

Minutes of the January 3, 2007, Energy Commission Business Meeting.

The meeting was called to order by Chairman Jackalyne Pfannenstiel. The Pledge of Allegiance was lead by Chairman Pfannenstiel.

Present:

Jackalyne Pfannenstiel, Chairman
Commissioner Arthur H. Rosenfeld
Commissioner John L. Geesman
Commissioner Jeffrey D. Byron

Chairman Pfannenstiel announced that Item 4 has been removed from the agenda.

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. AMERICAN WATER WORKS ASSOCIATION RESEARCH FOUNDATION. Possible approval of Amendment 1 to Contract 500-01-040 for a one-year, no-cost time extension. The amendment will allow time to complete energy benchmarking case studies at water and wastewater utilities. Contact: Paul Roggensack.
 - b. CALIFORNIA OIL PRODUCERS' ELECTRICITY COOPERATIVE. Possible approval of Amendment 1 to Contract 500-02-016 for a one-year, no-cost time extension. The amendment will allow time to complete demonstrations of the use of distributed generation technologies at oil well sites. Contact: Paul Roggensack.
 - c. REGENTS OF THE UNIVERSITY OF CALIFORNIA, DAVIS. Possible approval of Amendment 1 to Contract 500-01-017 for a two-year, no-cost time extension. This contract provides upper class student interns from UC Davis to assist PIER staff in the research and development process in various program areas of PIER. Contact: Susan Mattox.

Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the Consent Calendar. The vote was unanimous. (4-0)

2. U. C. DAVIS CENTER FOR AQUATIC BIOLOGY AND AQUACULTURE. Possible approval of Work Authorization MR-061 for \$1,000,000 with U. C. Davis Center for Aquatic Biology and Aquaculture under the UC Master Research Agreement 500-02-004. The project is *Research on Instream Flow Determinations for Hydropower Applications in California*. Instream flow refers to how much water must be left in a stream or river to sustain a healthy ecosystem, and the purpose of the project is to identify and fund high-priority research to improve how these determinations are made. (PIER electricity funding, fiscal year 2005-2006.) Contact: Joe O'Hagan. (10 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Work Authorization MR-061. The vote was unanimous. (4-0)

3. UNIVERSITY OF CALIFORNIA. Possible approval of Amendment 1 for \$3,750,000 to Work Authorization MR-022 with the Regents of the University of California, Office of the President/CIEE under the UC Master Research Agreement 500-02-004. This amendment will extend the *State Partnership for Energy Efficiency Demonstrations* and expand the program from University of California and California State University buildings to all state buildings. The program demonstrates energy-efficient technologies applicable to commercial and industrial facilities. (PIER 2006 electricity funding.) Contact: Martha Brook. (10 minutes)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Work Authorization MR-22. The vote was unanimous. (4-0)

4. AWS TRUEWIND, LLC. Possible approval of Contract 500-06-024 with AWS Truewind, LLC for \$250,000 to measure wind resources in key areas of the state using remote sensing capability. The information will be incorporated into a dataset made publicly available for use by researchers and wind developers. (PIER 2005 electricity funding.) Contact: Dora Yen. (10 minutes)

Item removed from the agenda.

5. CALIFORNIA AIR RESOURCES BOARD (CARB). Possible approval of Contract RMB 600-06-007 for \$100,000 reimbursement from the CARB to co-fund the full fuel cycle analysis work required under AB 1007. The bill requires the Energy Commission, in collaboration with the CARB, to develop a plan to increase the use of alternative fuels in California. The plan must ensure that there is no net material increase in emissions resulting from the greater use of alternative fuels. Contact: McKinley Addy. (10 minutes)

Commissioner Byron moved and Commissioner Rosenfeld seconded approval of Contract RMB 600-06-007. The vote was unanimous. (4-0)

6. INTER-CON SECURITY SYSTEMS, INC. Possible approval of Amendment 2 to Contract 200-05-001 with Inter-Con Security Systems, Inc. to add \$120,000 and extend the term six months for security guard services at the Energy Commission. (ERPA funding.) Contact: Karen Van Egdon. (10 minutes)

Commissioner Geesman moved and Commissioner Byron seconded approval of Amendment 2 to Contract 200-05-001. The vote was unanimous. (4-0)

7. BOB LAWRENCE & ASSOCIATES, INC. Possible approval of a grant agreement with Bob Lawrence & Associates, Inc. for \$55,000 to develop an information sharing framework for direct-use geothermal applications based on the results of a previously completed cost-benefit analysis in California. (DOE-funded grant.) Contact: William Glassley. (10 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of a grant agreement with Bob Lawrence & Associates, Inc. The vote was unanimous. (4-0)

8. STARWOOD POWER PEAKING PROJECT. (06-AFC-10).

- a. Possible approval of the Executive Director's data adequacy recommendation for Starwood Power-Midway, LLC's Application for Certification of the Starwood Power Peaking Project. Contact: Che McFarlin. (10 minutes)

Commissioner Geesman moved and Commissioner Byron seconded approval of the Executive Director's recommendation. The vote was unanimous. (4-0)

- b. Possible committee assignment for the Starwood Power Peaking Project.

Chairman Pfannenstiel appointed a committee of Commissioner Byron (Presiding Member) and Commissioner Geesman (Associate Member) for the project. Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the committee assignment.

9. CONTRA COSTA UNIT 8 POWER PLANT PROJECT. (00-AFC-1C). Possible approval of a petition to clarify Pacific Gas and Electric's role as sole owner of the project, remove Mirant Delta, LLC as a co-owner, and change the name of the project to the Gateway Generating Station. Contact: Christopher Meyer. (10 minutes)

Commissioner Geesman moved and Commissioner Byron seconded approval of the petition. The vote was unanimous. (4-0)

10. EL CENTRO REPOWER PROJECT. (06-SPPE-2). Possible adoption of the Presiding Member's Proposed Decision, Mitigated Negative Declaration and Final Initial Study in the Imperial Irrigation District's El Centro Repower Project Small Power Plant Exemption proceeding. Contact: Garret Shean. (15 minutes)

Commissioner Byron moved and Commissioner Geesman seconded approval of the Presiding Member's Proposed Decision. The vote was unanimous. (4-0)

11. SAN ELIJO JOINT POWER AUTHORITY. Possible approval of a \$911,400 loan to the San Elijo Joint Power Authority of San Diego County for energy efficiency projects at the San Elijo Water Reclamation Facility. The projects include use of chemically enhanced primary treatment, installation of dissolved oxygen control with variable blower output, and installation of a Supervisory Control and Data Acquisition system. The total project cost is \$1.162 million. It is estimated that these projects will save 600,000 kWh annually, or \$93,000, with a simple payback period of 9.8 years. (ECAA and/or bond funding.) Contact: Shahid Chaudhry. (10 minutes)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the loan to the San Elijo Joint Power Authority. The vote was unanimous. (4-0)

12. BULLARD ENERGY CENTER. (06-AFC-8)

- a. Possible approval of the Executive Director's data adequacy recommendation for Bullard Energy Center, LLC's Application for Certification of the Bullard Energy Center. Contact: Mary Dyas.(10 minutes)

Commissioner Geesman moved and Commissioner Byron seconded approval of the Executive Director's recommendation. The vote was unanimous. (4-0)

- b. Possible committee assignment for the Bullard Energy Center.

Chairman Pfannenstiel appointed a committee of Commissioner Geesman (Presiding Member) and Commissioner Byron (Associate Member) for the project. Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the committee assignment. The vote was unanimous. (4-0)

13. ELECTRICITY RESOURCE PLANS FORMS AND INSTRUCTIONS. Possible approval of reporting requirements, in support of the *2007 Energy Report*, asking load-serving entities (LSEs) to provide their plans for electricity procurement and to submit those plans by February 7, 2007. All LSEs with non-coincident peak demand over 200 MW in 2005 or 2006 may be required to provide monthly capacity and energy load forecasts and to identify the resources that may be used to satisfy these obligations. Contact: Jim Woodward. (10 minutes)

Commissioner Byron moved and Commissioner Geesman seconded approval of the reporting requirements. The vote was unanimous. (4-0)

14. 2006 INTEGRATED ENERGY POLICY REPORT UPDATE. (06-IEP-1A). Possible approval of *2006 Integrated Energy Policy Report Update*. Contact: Lorraine White. (30 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of the 2006 Integrated Energy Policy Report Update. The vote was unanimous. (4-0)

15. **Minutes**

Approval of the December 13, 2006, Business Meeting Minutes.

Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the December 13, 2006, minutes. The vote was unanimous. (4-0)

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

17. **Chief Counsel's Report** – Chief Counsel Bill Chamberlain gave the report. A closed session will be held immediately following the meeting.
18. **Executive Director's Report** - None
19. **Legislative Director's Report** - None
20. **Public Adviser's Report** - None
21. **Public Comment** – None

Appearances:

Mr. Scott Galati, Galati & Blek, LLP

Mr. Henryk A. Olstowski, Imperial Irrigation District

Mr. David Jenkins, Bullard Energy Center

Respectfully submitted

HARRIET KALLEMEYN
Secretariat