

Minutes of the May 23, 2007 Energy Commission Business Meeting.

The meeting was called to order at 10:05 by Chairman Jackalyne Pfannenstiel. The Pledge of Allegiance was lead by Chairman Pfannenstiel.

Present:

Jackalyne Pfannenstiel, Chairman

James D. Boyd, Vice Chair

John L. Geesman, Commissioner

Jeffrey D. Byron, Commissioner

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. ELECTRIC POWER RESEARCH INSTITUTE. Possible approval of Amendment 1 to PIER Work Authorization MR-052 with Electric Power Research Institute (EPRI) under the UC Master Research Agreement 500-02-004 with The Regents of the University of California – Office of the President/CIEE, for a no-cost time extension of one year to May 31, 2008, for *Transmission Probabilistic Congestion Forecast*. Contact: Jamie Patterson.

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

2. SAN GABRIEL GENERATION STATION PROJECT. (07-AFC-2).
  - a. Possible approval of the Executive Director's data adequacy recommendation for San Gabriel Power Generation's Application for Certification of the San Gabriel Generating Station Project (07-AFC-2). Contact: Stanley Yeh. (10 minutes)

*Commissioner Geesman moved and Commissioner Byron seconded approval of the data adequacy recommendation. The vote was unanimous. (4-0)*

- b. Possible appointment of a Committee for the San Gabriel Generating Station Project.

*Chairman Pfannenstiel appointed Commissioner Boyd as presiding member and herself as second member of the committee for the project. Commissioner Geesman moved and Commissioner Byron seconded approval of the appointment. The vote was unanimous. (4-0)*

3. CHEVRON RICHMOND SMALL POWER PLANT EXEMPTION. (86-SPPE-1). Possible approval of Petition and Supplemental Petition brought by Chevron, USA under Public Resources Code section 25218 to delete conditions "C," "D," and "E" from the Findings and Orders of the 1987 Commission Decision. Specifically, the petitioner seeks to remove the limitation on sales of electrical power in excess of 5 MW annually or more than 1 MW during the 2,000 hours of PG&E's lowest load demand per year. It would

also remove the need for reporting of monthly power generated and fuels consumed.  
Contact: Ken Celli. (10 minutes)

*Item 3 was removed from the agenda.*

4. LOS MEDANOS ENERGY CENTER PROJECT (98-AFC-1C). Possible approval of an amendment to reduce the particulate matter smaller than 10 microns (PM10) emission limit from 131.6 tons to 69.2 tons per year and to obtain an emission reduction credit from the Bay Area Air Quality Management District. Contact: Jeri Zene Scott. (10 minutes)

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

5. GATEWAY GENERATING STATION. (00-AFC-1C). Possible approval of a modification to Condition of Certification Noise-8 to change construction work hours. Contact: Ron Yasny. (10 minutes)

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

6. SB 1368 REGULATIONS – NEGATIVE DECLARATION. Consideration and possible adoption of a Negative Declaration, determining that there will be no significant adverse environmental impact, for Regulations Establishing and Implementing a Greenhouse Gases Emission Performance Standard for Local Publicly Owned Electric Utilities under SB 1368. Contact: Lisa DeCarlo. (20 minutes)

*Commissioner Byron moved and Commissioner Geesman seconded adoption of the Negative Declaration. The vote was unanimous. (4-0)*

7. SB 1368 REGULATIONS – ADOPTION. Consideration and possible adoption of Regulations Establishing and Implementing a Greenhouse Gases Emission Performance Standard for Local Publicly Owned Electric Utilities, as proposed by the Electricity Committee under SB 1368 and as amended by 15-day language published on May 4, 2007. Contact: Lisa DeCarlo. (45 minutes)

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

8. RENEWABLES PORTFOLIO STANDARD 2005 PROCUREMENT VERIFICATION. 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 Renewables Portfolio Standard (RPS). This report transmits the RPS procurement verification findings for 2004 and 2005 to the California Public Utilities Commission. Contact: Jason Orta. (20 minutes)

*Item 8 was removed from the agenda.*

9. CLEAN ENERGY SYSTEMS, INC. Possible approval of Contract ROY-06-001 for royalty repayment by Clean Energy Systems, Inc. (CES) to the Energy Commission based on sales of the CES oxy-fuel combustor, called a 'gas generator'; the CES digital control system that controls the flow of oxygen, fuel and water to the gas generator, and the rights to the gas generator and the digital control system, including license assignment and sale of patents. Contact: John Henry Beyer. (10 minutes)

*Commissioner Geesman moved and Commissioner Boyd seconded approval of Contract ROY-06-001. The vote was unanimous. (4-0)*

10. SOLAR TURBINES, INC. Possible approval of a PIER Natural Gas grant of \$501,451 to Solar Turbines Incorporated for *Development of an Ultra-Low NOx Supplementary Burner for Cogeneration Applications*. Solar Turbines will adapt an ultra low emissions burner, developed at Lawrence Berkeley National Laboratory, for use as a supplementary burner in combined heat and power (CHP) systems that use industrial gas turbines as the power source. The objective is to enable the CHP systems to comply with California Air Resources Board 2007 emissions standards. (PIER natural gas funding.) Contact: John Henry Beyer. (10 minutes)

*Commissioner Geesman moved and Commissioner Boyd seconded approval of the grant. The vote was unanimous. (4-0)*

11. RENEWABLE RESOURCE TRUST FUNDS. Possible approval of reallocation of \$31,500,000 to the Emerging Renewables Program from Renewable Energy Program funding sources, including unused SB 90 funds and interest earnings on the Renewable Resources Trust Fund. These funds will be used to pay rebates for the installation of renewable energy systems. Contact: Mark Hutchison. (10 minutes)

*Commissioner Geesman moved and Commissioner Boyd seconded approval of the reallocation. The vote was unanimous. (4-0)*

12. BRAND IDENTITY, INC. Possible approval of Contract 100-06-002 for \$22,730 with Brand Identity, Inc. to design and produce two publications: the *2007 Integrated Energy Policy Report* and a companion executive summary report. (ERPA funding.) Contact: Lorraine White. (10 minutes)

*Commissioner Boyd moved and Commissioner Geesman seconded approval of Contract 100-06-002. The vote was unanimous. (4-0)*

13. THIRD WAVE CORPORATION. Possible approval of Purchase Order 06-433.013 for \$86,940 with Third Wave Corporation to perform a technical assessment of the current Appliance Database, and make recommendations for the integration of new features and technologies that will support the Appliance Efficiency Program into the future. Contact: Deb Osfeld / Betty Chrisman. (10 minutes)

*Commissioner Geesman moved and Commissioner Byron seconded approval of Purchase Order 06-433.013. The vote was unanimous. (4-0)*

14. BR LABORATORIES, INC. Possible approval of Contract 400-06-018 for \$165,000 with BR Laboratories, Inc. to assist the Energy Commission in enforcing the Appliance Efficiency Regulations by selecting, purchasing and testing regulated appliances for compliance with energy and water efficiency standards. (ERPA funding.) Contact: R. Michael Martin. (10 minutes)

*Commissioner Boyd moved and Commissioner Byron seconded approval of Contract 400-06-018. The vote was unanimous. (4-0)*

15. TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY. Possible approval of nine grant applications, totaling \$1,286,092, in response to solicitation cycle 06-01B of the Building Energy Research Grant Program. (PIER funding.) Contact: Martha Brook. (10 minutes)

- a. Purdue University, West Lafayette, IN, *A Virtual Refrigerant Charge Sensor*, \$187,738.
- b. Lawrence Berkeley National Lab, Berkeley, CA, *Measuring Outdoor Air Intake Rates in Existing Buildings*, \$107,630.
- c. Lawrence Berkeley National Lab, Berkeley, CA, *Low Energy Cooling For California Climates: Climatic Feasibility and Energy Savings Potential of Mixed-Mode Commercial Buildings*, \$150,000.
- d. National Institute of Standards & Technology, Gaithersburg, MD, *An Intelligent System for Optimized Design of Finned-Tube Evaporators*, \$174,000.
- e. Lawrence Berkeley National Lab, Berkeley, CA, *Energy and Demand Savings From Sealing Exhaust Ductwork*, \$100,000.
- f. Lawrence Berkeley National Lab, Berkeley, CA, *Energy Benchmarking Protocol for Hospitals*, \$ 105,000.
- g. The Regents of UCD - California Lighting Technology Center, Davis, CA, *Improved Daylighting Controls Through Dual Loop Sensing*, \$199,736.
- h. Field Diagnostic Services, Inc., Fairless Hills, PA, *Expanded Test Protocols For Low Ambient Testing of Unitary AC Systems*, \$62,174.
- i. The Regents of UCSD, San Diego, CA, *Simulation of Energy Performance of Underfloor Air Distribution (UFAD) Systems*, \$199,814.

*Commissioner Geesman moved and Commissioner Byron seconded approval of the nine grant applications. The vote was unanimous. (4-0)*

16. ARCHITECTURAL ENERGY CORPORATION. Possible approval of Amendment 1 to Contract 400-04-020 with Architectural Energy Corporation to add \$300,000 and extend the term one year to June 30, 2009, to finalize the *2008 Building Energy Efficiency Standards (Standards)*. The *Standards* will contribute to several *Integrated Energy Policy Report* goals, and become a key “early action” to support the Governor’s Climate Action Initiative. (ERPA funding.) Contact: Gary Flamm. (10 minutes)

*Commissioner Boyd moved and Commissioner Geesman seconded approval of Amendment 1 to Contract 400-04-020. The vote was unanimous. (4-0)*

17. UNIVERSITY OF CALIFORNIA, DAVIS. Possible approval of Contract 400-06-015 for \$50,000 with the University of California, Davis to implement the Energy Efficiency and Renewable Generation Emerging Technologies Agriculture and Food Industries Loan Program. The contractor will collect on-site data to monitor and evaluate the technical and economic performance of Loan Program funded projects; prepare and publish case study reports to disseminate Loan Program project results; and conduct market studies to assess potential market penetration of chosen emerging technologies. (ERPA funding.) Contact: Ricardo Amon. (10 minutes)

*Commissioner Boyd moved and Commissioner Geesman seconded approval of Contract 400-06-015. The vote was unanimous. (4-0)*

18. UC BERKELEY – CENTER FOR THE BUILT ENVIRONMENT. Possible approval of Contract 500-06-049 for \$600,000 with the UC Berkeley Center for the Built Environment (CBE) to research efficient commercial comfort systems. CBE will improve commissioning and energy analysis tools for underfloor air distribution systems for building ventilation, heating and cooling; investigate comfort and energy aspects of efficient radiant building cooling systems; investigate and integrate a commercial fenestration design tool with the CBE thermal comfort simulation tool; and, improve the usability of the thermal comfort simulation tool. (PIER electricity funding.) Contact: Chris Scruton/Ann Peterson. (10 minutes)

*Item 18 was removed from the agenda.*

19. CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES. Possible approval of Contract 500-06-048 with the Center for Energy Efficiency and Renewable Technologies for \$999,714 to develop renewable energy and transmission guidelines to meet AB 32 and Renewables Portfolio Standard goals. (PIER electricity funding.) Contact: Clare Laufenberg. (10 minutes)

*Commissioner Geesman moved and Commissioner Boyd seconded approval of Contract 500-02-004. The vote was unanimous. (4-0)*

20. UNIVERSITY OF CALIFORNIA, BERKELEY. Possible approval of PIER work authorization MR-070 for \$1,050,000 with The Regents of the University of California – Berkeley, under the UC Master Research Agreement Number 500-02-004 with The Regents of the University of California – Office of the President/CIEE, for *Fault Analysis in Underground Cables*. The project is to organize an academic team that will evaluate the problems and attempt to identify, isolate and bench test various underground cable failure mechanisms and diagnostic techniques. (PIER electricity funding.) Contact: Linda Kelly. (10 minutes)

*Commissioner Byron moved and Commissioner Geesman seconded approval of MR-070. The vote was unanimous. (4-0)*

21. SCIENCE APPLICATIONS INTERNATIONAL CORPORATION. Possible approval of Contract 500-06-050 for \$691,959 with Science Applications International Corporation (SAIC) for *Advanced Distributed Sensor Networks for Electric Utilities*. SAIC will design and develop an advanced sensor network optimized for utility security management applications. (PIER electricity funding.) Contact: David Chambers. (10 minutes)

*Item 21 was removed from the agenda.*

22. SCIENCE APPLICATION INTERNATIONAL CORPORATION. Possible approval of Amendment 1 to Contract 500-06-013 with Science Application International Corporation adding \$1,500,000 to continue technical support for the Energy Research and Development Division. (PIER electricity, natural gas and transportation funding, GRDA funding.) Contact: Jesselyn Rosales. (10 minutes)

*Item 22 was removed from the agenda.*

23. ICF RESOURCES, LLC. Possible approval of Amendment 1 to Contract 500-06-011 with ICF Resources, LLC, adding \$2,500,000 to continue technical support for the Energy Research and Development Division. (PIER electricity, natural gas and transportation funding, GRDA funding.) Contact: Jesselyn Rosales. (10 minutes)

*Item 23 was removed from the agenda.*

24. NAVIGANT CONSULTING, INC. Possible approval of Amendment 1 to Contract 500-06-012 with Navigant Consulting, Inc., adding \$1,500,000 to continue technical support for the Energy Research and Development Division. (PIER electricity, natural gas and transportation funding, GRDA funding.) Contact: Jesselyn Rosales. (10 minutes)

*Item 24 was removed from the agenda.*

25. KEMA CONSULTING, INC. Possible approval of Amendment 1 to Contract 500-06-014 with KEMA Consulting, Inc. adding \$2,500,000 to continue technical support for the Energy Research and Development Division. (PIER electricity and natural gas funding.) Contact: Jesselyn Rosales. (10 minutes)

*Item 25 was removed from the agenda.*

26. **Minutes**

- a. Approval of the March 28, 2007, Business Meeting Minutes.

*Commissioner Boyd moved and Commissioner Geesman seconded approval of the March 28, 2007 minutes. The vote was 3-0-1. Commissioner Pfannenstiel abstained.*

- b. Approval of the May 9, 2007 Business Meeting Minutes.

*Commissioner Geesman moved and Commissioner Byron seconded approval of the May 9, 2007 minutes. The vote was 3-0-1. Commissioner Boyd abstained.*

27. **Commission Committee Presentations/Discussion**

28. **Chief Counsel's Report** – None

29. **Executive Director's Report** – None

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

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

**Appearances:**

Mr. Mike Alvarado, Reliant Energy  
Mr. Scott Galati, Grattan and Galati  
Mr. Bruce McLaughlin, California Municipal Utilities Association  
Mr. John Weldon, Salt River Project  
Mr. Norman Pedersen, Southern California Public Power Authority  
Ms. Audrey Chang, Natural Resources Defense Council  
Ms. Jane Luckhardt, Sacramento Municipal Utilities District

Respectfully submitted,

HARRIET KALLEMEYN  
Secretary to the Commission