

Minutes of the August 1, 2007, Energy Commission Business Meeting.

The meeting was called to order at 10:06 A.M. by Vice Chairman James D. Boyd.

Present:

James D. Boyd, Vice Chair

Arthur Rosenfeld, Commissioner

John L. Geesman, Commissioner

Jeffrey D. Byron, Commissioner

The Pledge of Allegiance was led by Vice Chairman Boyd.

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. NEW POWER TECHNOLOGIES. Possible approval of Amendment 1 to Contract 500-04-008 for a two-year, no-cost time extension. Additional time is needed due to delays in processing an extremely large amount of data from Southern California Edison. The Amendment will allow adequate time for planning and executing the demonstration of this work. Contact: Rachel MacDonald

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

Vice Chair Boyd then introduced Melissa Jones, newly appointed Deputy Chief Director. She had worked as Lead Advisor in Commissioner Geesman's Office and was now Acting Executive Director due to B. B. Blevins being out of the office. Vice Chair Boyd welcomed her to her new position.

2. GATEWAY GENERATING STATION PROJECT (00-AFC-1C). Possible approval of Pacific Gas & Electric's petition to amend the existing certificate to change from once through cooling to dry cooling, eliminating the use of San Joaquin River water as the cooling water source, and to complete associated project design changes. Contact: Christopher Meyer. (15 minutes)

Commissioner Geesman moved and Commissioner Byron seconded approval to amend existing certificate. The vote was unanimous. (4-0)

3. LA PALOMA GENERATING STATION (98-AFC-2C). Possible approval of a petition to amend the existing certificate to allow use of injection wells as the primary method of wastewater disposal and use of the zero liquid discharge (ZLD) system as a backup disposal option. The proposed change would differ from the language in the original Decision, wherein the project owner was required to select either ZLD or injection wells as the wastewater disposal method. Contact: Christopher Meyer. (5 minutes)

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

4. DYNEGY MOSS LANDING POWER PLANT PROJECT (99-AFC-4C). Possible approval of a petition to amend the existing certificate to permit the addition of a temporary pilot desalination plant to the project site. The pilot project will not require additional water intake

from or additional discharge to Monterey Bay and will not affect power plant operations.
Contact: Donna Stone (15 minutes)

Commissioner Geesman moved and Commissioner Byron seconded approval to amend existing certificate. The vote was unanimous. (4-0)

5. RUSSELL CITY ENERGY CENTER (01-AFC-7C). Possible approval of a Petition for Ownership change from Calpine Corporation to Russell City Energy Company, LLC. Russell City Energy Company, LLC is jointly owned by Calpine Russell City, LLC, a wholly owned indirect subsidiary of Calpine Corporation (65%) and Aircraft Services Corporation, a wholly owned indirect subsidiary of General Electric Company (35%). The project name will not change and because the project is not yet under construction, there will be no operational changes to it. Contact: Lance Shaw. (5 minutes)

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

6. CHEVRON RICHMOND POWER PLANT REPLACEMENT PROJECT - SMALL POWER PLANT EXEMPTION (07-SPPE-1). Possible committee appointment for the proposed Chevron Richmond Power Plant Replacement Project to add an additional 60 megawatts net generation to its existing Refinery electrical generation located within Chevron's Richmond Refinery in Contra Costa County. Contact: Mary Dyas. (5 minutes)

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

7. CPV SENTINEL ENERGY PROJECT DATA ADEQUACY RECOMMENDATION AND POSSIBLE COMMITTEE APPOINTMENT. Contact: Bill Pfanner. (5 minutes)
 - a. Possible approval of the Executive Director's data adequacy recommendation for CPV Sentinel, LLC's Application for Certification for the CPV 850 megawatt Sentinel Energy Peaker Project. (07-AFC-3)
 - b. Possible appointment of a Committee for the CPV Sentinel Energy Project.

Commissioner Geesman moved and Commissioner Byron seconded the motion to find this project to be data inadequate. The vote was unanimous. (4-0)

8. ORANGE GROVE POWER PLANT PROJECT – SMALL POWER PLANT EXEMPTION (07-SPPE-2). Possible committee appointment for the proposed Orange Grove Power Plant Project to construct a new 96 megawatt (MW) net generation peaking facility to supply electric power locally to San Diego Gas & Electric customers. The project is located in northern San Diego County near the township of Pala. Contact: Felicia Miller. (10 minutes)

Vice Chair Boyd appointed himself as the presiding member and Commissioner Rosenfeld as second member of the committee for the project. Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of the appointment. The vote was unanimous. (4-0)

9. EASTERN MUNICIPAL WATER DISTRICT. Possible approval of a \$3,000,000 loan to Eastern Municipal Water District to install a 750 kW digester gas-fueled fuel cell cogeneration system at its Moreno Valley water reclamation facility. This project is estimated

to save about \$534,777 annually and has a simple payback of 9.5 years. (ECAA and/or bond funding.) Contact: Joseph Wang. (5 minutes)

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

10. CITY OF ALHAMBRA. Possible approval of a \$1,178,410 loan to the City of Alhambra to retrofit the city's traffic signal from Incandescent to LED, and to convert the city's street lighting system from series to parallel. This project is estimated to save the city approximately 708,000 kWh or \$117,841 annually in reduced energy costs with a simple payback of approximately 10 years. (ECAA and/or Bond Funded). Contact Adel Suleiman. (5 minutes)

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

11. CREATUS, INC. Possible approval of Purchase Order (PO) 07-409.00-005 for \$250,000 to provide services for application and database development and support where the specific programming knowledge and technical expertise are not available from civil service staff at the Commission. This PO will provide the Information Technology Services Branch with a vehicle to obtain timely development and support services for the Commission's essential application and database systems. (ERPA funded, FY 2007/2008) Contact: Rita Gass. (5 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of the purchase order 07-409.00-005. The vote was unanimous. (4-0)

12. ENTERPRISE NETWORKING SOLUTIONS, INC. Possible approval of Purchase Order 07-409.00-004 for no more than \$90,000 with Enterprise Networking Solutions, Inc. to migrate the existing MS Access database portion of the New Solar Home Partnership (NSHP) database into web-enabling software and programming technology to enable web-based functionality. These necessary additions and enhancements to the NSHP application will benefit program participants, the Renewables Office staff, and the partner utility agencies who will soon be administering the program. Contact: Payam Narvand/ Deb Osfeld. (5 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of purchase order 07-409.00-004. The vote was unanimous. (4-0)

13. DGS CONTRACTED FISCAL SERVICES. Possible approval of Contract 400-07-001 for \$135,000 with the department of General Services' Office of Fiscal Services for accounting support in preparation of the annual independent audits related to the Energy Commission's Tax Exempt Revenue Bond Program. (Bond administrative sub-account funded.) Contact: Jane Heinz. (5 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of contract 400-07-001. The vote was unanimous. (4-0)

14. UNIVERSITY OF CALIFORNIA, RIVERSIDE. Possible approval of Amendment 2 for an augmentation of \$1,142,408 to PIER Work Authorization MR-026 with the Regents of the University of California, Riverside under the UC Master Research Agreement Number 500-

02-004 with The Regents of the University of California – Office of the President/CIEE. This amendment funds three research projects under the *Air Quality Research Program*:

- A tracer study to produce data needed for improving near-field air quality models for Distributed Generation (DG). (\$400,000)
- Development of test protocols needed to accurately measure low emission levels required for California Air Resources Board certification of DG. (\$842,408)
- A scoping study to examine the feasibility of energy efficiency as a measure in State Implementation Plans to meet federal air quality standards. (\$200,000)

(PIER electricity funded.) Contact: Marla Mueller. (5 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Amendment 2. The vote was unanimous. (4-0)

15. EKSTER & ASSOCIATES. Possible approval of Work Authorization MR-72 for \$75,000.00 with Ekster & Associates under the UC Master Research Agreement Number 500-02-004 with The Regents of the University of California – Office of the President/CIEE. The project, *Field Demonstration of Automation of Sludge Thickening Process*, will develop an automatic control system to maintain the concentration of feed sludge. (PIER electricity funded.) Contact: Rajesh Kapoor. (5 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Work Authorization MR-72. The vote was unanimous. (4-0)

16. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Amendment 2 adding \$250,000 and six months to the term of Contract 500-05-001 with Lawrence Berkeley National Laboratory. The amendment is needed to continue the field testing and demonstration of automated Demand Response communications and control devices to operate existing residential air conditioning load control devices to provide electrical system reliability resources, such as spinning reserve. The amendment also includes conducting surveys of participating air conditioner load control program customers. (PIER electricity funding.) Contact: Kristy Chew. (5 minutes)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Amendment 2. The vote was unanimous. (4-0)

17. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Contract 500-07-001 for \$150,000 with Lawrence Berkeley National Laboratory to evaluate the capability of fine-grid Global Circulation Models (GCMs) to address urban reflectivity. The researchers will perform limited fine-scale global climate modeling to quantify the effect of increasing urban albedo on mitigating climate change. (PIER electricity funding.) Contact: Mary Jane Coombs. (5 minutes)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-07-001. The vote was unanimous. (4-0)

18. LAWRENCE LIVERMORE NATIONAL LABORATORY. Possible approval of Work Authorization MR-073 for \$150,000 with Lawrence Livermore National Laboratory, under the UC Master Research Agreement Number 500-02-004 with The Regents of the University of California – Office of the President/CIEE. The project, *Research Activities for the AB1925 Report to the Legislature on Accelerating Geologic Carbon Sequestration Strategies*, will

evaluate California's needs in facilitating the adoption of cost-effective commercial-scale geologic sequestration. (PIER electricity funding.) Contact: Mary Jane Coombs. (5 minutes)

Commissioner Geesman moved and Commissioner Rosenfeld seconded approval of Work Authorization MR-073. The vote was unanimous. (4-0)

19. CALIFORNIA STATE CONTROLLER'S OFFICE. Possible approval of Amendment 3 to Contract 200-98-012 with the California State Controller's Office, adding \$300,000 (\$100,000 FY 07/08, \$100,000 FY 08/09, and \$100,000 FY 09/10) and extending the term of the agreement for three years to continue auditing services and support to the PIER Audit Program. The changes will amend the Scope of Work to clarify the contract assessment/audit process and update rates. (PIER electricity funding.) Contact: Susan Aronhalt. (5 minutes)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Amendment 3 to Contract 200-98-012. The vote was unanimous. (4-0)

20. JOHN MAULBETSCH. Possible approval of Contract 500-07-003 for \$540,000 with John Maulbetsch to quantify the adverse effects of wind on air-cooled condenser fan performance and evaluate potential mitigation measures to reduce these effects. The project will consist of data collection at an operating power plant using a full scale air-cooled condenser, and is a continuation of earlier PIER funded research on wind effects on power plant air-cooled condensers. (PIER electricity funding.) Contact: Joe O'Hagan. (5 minutes)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Contract 500-07-003. The vote was unanimous. (4-0)

21. GAS TECHNOLOGY INSTITUTE. Possible approval of Amendment 1 to Contract 500-05-011 with Gas Technology Institute, to add \$446,494 and three additional tasks, adjust the schedule and extend the term by 21 months to December 31, 2009. The additional tasks will explore improving the energy efficiency of commercial under- and over-fired charbroilers by 25% and develop systems and/or mechanical improvements to remedy deficiencies in tankless water heaters identified in the earlier contract phase. (PIER natural gas funding.) Contact: Chris Scruton. (5 minutes)

Commissioner Rosenfeld moved and Commissioner Geesman seconded approval of Amendment 1 to Contract 500-05-011. The vote was unanimous. (4-0)

22. 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 Renewable Portfolio Standard (RPS). This report transmits the RPS procurement verification findings for 2004 and 2005 to the California Public Utilities Commission. Contact: Jason Orta. (5 minutes)

Commissioner Geesman moved and Commissioner Byron seconded approval of the Renewables Portfolio Standard Procurement Verification Report. The vote was unanimous. (4-0)

23. **Minutes**

- a. Approval of the June 20, 2007 Business Meeting Minutes.

June 20, 2007 Business Meeting Minutes moved to August 15, 2007 for a quorum to vote.

- b. Approval of the June 27, 2007, Special Business Meeting Minutes.
- c. Approval of the July 11, 2007, Special Business Meeting Minutes.

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

24. Commission Committee Presentations/Discussion

Commissioner Byron announced that Kevin Kennedy, Lead Advisor, would be leaving the Commission August 3, 2007 to accept a position at the Air Resources Board to work in the Climate Change area. He stated that Dr. Kennedy was a valuable asset to his office and will be greatly missed.

25. Chief Counsel's Report

Bill Chamberlain announced that Ken Celli would be leaving the Chief Counsel's Office and would begin working in the Hearing Office and would be missed. He also announced a new attorney, Jared Babula, had joined the office.

26. Executive Director's Report – None

27. Legislative Director's Report – None

28. Public Adviser's Report – None

29. Public Comment – None

There being no further business the meeting was adjourned at 12:25 P.M.

Respectfully submitted,

LANA McALLISTER
Acting Secretary to the Commission

Appearances:

**Carolyn Nielson
Madeleine Clark
Les Guliasi, PG&E**