

STATE OF CALIFORNIA
CALIFORNIA ENERGY COMMISSION

Minutes of the February 27, 2008, Energy Commission Business Meeting.

The meeting was called to order at 10:02 by Chairman Jackalyne Pfannenstiel. The Pledge of Allegiance was lead by Chairman Pfannenstiel.

Present:

Jackalyne Pfannenstiel, Chairman
Arthur H. Rosenfeld, Commissioner
Jeffrey D. Byron, Commissioner
Karen Douglas, 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. KEMA, INC. Possible approval of Amendment 1 to Contract 500-04-027 with KEMA, Inc., for a one-year no-cost time extension to finish funding for projects that support development of policies and protocols for the Renewable Energy Program, analyzing the renewable industry and market context, and ensuring the effectiveness of the overall program. Contact: Rachel Salazar.
 - b. PALMDALE WATER DISTRICT. Possible approval of Amendment 1 to Contract 500-04-011 with Palmdale Water District for a no-cost time extension of 20 months. The project has been delayed by three key issues: the recall of ultra-capacitors due to a circuit balancing problem, since resolved; reorganization and staff reduction by a key subcontractor; and extended in-house testing of the first-of- its-kind EnergyBridge equipment. Contact: David Chambers.

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

2. WALNUT CREEK ENERGY PARK PROJECT. (05-AFC-2). Possible adoption of the Presiding Member's Proposed Decision and Committee Errata on the Walnut Creek Energy Park Project. Contact: Garret Shean. (15 minutes)

Chairman Pfannenstiel moved and Commissioner Douglas seconded approval of the Presiding Member's Proposed Decision and three Errata. The vote was unanimous. (4-0)

3. CANYON POWER PLANT PROJECT (07-AFC-9). Contact: Che McFarlin. (5 minutes)
 - a. Possible approval of the Executive Director's data adequacy recommendation for Southern California Public Power Authority's Application for Certification of the Canyon (Anaheim) Power Plant Project, a nominal 200 megawatt (MW) natural gas-fired simple-cycle generating facility, in northern Orange County, California.
 - b. Possible appointment of a siting committee for the Canyon Power Plant Project.

Item 3 was moved to the March 12, 2008, Business Meeting agenda.

4. WELLS FARGO BANK, NA. Possible approval of Memorandum of Understanding 400-07-028 with Wells Fargo Bank, NA, to provide financial support in the form of a sponsorship for the New Solar Homes Partnership (NSHP) public awareness campaign. This sponsorship includes a donation of a sweepstakes prize with a monetary value and Wells Fargo-paid marketing support for the NSHP campaign. Contact: Claudia Chandler. (5 minutes)

Item 4 was moved to the April 2, 2008, Business Meeting agenda.

5. CITY OF LYNWOOD. Possible approval of a \$330,000 loan to the City of Lynwood to upgrade the city's traffic signals from incandescent to light-emitting diode technology. This project is estimated to save the city approximately 426,371 kWh annually, resulting in annual energy cost savings of \$44,679. Based on the loan amount, the simple payback is approximately 7.4 years. (ECAA and/or Bond Funded). Contact Jim Holland. (10 minutes)

Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the loan to the City of Lynwood. The vote was unanimous. (4-0)

6. CITY OF CHULA VISTA. Possible approval of a \$607,466 loan to the City of Chula Vista to upgrade lighting, improve HVAC systems, and install variable speed drives for chilled water, hot water, and air handling systems at six city facilities. This project is estimated to save the city 1.4 million kWh, resulting in cost savings of \$180,959 annually. Based on the loan amount, the simple payback is approximately 3.4 years after the utility rebate. (ECAA and/or bond funding.) Contact: Karen Perrin. (10 minutes)

Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the loan to the City of Chula Vista. The vote was unanimous. (4-0)

7. DEPARTMENT OF WATER RESOURCES. Possible approval of an Interagency Agreement with Department of Water Resources (DWR) to indemnify DWR in connection with the Rosetta Resources CO2 Storage Project planned for DWR's Grizzly Slough property. Contact: Larry Myer/Allan Ward. (5 minutes)

Commissioner Douglas moved and Commissioner Rosenfeld seconded approval of the Interagency Agreement. The vote was unanimous. (4-0)

8. GOVERNOR'S OFFICE OF PLANNING AND RESEARCH. Possible approval of Contract 200-07-006 for \$45,000 with Governor's Office of Planning and Research to provide writing and research services for planning and policy discussion documents on the state's energy issues. (ERPA funding.) Contact: Cheryl Raedel. (5 minutes)

Commissioner Rosenfeld moved and Commissioner Byron seconded approval of Contract 200-07-006. The vote was unanimous. (4-0)

9. RENEWABLE RESOURCE TRUST FUNDS. Possible approval of transfer of \$461,672,772 from New Renewable Resources Account funds to California electrical corporations serving customers subject to the renewable energy public goods charge. Senate Bill 1036 (Chapter 685, Statutes of 2007) abolishes the New Renewable Resources Account and requires the Energy Commission to transfer the Account's remaining unencumbered funds back to the appropriate utilities by March 1, 2008. Contact: Mark Hutchison. (10 minutes)

The amount of the transfer was corrected to \$461,681,784. Commissioner Rosenfeld moved and Commissioner Byron seconded approval of the transfer of funds. The vote was unanimous. (4-0)

10. **PUBLIC INTEREST ENERGY RESEARCH (PIER) 2007 ANNUAL REPORT.**
Possible approval of the *2007 PIER Annual Report to the Legislature*. The report must be submitted to the Legislature by March 31 and includes an overview of the Program, accomplishments, and project highlights. Contact: Martha Krebs/Sandra Fromm.
(10 minutes)

Item 10 was moved to the March 12, 2008, Business Meeting agenda.

11. **Minutes**

Approval of the February 13, 2008, Business Meeting Minutes.

Commissioner Rosenfeld moved and Commissioner Douglas seconded approval of the February 13 minutes. The vote was unanimous. (4-0)

12. **Commission Committee Presentations/Discussion** – None
13. **Chief Counsel's Report** – Chief Counsel Bill Chamberlain requested a closed session to discuss litigation matters pursuant to Government Code Section 11126(e).
14. **Executive Director's Report** – None
15. **Legislative Director's Report** – Acting Legislative Director Marni Weber gave the report.
16. **Public Adviser's Report** - None
17. **Public Comment** – None

Appearances:

Mr. Victor Yamada, Southern California Edison
Mr. Scott Galati, Galati Blek, LLP
Mr. Mohsen Nazemi, South Coast Air Quality Management District

There being no further business, the meeting was adjourned at 10:42.

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission