

STATE OF CALIFORNIA
California Energy Commission

Minutes of the August 26, 2009, Energy Commission Business Meeting.

The meeting was called to order at 10:02 by Chairman Karen Douglas. The Pledge of Allegiance was led by Chairman Douglas.

Present:

Karen Douglas, Chairman
James D. Boyd, Vice Chair
Jeffrey D. Byron, Commissioner
Julia A. Levin, 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. UC DAVIS CENTER FOR AQUATIC BIOLOGY. Possible approval of a nine-month, no-cost time extension for Work Authorization MR-061 under UC Master Research Agreement 500-02-004 with the Center for Aquatic Biology at the University of California, Davis for research on Instream Flow Determinations for Hydropower Applications in California. This program is to identify and fund research that will improve methods used to determine the amount of water needed in a river or stream to sustain a healthy aquatic ecosystem. Contact Joe O'Hagan.
 - b. UC DAVIS PLUG-IN ELECTRIC HYBRID VEHICLE RESEARCH CENTER. Possible approval of an 18-month no-cost time extension to Work Authorization MR-060 under UC Master Research Agreement 500-02-004 with UC Davis Plug-In Hybrid Vehicle Research Center to complete the PHEV Research Roadmap and conduct solicitation for Battery Second Use Research. Contact: Philip Misemer.
 - c. WATER RESEARCH FOUNDATION. Possible approval of Amendment 2 to Contract 500-03-025 to change the contractor name from the American Water Works Association Research Foundation (AWWARF) to the Water Research Foundation (WRF). AWWARF changed its name to the WRF to differentiate their organization from other organizations with similar names. This amendment does not change the scope, term, or funding amount of the contract. Contact: Paul Roggensack.

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

2. MARIPOSA ENERGY PROJECT (09-AFC-03). Contact: Eileen Allen. (10 minutes)
 - a. Possible approval of the Executive Director's data adequacy recommendation for the Mariposa Energy Project, a nominal 200-megawatt simple-cycle generating facility to be located in northeastern Alameda County.

Commissioner Byron moved and Vice Chair Boyd seconded approval of the Executive Director's recommendation that the AFC be found data adequate. The vote was unanimous. (4-0)

- b. Possible appointment of a siting committee for the Mariposa Energy Project.

Chairman Douglas appointed Commissioner Levin as presiding member Commissioner Byron as second member of a siting committee for the Mariposa project. Vice Chair Boyd moved and Commissioner Byron seconded approval of the appointment. The vote was unanimous. (4-0)

3. HYDROGEN ENERGY CALIFORNIA (08-AFC-8). Contact: Eileen Allen. (10 minutes)

- a. Possible approval of the Executive Director's data adequacy recommendation for the Hydrogen Energy California project, a nominal 350 MW power generating facility proposed in the Elk Hills region of western Kern County. The project will be fueled by petroleum coke or coal and includes capture of approximately 90 percent of the CO₂ produced for enhanced oil recovery and sequestration.

Commissioner Byron moved and Vice Chair Boyd seconded approval of the Executive Director's recommendation that the AFC be found data adequate. The vote was unanimous. (4-0)

- b. Possible appointment of a siting committee for the Hydrogen Energy California project.

Chairman Douglas appointed Vice Chair Boyd as presiding member and Commissioner Byron as second member of a siting committee for the Hydrogen Energy project. Commissioner Levin moved and Commissioner Byron seconded approval of the appointment. The vote was unanimous. (4-0)

4. CAMPBELL CO-GENERATION PROJECT (93-AFC-3C). Possible approval of Sacramento Power Authority's petition to modify the air quality conditions for the Campbell Co-Generation Project. The changes add new air quality Conditions of Certification (COCs), provide for a new commissioning period after replacement of the gas turbine/duct burner control system, and modify existing COCs to make them more consistent with the Sacramento Metropolitan Air Quality Management District permits. Contact: Mary Dyas. (10 minutes)

Vice Chair Boyd moved and Commissioner Byron seconded approval of the petition to modify the air quality conditions for the Campbell project. The vote was unanimous. (4-0)

5. GATEWAY ENERGY PROJECT (00-AFC-1C). Possible approval of Pacific Gas and Electric Company's May 7, 2009, petition to the Gateway Generating Station, requesting modifications to certain Air Quality conditions of certification to include the installation of a diesel-fueled fire pump. Contact: Eileen Allen. (10 minutes.)

Vice Chair Boyd moved and Commissioner Levin seconded approval of the petition to modify the conditions of certification for the Gateway project with the understanding that this action is taken without prejudice with respect to the pending enforcement action related to the project. The vote was unanimous. (4-0)

6. CLEAN ENERGY FUELS CORPORATION. Possible approval of an amendment to Grant FED-03-007 to Clean Energy Fuels Corporation to change the location of this public access compressed natural gas (CNG) fueling station from Laguna Niguel to San Juan Capistrano due to a road-widening project. The grant provides partial funding for station equipment at the facility, which will fill an existing gap in infrastructure in Southern California, and complement the John Wayne International Airport station. The

amendment clarifies the Terms and Conditions with a special condition. The completion date of December 31, 2009, is unchanged. Contact: Mike Smith. (5 minutes)

Vice Chair Boyd moved and Commissioner Byron seconded approval of the amendment to Grant FED-03-007. The vote was unanimous. (4-0)

7. DEPARTMENT OF MENTAL HEALTH. Possible approval of a \$1.6 million loan to the Department of Mental Health to fix leaks and damaged pipes in the steam distribution line at Metropolitan State Hospital. This project is estimated to save the hospital approximately 19.6 mmBtu or \$160,000 annually in reduced steam costs with a simple payback of approximately 10 years. Metropolitan State Hospital is located in the city of Norwalk. This agreement is consistent with Governor's Executive Order S-09-09. (ECAA funding.) Contact: Mike Smith (5 minutes)

Commissioner Levin moved and Commissioner Byron seconded approval of the loan to the Department of Mental Health. The vote was unanimous. (4-0)

8. CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION. Possible approval of a \$650,000 loan to the California Department of Corrections and Rehabilitation to retrofit the lighting system at the California Rehabilitation Center in Norco. This project is estimated to save the facility approximately 1.5 million kWh, or \$150,000 annually in reduced energy cost with a simple payback of approximately 4.3 years based on the loan amount. This agreement is consistent with Governor's Executive Order S-09-09. (ECAA funding.) Contact: Mike Smith (5 minutes)

Commissioner Levin moved and Commissioner Byron seconded approval of the loan to the Department of Corrections and Rehabilitation. The vote was unanimous. (4-0)

9. UNIVERSITY OF CALIFORNIA IRVINE. Possible approval of an amount not to exceed \$124,985 for Work Authorization MRA-02-082 with University of California, Irvine, under Agreement 500-02-004 to improve the energy efficiency of water and wastewater treatment processes by evaluating the effect of microscopic particles on membrane filters. This work authorization is consistent with the Governor's Executive Order S-09-09. (PIER electricity funding.) Contact: Virginia Lew. (5 minutes)

Vice Chair Boyd moved and Commissioner Byron seconded approval of Work Authorization MRA-02-082. The vote was unanimous. (4-0)

10. L'MONTE INFORMATION SERVICES, INC. Possible approval of Purchase Order 09-409.00-004 for \$60,000 with L'Monte Information Services, Inc., for business analyst support to determine hardware/software technical requirements for the Home Energy Rating System (HERS). The contractor will work with Energy Commission staff to develop recommendations for standard HERS Provider Data Registry document registration procedures for the 2008 Building Energy Efficiency Standards. This contract is consistent with Governor's Executive Order S-09-09. (ERPA funding.) Contact: Gary Flamm. (5 minutes)

Commissioner Levin moved and Vice Chair Boyd seconded approval of Purchase Order 09-409.00-004. The vote was unanimous. (4-0)

11. **EMPLOYMENT TRAINING PANEL.** Possible approval of Contract 180-09-002 for \$5 million with the Employment Training Panel to provide workforce development apprenticeship and pre-apprenticeship training under the Clean Energy Workforce Training Program. This contract is consistent with Governor's Executive Order S-09-09. (ARRA funding.) Contact: Panama Bartholomy. (5 minutes)

Commissioner Byron moved and Commissioner Levin seconded approval of Contract 180-09-002. The vote was unanimous. (4-0)

12. **Minutes:** Approval of the August 12, 2009, Business Meeting Minutes.

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

13. **Commission Committee Presentations/Discussion:** None.

14. **Chief Counsel's Report:** Chief Counsel Bill Chamberlain requested a closed session following the meeting pursuant to Government Code Section 11126(e).

15. **Executive Director's Report:** Chief Deputy Director Claudia Chandler gave the report.

16. **Public Adviser's Report:** Associate Public Adviser Loreen McMahon gave the report.

17. **Public Comment:** None.

Chief Deputy Director Claudia Chandler presented Superior and Sustained Accomplishment Awards to Energy Commission employees Jim McKinney of Fuels and Transportation Division, Gary Occhiuzzo of Electricity Supply Analysis Division, Charles Smith, formerly of Office of Governmental Affairs, and Adam Gottlieb of Media and Public Communications.

There being no further business, the meeting was adjourned to closed session.

Appearances:

Mr. Gregory Wheatland, Ellison, Schneider & Harris, LLP
Mr. Gregory D. Skannal, Hydrogen Energy International, LLC
Ms. Maria De Lourdes Jimenez-Price, Sacramento Municipal Utilities District
Mr. Ross Gould, Sacramento Municipal Utilities District
Mr. Brewster Birdsall, Aspen Environmental (by telephone)
Mr. Scott Galati, Galati-Blek, LLP
Mr. Gary S. Rubenstein, Sierra Research
Mr. Lucas Williams, Environmental Law and Justice Clinic (by telephone)
Mr. Robert Simpson, CARE (by telephone)
Mr. Michael Boyd, CARE (by telephone)

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission