanimous. (3-0)

7. GAS TECHNOLOGY INSTITUTE. Possible approval of Contract 500-06-015 for \$284,969 with the Gas Technology Institute to demonstrate a new cost-effective, high-efficiency, low-emission, gas-fired radiant tube technology used extensively in heat-treating industries. California's heat treating industries are energy intensive, accounting for 0.5 percent of all the gas used in the industrial sector. Successful demonstration and adoption of this technology would lead to a 50 percent reduction of NOx and improve efficiency to 68 percent. (PIER natural gas funding). Contact: Michael Lozano/Pramod Kulkarni. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of Contract 500-06-015. The vote was unanimous. (3-0)

8. GAS TECHNOLOGY INSTITUTE. Possible approval of Contract 500-06-018 for \$950,458 with Gas Technology Institute to demonstrate a cost-effective, high-efficiency, gas-fired drum dryer that produces lower NOx emissions, for use in the food and dairy industries. California food and dairy industries are among the highest users of natural gas in the state, representing 5.5 percent of all natural gas delivered to industrial customers.

Successful demonstration and eventual adoption of this technology could lead to a 50 percent or more reduction of NOx and improve efficiency 15 percent over current technology. (PIER natural gas funding). Contact: Michael Lozano. (10 minutes.)

Commissioner Boyd moved and Commissioner Byron seconded approval of Contract 500-06-018. The vote was unanimous. (3-0)

9. GAS TECHNOLOGY INSTITUTE. Possible approval of Contract 500-06-019 for \$250,000 with Gas Technology Institute to validate a new instrument capable of measuring the isotopic composition of methane in ambient air. Measurements of the relative abundance of Carbon-12 and Carbon-13 isotopes can be used to identify the source types (for example, landfills, natural gas pipelines) of methane in a region. Successful field demonstration of this technology could lead to studies which provide much-needed data for validation and improvement of the California Greenhouse Gas Inventory. (PIER natural gas funding) Contact: Brian Ellis. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of Contract 500-06-019. The vote was unanimous. (3-0)

10. U. S. DEPARTMENT OF ENERGY, LAWRENCE LIVERMORE LABORATORY. Possible approval of Contract 500-06-017 with the U. S. Department of Energy, Lawrence Livermore Laboratory for \$350,000 to develop an interactive web-based tool that consolidates renewable resource data into a Geographic Information System format suitable for integrated renewable siting, planning and assessment. (2005-2006 PIER electricity funding.) Contact: Mike Kane. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of Contract 500-06-017. The vote was unanimous. (3-0)

11. VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY. Possible approval of PIER Work Authorization MR-054 for \$599,467 with Virginia Polytechnic Institute and State University, under the UC Master Research Agreement Number 500-02-004 with The Regents of the University of California – Office of the President/CIEE, for “Advanced Protection Systems Using Wide Area Measurements.”(2004-2005 PIER electricity funding). Contact: Jamie Patterson. (10 minutes)

Commissioner Byron moved and Commissioner Boyd seconded approval of Work Authorization MR-054. The vote was unanimous. (3-0)

12. UNIVERSITY OF CALIFORNIA, DAVIS OFFICE OF THE PRESIDENT/CIEE. Possible approval of an amendment for \$395,577 to PIER work authorization MR-018 with the University of California, Davis, under the UC Master Research Agreement Number 500-02-004 with The Regents of the University of California – Office of the President/CIEE, for a project titled “California Lighting Technology Hub for Research and Emerging Technologies.” (2005-2006 PIER electricity funding) Contact: Michael Seaman. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of the amendment to Work Authorization MR-018. The vote was unanimous. (3-0)

13. TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY. Possible approval of ten grant applications, totaling \$949,217, in response to the Energy Innovations Small Grant Program Solicitation Cycle 05-03. (PIER funded) Contact Dave Michel.

Item 13 was moved to the September 27, 2006, Business Meeting agenda.

- a. 05-03-02: APPA Renewable Energy Systems, Inc., *Passively Pitchable Smart Blades for Improving Efficiency of Small Wind Turbines*, \$95,000.
 - b. 05-03-55: Clarkson University, *Use of Plasma Actuators to Increase Wind Energy Extraction*, \$95,000.
 - c. 05-03-39: University of California, Davis, *Nanoparticle-Based Catalysts for Solar Hydrogen Generation*, \$95,000.
 - d. 05-03-23: Purdue University, *Increasing the Energy Efficiency of Vapor Compression System by Using "Smart" and Cost-Effective Compressors*, \$95,000.
 - e. 05-03-08: Greenvolts, Inc., *Economical Two-Axis Carousel Tracker for Concentrated PV Power Plants*, \$94,958.
 - f. 05-03-58: Primus Power, *Prototype Energy Cell*, \$95,000.
 - g. 05-03-25: Nanotron, *Low-Cost Laser Process for Facilitating Multi-Junction Solar Cells*, \$95,000.
 - h. 5-03-63: Steven Winters Associates, *A Building Integrated Damper to Improve Comfort with Evaporative Cooling*, \$94,896.
 - i. 05-03-17: University of California, Davis, Institute of Transportation Studies, *Hydrogen Enrichment of Landfill Gas for Enhanced Combustion*, \$95,000.
 - j. 05-03-22: Santa Clara University, *Phase Change Material (PCM) Solar Thermal Storage System*, \$94,363.
14. SAN JOSE STATE UNIVERSITY FOUNDATION, MOSS LANDING MARINE LABORATORY. Possible approval of two research proposals through the existing Contract 500-04-025 with the San Jose State University and Moss Landing Marine Laboratory. These proposals address key issues to provide better tools for entrainment assessment as well as research habitat restoration needs and methods to conduct a cumulative impacts assessment. (2004-2005 PIER electricity funding). Contact: Melinda Dorin. (10 minutes)

Commissioner Boyd moved and Commissioner Byron seconded approval of the two proposals under Contract 500-04-025. The vote was unanimous. (3-0)

15. **Minutes**

Approval of the August 30, 2006, Business Meeting Minutes.

Commissioner Boyd moved and Commissioner Byron seconded approval of the August 30, 2006 minutes. The vote was unanimous. (3-0)

16. **Commission Committee Presentations/Discussion** – None

17. **Chief Counsel's Report** – Arlene Ichien reported on behalf of Chief Counsel Bill Chamberlain.

18. **Executive Director's Report** A closed session will be held on personnel matters pursuant to Government Code, Section 11126(a).

19. **Legislative Director's Report** – None

20. **Public Adviser's Report** – None

21. **Public Comment** – None

Appearances:

Mr. Rick Rothman, Bingham McCutchen, LLP

Mr. John Steinbeck, Tenera Environmental

Mr. Eric Pendergraft, HBGS, LLC

Mr. Shane Beck, MBC Applied Environmental Sciences

Mr. Tom Luster, California Coastal Commission (via telephone)

Mr. Alan J. Thompson, Attorney-at-Law

The meeting was adjourned at 1:14 p.m. and reconvened in closed session on personnel matters pursuant to Government Code section 11126(a).

Respectfully submitted

HARRIET KALLEMEYN
Secretariat