

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
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Business Meeting)
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CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, JUNE 24, 2009

10:00 A.M.

Reported by:
Barbara J. Little

CALIFORNIA REPORTING, LLC
52 LONGWOOD DRIVE
SAN RAFAEL, CA 94901
415-457-4417

COMMISSIONERS PRESENT

Karen Douglas, Chairperson

Jeffrey D. Byron

James D. Boyd

Arthur H. Rosenfeld

STAFF AND CONTRACTORS PRESENT

Melissa Jones, Executive Director

William Chamberlain, Chief Counsel

Harriet Kallemeyn, Secretariat

Larry Smith

Pat Perez

Adrienne Snyder

Eileen Allen

Chris Scruton

Ken Koyama

Raoul Renaud

Jane E. Luckhardt

Sylvia Bender

PUBLIC ADVISER

Elena Miller

I n d e x

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P R O C E E D I N G S

10:00 A.M.

COMMISSIONER DOUGLAS: Welcome to the California Energy Commission Business Meeting of June 24th, 2009.

Please join me for the Pledge of Allegiance.

(Whereupon the Pledge of Allegiance was recited in unison.)

COMMISSIONER DOUGLAS: Before we start I'd like to talk about the agenda and a couple changes to the agenda.

Commissioners, I'm recommending that of the contracts that we have before us today on the agenda we take up only current year contracts that adhere to the Department of Finance's budget order guidance.

The contracts, therefore, that I would recommend postponing for a future business meeting include Items 5, 6, 7, 8, 9, 15 and 16. And I want to stress the reason for postponing them is that they do not fit neatly into one of the categories for exemptions the Department of Finance has provided us.

Those categories include our related, mission critical, leveraging other Federal dollars and assistance to local jurisdictions.

We do, however, have every opportunity and I would fully support moving on those contracts in the next fiscal year and setting them for July 8th.

1 Melissa will ask staff to introduce the items by
2 talking about how they fit into the categories.

3 And, Melissa, would you like to expand on anything that
4 I have said?

5 MS. JONES: Sure. As you were just stating, we're only
6 bringing forward those contracts that do clearly fall within
7 an exemption category and you listed the categories.

8 What I will do before each item is introduced is let
9 you know which category each contract falls into.

10 So if you have any other questions, I'd be happy to
11 entertain them.

12 COMMISSIONER BYRON: Okay.

13 COMMISSIONER DOUGLAS: Okay. All right, beginning with
14 Item 1 then, Staff Tech, Incorporated, possible approval of
15 Purchase Order Number 08-409.00-0018 for \$150,000 with Staff
16 Tech, Incorporated, to create a feasibility study for the
17 Energy Commission that provides the best approach and
18 solution for implementing the Planning Alternative Corridors
19 for Transmission model.

20 Mr. Smith.

21 MS. JONES: And just so you know, this is one that we
22 have identified as a critical mission, critical function, so
23 it's moving forward for an exemption.

24 MR. SMITH: Good morning, Chairman and Commissioners.
25 My name is Larry Smith.

1 COMMISSIONER BYRON: Larry, you've got the wrong mike
2 there.

3 MR. SMITH: Thank you, Commissioner Byron.

4 My name is Larry Smith and I'm the Chief Information
5 Officer for the Energy Commission. I'm seeking approval for
6 the Energy Commission to enter into an agreement with Staff
7 Tech to create a feasibility study report for the Energy
8 Commission to provide the best approach and solution for
9 implementing the Planning Alternative Corridors for
10 Transmission, or PACT model, within the Energy Commission.

11 The Passive Decision Systems, Incorporated built the
12 PACT model. It has been alpha tested using technical
13 expertise from certain regulatory agencies and utility
14 personnel.

15 The next step in the PACT is the development of the
16 validation to using real projects as test cases. Since the
17 Energy Commission wants to or intends to bring the --
18 intends to have the final product, the State Administrative
19 Manual, Section 4800, requires that we get an approved
20 feasibility study report from the Office of the Chief
21 Information Officer.

22 Specifically, Staff Tech will be working with the
23 Information Technology Service Branch and the Energy
24 Commission management and staff to identify business and
25 technical requirements and business processes, and

1 information to create the feasibility study report.

2 This agreement resulted from an offer -- a request for
3 offer made under the Department of General Services, a
4 California multiple award schedule, or CMAS.

5 Today I'm requesting approval for a purchase order with
6 Staff Tech in the amount of \$150,000 for six months.

7 Thank you, any questions?

8 MS. JONES: And I would just like to add that one of
9 the thing I forgot to say about that is while the Commission
10 may be approving contracts today, and we are seeking
11 exemptions and additional fiscal direction in accordance
12 with the budget letter, all those contracts may not be
13 funded. We're still working on that. So this is a
14 contingent approval. Thank you.

15 COMMISSIONER DOUGLAS: Thank you. Are there any
16 questions on this contract?

17 COMMISSIONER BYRON: I think Mr. Smith may have already
18 answered this, but this is really a State requirement for a
19 validation or a verification model; correct?

20 MR. SMITH: Yeah, to house the PACT model on the Energy
21 Commission infrastructure we have to do a -- it is a State
22 requirement.

23 COMMISSIONER BYRON: Is this relatively new, in the
24 last six or eight years, that this was imposed?

25 MR. SMITH: No, this is standard; it's been standard

1 for a while.

2 COMMISSIONER BYRON: Okay, thank you.

3 COMMISSIONER BOYD: Move approval.

4 COMMISSIONER BYRON: Second.

5 COMMISSIONER DOUGLAS: All in favor?

6 (Ayes.)

7 COMMISSIONER DOUGLAS: Item 1 is approved.

8 MS. JONES: Item 2, the Cambria Solutions contract is
9 an ARRA related contract.

10 COMMISSIONER DOUGLAS: Thank you. We're on Item 2,
11 Cambria Solutions, possible approval of Purchase Order 08-
12 409.00-015 for \$333,813 with Cambria Solutions.

13 Mr. Perez.

14 MR. PEREZ: Good morning, Chairman Douglas and fellow
15 Commissioners, my name's Pat Perez, Assistant Executive
16 Director for the Economic Recovery Program here at the
17 Energy Commission.

18 Today I'm before you to talk a little bit about the
19 Cambria Solutions Purchase Order for \$333,813, which will
20 provide staff with assistance to meet the Federal
21 requirements for accountability and transparency measures to
22 support the American Recovery and Reinvestment Act.

23 The work that is outlined in this contract complements
24 and supports the Recovery Act work that is currently being
25 accomplished through the Governor's California Economic

1 Recovery Task Force and the Office of the Chief Information
2 Officer.

3 I just want to make it real clear that the Energy
4 Commission does not intend, through this contract, to
5 purchase or build an automated system under this purchase
6 order. That effort will be undertaken by the Task Force and
7 the Chief Information Officer, so there is no duplication
8 with that.

9 Regarding the specifics of the contract, again, we are
10 going to be seeking their support and developing processes
11 for both recording and reporting performance measures
12 associated with the Act.

13 The Energy Commission is administering two programs,
14 the State Energy Program and the Energy Efficiency,
15 Conservation of Water Program, and there are specific
16 measures that we'll need to track that include such things
17 as jobs created, and retained energy savings, greenhouse gas
18 reductions, displacement of fossil fuels, and then also
19 funds leverage.

20 So the performance measure data collection will flow
21 down to all the sub-recipients of this funding, and which
22 requires that we collect this information and report it back
23 in a timely fashion to not only the Federal authorities, but
24 also the State, and certainly down the road to the auditors.

25 Additionally, Cambria Solutions will assist staff in

1 developing measures and tools to minimize or eliminate
2 potential fraudulent use of the Recovery Act funds. And
3 this effort will include risk assessment of the recipients
4 and ongoing tracking; so that we can detect early fraud and
5 address it early before it evolves into an issue.

6 So again, I'd like to encourage your support of this.
7 We do have the support of the Budget Management Committee.
8 And I have spoken to both the California Economic Recovery
9 Task Force Chair Cynthia Bryant, and Todd Ferrara, at
10 Natural Resources Agency regarding what is before you today.

11 So that concludes my remarks.

12 COMMISSIONER BYRON: Well, it seems as though this is a
13 very small percentage of the amount of funds that are going
14 to be going through this organization in a rather quick way,
15 and it would seem to me very prudent, on behalf of this
16 Commission, to make sure that we do the best that we can in
17 order to make sure that the funds are not spent fraudulently
18 or incorrectly. So I am wholly in favor of this.

19 Anytime something like this takes place, we always need
20 to prepare for the eventual search for the guilty that takes
21 place after this amount of money is spent, so I'm wholly in
22 favor of this.

23 CHAIRPERSON DOUGLAS: Thank you, Commissioner Byron.
24 And I agree with you. I fully concur that this is a very
25 small percentage of the amount of money that the Energy

1 Commission is actually administering and accountable to
2 report on. So I'm very pleased the staff has developed this
3 contract and very happy to have it before us today.

4 Are there any other comments or questions?

5 COMMISSIONER ROSENFELD: I move the item.

6 COMMISSIONER BOYD: Second.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 CHAIRPERSON DOUGLAS: This item's approved, thank you.

10 Item 3, Aspen Environmental Group, possible approval of
11 Contract 700-08-001 for \$18,636,00 for three years to
12 provide specialized engineering and environmental assistance
13 to energy Commission staff for the Siting, Regulatory and
14 Planning Program.

15 Please?

16 MS. JONES: And I would note that this is again one of
17 the mission critical -- I'm sorry, critical function that
18 the Energy Commission is performing.

19 CHAIRPERSON DOUGLAS: Ms. Allen.

20 MS. SNYDER: Good morning, Chairman Douglas and
21 Commissioners. I'm Adrienne Snyder, I'm the Administration
22 and Special Projects Manager for the Siting, Transmission
23 and Environmental Protection Division.

24 This contract will support Commission staff with
25 reviewing energy facility license applications, energy

1 facility compliance, transmission corridor designation, and
2 other planning and permitting related tasks to support
3 California's critical renewable energy and development
4 goals.

5 The Energy Commission has requested an exemption from
6 the Governor's Executive Order SO-909. Our exemption is
7 based, as Melissa said, on the circumstances that this
8 contract is for the provision of critical services and
9 functions.

10 And it states that the Energy Commission's peak siting
11 workload contract is critical to the Commission's ability to
12 process power plant applications in a timely manner given
13 the current work load, which we know is four times above the
14 historical average.

15 In certain technical areas, such as air quality, the
16 loss of the contract would severely impede our ability to
17 review applications and could mean a trebling in the amount
18 of time it takes to review applications given the absence of
19 experienced Civil Service air quality specialists in the
20 division.

21 Our need for contract support staff has never been
22 greater as we anticipate ten new applications to be filed
23 within the next three months. Six or seven of those are
24 expected to be solar projects. The solar projects must be
25 reviewed expeditiously to enable them to qualify for Federal

1 Stimulus money, as they must start construction no later
2 than December 1st, of 2010.

3 Failure to process power plant applications in a timely
4 manner poses challenges to the electric system reliability
5 which can be a threat to public health and safety.

6 Failure to process solar applications in a timely
7 manner also threatens our ability to meet the goals for the
8 Renewal Portfolio Standard and the Emission Reduction Goals
9 of AB 32.

10 So we are asking for approval to execute this contract
11 once our request for the exemption from the provisions of
12 the Executive Order is approved.

13 CHAIRPERSON DOUGLAS: Questions or comments?

14 COMMISSIONER BYRON: Yes. I'd like to also add that
15 this is an extremely important peak work support contract
16 for the Commission. The Siting Committee reviews this on a
17 regular basis, as I recall. Not as I recall, as I know.
18 This went out as a request for a proposal and this contract
19 was selected.

20 We have an enormous number of contracts before us. The
21 Executive Order intent is to accelerate some of the
22 projects, namely the renewables.

23 As I recall, as well, this is about four or five times
24 our normal workload, I believe you indicated that. And we
25 just can't keep adding the warm bodies, we also need to

1 manage this contract, and I know that's a limiting factor as
2 well.

3 I've discussed this with Mr. O'Brien and Ms. Allen, the
4 fact that staff has to manage and oversee all of this work.
5 So it's extremely important. It would be an enormous
6 setback for this Commission and for all the siting cases in
7 the State if we were not able to have this contract.

8 So I wholeheartedly support it. If there's no other
9 comments, I'd move the item.

10 CHAIRPERSON DOUGLAS: I will make a brief comment and
11 then turn to you to move the item. I want to concur with
12 Commissioner Byron, that Commissioner Byron and I are on the
13 Siting Committee, we both meet with staff regularly as part
14 of the Siting Committee and my observation is that the work
15 load that we have in siting is tremendous right now between
16 carrying out the Governor's Executive Order on Renewables,
17 doing the Landscape Water Conservation Plan, which is a
18 tremendously important initiative that also pushes our
19 staff, I think in some cases, out of their comfort area into
20 working on natural, you know, large Landscape Water
21 Conservation plan as well as looking at the impacts of
22 development on specific sites.

23 And on top of that trying to accelerate the siting and
24 processing of renewable facilities for stimulus and, on top
25 of that, dealing with a very high workload siting natural

1 gas plants.

2 This is a very important contract to our siting work.

3 COMMISSIONER BYRON: Ms. Allen, did you want to add
4 anything to this?

5 MS. ALLEN: No, you summed it up well, thank you.

6 COMMISSIONER BOYD: Well, I'll add to it then just by
7 joining the chorus here. Commissioner Douglas and I are on
8 the Budget Management Committee and even though the public
9 contract doesn't come to that Committee, the management of
10 the organization does and that's something that we talk
11 about quite a bit these days, in these tough times, with
12 this workload.

13 This Agency doesn't historically staff for peak
14 workload. You've heard the magnitude of the peak. It's not
15 only an issue of just accelerating renewables and complying
16 with the Executive Order, it's just the overall workload and
17 it's in these tough times, economically.

18 Nonetheless, there's tremendous pressure to develop
19 energy facilities which are important to, let's say, and
20 fueling the California economy.

21 And we're already getting a lot of criticism from
22 representatives of applicants across the street for our
23 inability to keep up with the workload. I think the staff
24 does an incredible job in the face of that workload, but we
25 couldn't -- we couldn't process practically at all if we did

1 not provide for outside resources to cover these peaks. And
2 you've just heard the magnitude of the peak, four times the
3 normal.

4 So this is a lot of money in these tough times, but the
5 ripple effect of not doing this would impact California and
6 its economy, orders of magnitude more than the money that's
7 being spent here.

8 So if you need any encouragement with regard to why
9 it's important to do this, I'll just add my vote to support
10 for this activity.

11 CHAIRPERSON DOUGLAS: Do you have a motion?

12 COMMISSIONER BYRON: Yes, Madam Chair, I'd move Item 3.

13 COMMISSIONER ROSENFELD: I second it.

14 CHAIRPERSON DOUGLAS: All in favor?

15 (Ayes.)

16 CHAIRPERSON DOUGLAS: Item 3 is approved. Thank you.

17 Item 4, Lawrence Berkeley National Laboratory.

18 Possible approval of Contract 500-08-052 for \$1,959,879 with
19 Lawrence Berkeley National Laboratory to develop an improved
20 software tool to track and verify building energy savings.

21 MS. JONES: And this contract leverages other Federal
22 funds and, as such, we have applied for an exemption for
23 this contract.

24 CHAIRPERSON DOUGLAS: Thank you. Mr. Scruton.

25 MR. SCRUTON: Good morning, Commissioners, I'm Chris

1 Scruton with the PIER Buildings Team.

2 And in June 2008 the PIER Buildings Efficiency Program
3 released an RFP, request for proposals, for technical
4 innovations in buildings in communities.

5 They received 31 proposals, of these 13 passed the
6 final screening, and ten projects were recommended for
7 funding by the R&D Committee in early 2009.

8 This project was ranked number two by the Scoring
9 Committee.

10 What this project would do is develop free, publicly
11 available, and much-needed tools for commissioning agents to
12 enable commercial buildings to work as efficiently as
13 possible, particularly, heating ventilation and air
14 conditioning systems in there.

15 It builds on a large investment that PG&E has made in a
16 software tool called the Universal Translator. And what the
17 UT does is it enables time-based information from disparate
18 sources to be merged together. Sounds easy, but it's not.

19 The software platform, though, needs improving to allow
20 additional features to be added.

21 So what this project would do is add an application
22 programming interface to the Universal Translator, and then
23 scientists from the National Institute of Standards and
24 Technology would further develop diagnostic tools, which
25 were developed in an earlier PIER program, but they would

1 add to those tools, and these would be to detect faults in
2 air handlers and air terminal equipment, and these would be
3 added to the Universal Translator.

4 Scientists from Lawrence Berkeley Labs would develop
5 diagnostic tools for duct leakage and fan problems, and add
6 these to the Universal Translator.

7 And then engineers from Quest Consulting would develop
8 measurement verification tools which evaluate energy savings
9 based on statistical analysis of measured data and add these
10 to the Universal Translator.

11 So with this project there is a significant amount of
12 co-funding from NIST of about \$400,000, and from PG&E of
13 about \$873,000. The U.S. Department of Energy has committed
14 \$500,000 for projects to be conducted at Lawrence Berkeley
15 Labs contingent on this project. And the LVL Researchers
16 also expect an additional approximately \$1 million of
17 projects for ARRA funding to come from DOE.

18 There are significant energy benefits to California, a
19 potential of 10 to 30 percent HVAC energy savings in large
20 systems, which amounts to 170 to 410 megawatts by the
21 estimates of the researchers.

22 And so we think this is a very good project, deserving
23 of funding. And I'd be pleased to try to answer any
24 questions.

25 CHAIRPERSON DOUGLAS: Questions?

1 COMMISSIONER BYRON: No.

2 COMMISSIONER ROSENFELD: I move the item.

3 COMMISSIONER BYRON: I'll second it.

4 CHAIRPERSON DOUGLAS: All in favor?

5 (Ayes.)

6 CHAIRPERSON DOUGLAS: The item's approved, thank you.

7 Moving on then to Item 10, Los Angeles Community
8 College District, possible approval of Grant PIR-08-031 for
9 \$2 million to Los Angeles Community College District for
10 energy efficiency upgrades and curriculum development.

11 Mr. Koyama.

12 MS. JONES: And I would just add before we start that
13 this item we are seeking clarification on. This is an
14 interagency agreement and so we need some additional
15 information provided before we can move forward with this.

16 CHAIRPERSON DOUGLAS: So this is obviously a contingent
17 approval based on the possibility or probability that
18 Finance will find this is a qualifying interagency
19 agreement?

20 MS. JONES: Correct.

21 CHAIRPERSON DOUGLAS: Thank you.

22 MR. KOYAMA: Good morning, Commissioners. I'm Ken
23 Koyama, Manager of the Energy Generation Research Office, in
24 the Research Development Division.

25 This first agreement and the next five are a result of

1 our Renewable Energy Secured Community solicitation. The
2 Los Angeles Community College District will demonstrate an
3 integrated renewable technology approach at the Los Angeles
4 Trade Tech College, which currently serves 15,000 students.
5 Their goal is to offset 96 percent of their energy
6 consumption during peak demand and develop certification
7 programs and educational curricula for their students.

8 They plan to install about 1.1 megawatts of solar
9 photovoltaic, have a 250 kilowatt hour lithium ion battery
10 system, install solar thermal for hot water storage,
11 retrofit their lighting with LEDs, and have a fully
12 integrated package put on campus.

13 We request your approval for this project.

14 COMMISSIONER BOYD: Question, Mr. Koyama. Would this,
15 in effect, present itself as a model for other campuses to
16 mimic, community college, or even other school campuses,
17 university or otherwise in terms of what might be done?

18 MR. KOYAMA: We certainly hope so. We think that
19 they've a very ambitious program and they're looking to get
20 additional Federal funding, as well, to expand their
21 program.

22 COMMISSIONER BOYD: It sounds very ambitious, very
23 good, I think.

24 COMMISSIONER BYRON: I'll also note there's a public
25 awareness and community outreach task on it, Commissioner,

1 which should be helpful in its success.

2 COMMISSIONER BOYD: So this did come to the Research
3 Committee, so I'll move approval.

4 COMMISSIONER ROSENFELD: Second.

5 CHAIRPERSON DOUGLAS: All in favor?

6 (Ayes.)

7 CHAIRPERSON DOUGLAS: This item's approved.

8 MS. JONES: The next four contracts that are before you
9 all fall into the category of local government assistance
10 and we are seeking exemptions for these four.

11 CHAIRPERSON DOUGLAS: Okay, thank you. Item 11, Sonoma
12 County Water Agency, possible approval of Grant PIR-08-038
13 for \$1 million to Sonoma County Water Agency to develop and
14 demonstrate a model that integrates five mature renewable
15 resources and conversion technologies with efficiency
16 measures and demand response.

17 Mr. Koyama.

18 MR. KOYAMA: Thank you. This is a demonstration
19 project at the Sonoma County Wastewater Treatment Facility.
20 Here, this again is another integrated renewable technology
21 program demonstration project. They'll install a geothermal
22 heat pump system using treated waste water to reduce heating
23 and cooling costs.

24 They're going to install 500 kilowatts of photovoltaic,
25 ten kilowatts of wind turbine to power both the wastewater

1 treatment facility and electric vehicle charging stations.

2 They'll install an anaerobic digester from manure from
3 the surrounding dairies. The biogas will be used to power
4 the 10-kilowatt fuel cell.

5 They also plan to install a number of building and
6 conservation measures to maximize their energy efficiency.
7 And again, this is another integrated program of a central
8 integrated system to manage all of these various
9 technologies.

10 CHAIRPERSON DOUGLAS: Questions?

11 COMMISSIONER ROSENFELD: I move the item.

12 COMMISSIONER BOYD: Second.

13 CHAIRPERSON DOUGLAS: All in favor?

14 (Ayes.)

15 CHAIRPERSON DOUGLAS: That item's approved.

16 Item 12, Southern California Edison, possible approval
17 of Grant PIR-08-037 for \$200,000 to Southern California
18 Edison for a study of high penetration of renewable energy
19 on Santa Catalina Island.

20 And Mr. Koyama, in your descriptions item it would be
21 helpful if you could talk about how this is local
22 assistance.

23 MR. KOYAMA: Okay. Although this contract is intended,
24 is headed towards Southern California Edison, this project
25 is to plan for a renewable energy portfolio on Santa

1 Catalina Island. This was at the request of the Island
2 governance and so the Southern California Edison is taking
3 the lead on this.

4 This is a project where they hope to offset some of the
5 electricity that's generated purely from diesel generators
6 on the Island and with renewable energy. Their hope is to
7 put together a plan that will show what kind of resources
8 there are for renewable energy on Santa Catalina Island,
9 what they need to do to meet mission requirements, and
10 reduce their high electricity production costs, et cetera.

11 So we request approval of this project as well.

12 CHAIRPERSON DOUGLAS: Questions?

13 COMMISSIONER BYRON: Well, I just had a comment. I
14 suspect many of us have been to Santa Catalina Island and,
15 of course, when I was there, you know, 35 years ago, I
16 remember inquiring as to where they get their power.

17 Islands represent a really interesting micro-grid and a
18 great study to understand how renewables can be incorporated
19 and the kind of affect they would have certainly on a small
20 scale, and then give us a better sense on a large scale.

21 I think my comment, I'll expand my comment to this and
22 the last two, the previous two projects, it seems to me that
23 the Renewables Committee gets all the great projects. These
24 are all very good projects, I'm very much in support of them
25 and I think this one's going to be a very interesting one,

1 so I would certainly endorse it.

2 COMMISSIONER BOYD: Mr. Koyama, I wanted to ask if this
3 project has any potential to and the money, therefore, that
4 we put up has any potential to leverage and attract any
5 economic stimulus money or other Federal grant funds to
6 assist in projects like this, which are to demonstrate,
7 improve both renewables and almost, almost a form of
8 sustainability since it is a quote, micro-grid island type
9 community, it offers potential to demonstrate to other non-
10 island communities what potential they might have.

11 MR. KOYAMA: I should make it real clear here that this
12 particular project is intended to produce a strategic plan
13 on putting the technologies on the Island. It doesn't
14 necessarily mean that those technologies will be put on the
15 Island, itself.

16 What we had hoped to do with a number of these programs
17 is to give local governments an opportunity to see what it
18 would take to put renewable energy technology there. That
19 was the purpose of this particular project here, not
20 necessarily to put on renewable energy technologies.

21 And we hope that they would find that there's enough
22 promise in doing that, that they will go after Federal
23 funds, whatever form it takes. And I suspect they'll come
24 back to us as well.

25 And I've never been to Santa Catalina Island, so I'm

1 looking forward to a field trip there.

2 COMMISSIONER BOYD: What kind of contribution is Edison
3 making to this project?

4 MR. KOYAMA: I don't have the breakdown with me, but
5 there is a match there of \$450,000 that will be on top of
6 our \$250,000.

7 Southern California Edison will have subcontractors of
8 Oakridge National Lab and USC to help provide us with the
9 actual resource assessment and modeling of integrating these
10 energy technologies on the Island.

11 COMMISSIONER BOYD: Okay, thank you.

12 COMMISSIONER BYRON: That's a good question,
13 Commissioner, seeing as that apparently other Southern
14 California Edison ratepayers help subsidize costs on Santa
15 Catalina Island.

16 COMMISSIONER BOYD: Well, I think Edison would have
17 some incentive to see if they can't improve the situation
18 out there.

19 Okay, I'll move approval.

20 COMMISSIONER ROSENFELD: Second.

21 CHAIRPERSON DOUGLAS: All in favor?

22 (Ayes.)

23 CHAIRPERSON DOUGLAS: That item's approved.

24 Item 13, Local Power, Incorporated, possible approval
25 of Grant PIR-08-032 for \$198,167 to Local Power,

1 Incorporated to facilitate local renewable energy
2 development in San Luis Obispo County.

3 Mr. Koyama.

4 MR. KOYAMA: This, again, goes to a consulting firm for
5 the purpose of helping San Luis Obispo County put together a
6 plan for installing renewable energy technologies. This
7 plan will do an inventory of what renewable energy resources
8 there are in San Luis Obispo County, what barriers they need
9 to overcome to install renewable energy technologies and how
10 much the cost would be for renewable energy in San Luis
11 Obispo County.

12 We, again, request your approval for this project.

13 COMMISSIONER BYRON: Another good project. I move the
14 item.

15 COMMISSIONER BOYD: I'll second it and just comment, I
16 hope we kind of camp on these communities downstream of
17 these projects, if the results show that there are really
18 good possibilities, I hope we prod them into finding ways to
19 actually implement. And I got concerned when we're planning
20 for Catalina, but there's not a lot of assurance for
21 implementation, although I'm sure we can talk to Edison
22 about trying to do something about it as well as the local
23 people.

24 Here's another area where, hopefully, staff in the
25 future will push real hard and let us know where that

1 situation stands to see if we can help in any way.

2 MR. KOYAMA: Yeah, we certainly will.

3 COMMISSIONER BOYD: So I'll second.

4 CHAIRPERSON DOUGLAS: All in favor?

5 (Ayes.)

6 CHAIRPERSON DOUGLAS: That item's approved.

7 Item 14, Redwood Coast Energy Authority, possible
8 approval of Grant PIR-08-034 for \$199,988 to Redwood Coast
9 Energy Authority to develop a strategic energy plan for
10 Humboldt County.

11 MR. KOYAMA: Redwood Coast Energy Authority is a joint
12 power authority in Humboldt County. Their goal is to meet
13 75 to 100 percent of their electricity demand with renewable
14 resources developed from local resources.

15 A significant fraction of heating and transportation
16 energy needs they hope to also accomplish with this plan.

17 They will take a look, again, at the inventory of the
18 available renewable energy there, what kind of barriers they
19 expect to face, what are the economics, the development
20 structure, financing, power, ownership options, et cetera.

21 So this will be a fairly comprehensive plan to Humboldt
22 County for a fairly ambitious goal.

23 CHAIRPERSON DOUGLAS: Questions or comments?

24 COMMISSIONER BOYD: Another good project, move
25 approval.

1 COMMISSIONER ROSENFELD: Second.

2 CHAIRPERSON DOUGLAS: All in favor?

3 (Ayes.)

4 CHAIRPERSON DOUGLAS: That item's approved, Mr. Koyama.

5 MR. KOYAMA: Thank you.

6 CHAIRPERSON DOUGLAS: We are moving past Items 15 and
7 16 and onto Item 17. Committee assignment for Avenal Energy
8 Project, 08-AFC-01, possible appointment of Chairman Karen
9 Douglas as Associate Member of the siting Committee for the
10 Avenal Energy Center Project, replacing Commissioner
11 Rosenfeld.

12 MR. RENAUD: Good morning, Chair Douglas,
13 Commissioners, I'm Raoul Renaud from the Hearing Office.
14 The Commission is authorized to appoint committees pursuant
15 to Section 25211 of the Public Resources Code, and Title 20,
16 Section 1204 of the California Code of Regulations.

17 In April of 2008 the Commission appointed a committee
18 for the Avenal Energy Project, with Commissioner Byron as
19 the Presiding Member and Commissioner Rosenfeld as the
20 Associate Member.

21 Since that time Chair Douglas has indicated an interest
22 in participating actively in that proceeding and I
23 understand that Commissioner Rosenfeld has kindly offered to
24 yield his position on that committee to her.

25 COMMISSIONER ROSENFELD: You bet.

1 COMMISSIONER BYRON: I don't get offers like that.

2 MR. RENAUD: So before you is simply to vote on making
3 that substitution. Commissioner Byron would continue to
4 serve as the presiding member of the committee.

5 CHAIRPERSON DOUGLAS: Thank you, Mr. Renaud. And can
6 we please hear from the applicant?

7 MS. LOCKHART: Hello, Jane Lockhart here, on behalf of
8 Avenal just today. And we would just like to thank
9 Commissioner Rosenfeld for his service on the committee this
10 far and we welcome the addition of Commissioner Douglas to
11 the committee as well.

12 CHAIRPERSON DOUGLAS: Thank you.

13 COMMISSIONER BYRON: And I do as well.

14 COMMISSIONER BOYD: I'll move approval as the
15 unaffected member.

16 COMMISSIONER ROSENFELD: Second.

17 CHAIRPERSON DOUGLAS: All in favor?

18 (Ayes.)

19 CHAIRPERSON DOUGLAS: That item is approved.

20 Item 18. It isn't that often, is it, that we jump to
21 get on siting cases but this is a very important case, it's
22 one that I am very interested in and very pleased to
23 participate in.

24 Item 18, 2010 peak demand forecast. Possible approval
25 of a revised forecast of 2010 peak demand.

1 Ms. Bender.

2 MS. BENDER: Good morning, Chairman Douglas,
3 Commissioners.

4 As you well know, the Energy Commission's on and two
5 demand forecast serves as the reference case for a year
6 ahead monthly peak demand forecast in the PUC's resource
7 adequacy proceeding.

8 In March 2009 this Commission adopted a revised
9 forecast of 2010 peak demand for the ISO to use in their
10 local capacity requirement study.

11 Because of the ISO schedule that revision had to be
12 based on the 2007 IEPR demand forecast.

13 For the subsequent CPUC system resource adequacy
14 requirements, staff indicated that they would revisit this
15 2010 peak demand forecast using the newer 2009 IEPR forecast
16 draft.

17 In an IEPR workshop on May 21st, staff presented
18 preliminary statewide energy and peak demand forecasts for
19 Pacific Gas and Electric, San Diego Gas and Electric, and
20 Southern California Edison service areas using that draft
21 2009 forecast.

22 Because the May revision incorporated a lower economic
23 outlook and greater impacts from the utilities' 2009-2011
24 proposed energy efficiency programs than the 2007 forecast
25 did, demand showed a large decline in 2010.

1 At that workshop staff compared preliminary forecasts
2 with 2008 and '09 actual loads and temperatures and with the
3 utilities' forecasts.

4 The major discussion centered on the staffs' forecast
5 decline for the 2009 loads compared to what we were seeing
6 in 2008 weather normalized loads.

7 So consequently, based on comments received during and
8 after that workshop, and staffs' own analysis, staff has
9 prepared a revised 2010 peak demand forecast to serve as
10 that basis for the 2010 resource adequacy system
11 requirement.

12 While this resulting 2010 peak forecast is still much
13 lower than the 2007 IEPR forecast, this revised 2010
14 forecast does reflect continuing increases in weather
15 sensitive load that is being seen, especially residential
16 air conditioning, which offsets declines in the base load
17 originating in the industrial sector and residential and
18 commercial non-weather sensitive loads.

19 So the revised 2010 peak forecast was discussed with
20 the Electricity and Natural Gas Committee on June 10th. The
21 supporting 2010 to 2020 new draft forecast has been
22 docketed, distributed and posted on June 18th, and we are now
23 requesting adoption of the revised draft IEPR 2010 peak
24 values for PG&E, SCE, and San Diego for the 2010 resource
25 adequacy reference case.

1 CHAIRPERSON DOUGLAS: Questions?

2 COMMISSIONER BYRON: If I may, this came before
3 Electricity and Natural Gas and, you know, the staff does
4 such a good job of trying to put their arms around all of
5 the variables that are involved in predicting the future and
6 I don't know if we get it right very often, but this is a
7 great example of where there are variables outside our
8 control.

9 This is a quite -- this forecast, if you look at it,
10 has a very depressing aspect to it and that is the economy
11 has certainly plummeted and it's reflected in the demand for
12 electricity and the peak demand. And we actually also
13 discussed a benefit from all of this in a workshop
14 yesterday, our percentage of renewables will likely go up as
15 a result of this plummeting forecast -- of this plummeting
16 demand forecast.

17 But I think the staff's done a very good job. We got
18 good input from the investor-owned utilities and, indeed,
19 they worked with the staff to reflect some changes in the
20 result, and this has been worked with the ISO as well.

21 So I would recommend to my fellow Commissioners that
22 they endorse it, but they may have some questions.

23 COMMISSIONER BOYD: Well, just some very new math you
24 utilized, let's see, a small percent of a smaller number
25 equals a larger number. That was the progress we made on

1 renewables.

2 But anyway, I'll second here.

3 CHAIRPERSON DOUGLAS: I'll just comment that this is
4 not exactly the kind of demand management that we probably
5 had in mind to contribute to meeting the RPS. And on the
6 other hand the accurate demand forecast is very important
7 for many reasons.

8 So with that I'll call the vote; all in favor?

9 (Ayes.)

10 CHAIRPERSON DOUGLAS: This item's approved. Thank you,
11 Ms. Bender.

12 Item 19, minutes. Approval of the June 17th, 2009
13 business meeting minutes.

14 COMMISSIONER ROSENFELD: I move the minutes.

15 COMMISSIONER BOYD: Second.

16 CHAIRPERSON DOUGLAS: All in favor?

17 (Ayes.)

18 CHAIRPERSON DOUGLAS: Item 20, Commission Committee
19 Presentations or a Discussion. Are there any presentations?

20 COMMISSIONER BYRON: I'd like to give a short report on
21 a site visit that Commissioner Boyd and I, and a number of
22 our staff were able to make on Monday, following an initial
23 Siting Committee visit to a power plant, one of our siting
24 cases. And that was we went to the SEGS project, out near
25 Kramer Junction, which I believe stands for the Solar Energy

1 Generating Station.

2 I don't remember which number it is, but it's --

3 COMMISSIONER BOYD: Weren't we at eight and nine or
4 something like that?

5 COMMISSIONER BYRON: Eight and nine, that's correct.
6 But it's a plant that was built in the early eighties and
7 represents about 160 megawatts of solar power. I had always
8 wanted to go to one of these and see it.

9 It was really quite impressive. It was a good solar
10 day, it was generating in excess of a hundred percent. In
11 fact, we learned a lot on how they have to de-focus mirrors
12 in order to throttle back and keep their temperatures below
13 acceptable limits.

14 This plant's been operating for a long time; they've
15 seen very little deterioration in its performance as a
16 result of the hazing that tends to take effect on glass over
17 a period of time.

18 I was quite impressed and I was pleased that our staff
19 suggested that we forego dinner in order to squeeze this
20 into the time schedule.

21 But I was also reminded of one little thing as well
22 that we forget about, about these large, solar, be they
23 photovoltaic or concentrating, these power plants are made
24 out of glass and they're fragile.

25 And it was interesting to see, after 20 years of

1 operation, this plant was still performing quite well. I
2 thought it very encouraging that this technology has great
3 potential, as we see all these large power plant siting
4 cases come before us.

5 COMMISSIONER BOYD: Well, I would just concur that it
6 was quite interesting. And yes, the mirrors are glass and,
7 yes, they have a change-out program and, yes, they are --

8 COMMISSIONER ROSENFELD: They have a what program?

9 COMMISSIONER BOYD: Change-out program for -- they do
10 suffer a fair amount of wind damage, a decent amount of
11 breakage. And over the years new technologies for forming
12 mirrors, coating mirrors and just for operating the plant
13 have evolved, that they've applied.

14 And as Commissioner Byron said, it's been there for a
15 long, long time and it's done quite good. It's supplemented
16 with the natural gas on site facility.

17 This is the height, the peak sun season of the year and
18 so they presume they'd be generating electricity at least to
19 seven o'clock. Well, it begins to drop off about 7:00 p.m.,
20 but with gas heat augmentation they stay online until 11:00
21 p.m. at night.

22 And like I say, this is SEGS 89, they're -- we're only
23 part-way to Kramer Junction, or we're at Kramer Junction
24 where some of the original ones that also are doing quite
25 well.

1 So it was encouraging to see that this technology had
2 promise, has promise and, hopefully, foretells the other
3 successes we'll have with the concentrating solar
4 technology, as long as we can address the various
5 environmental and land use issues that admittedly do fact us
6 as we do these siting cases.

7 COMMISSIONER ROSENFELD: How many megawatts, again?

8 COMMISSIONER BOYD: It was 160 megawatts. There are
9 two 80 megawatt plants on site, which is why they call it
10 SEGS 8 and SEGS 9.

11 COMMISSIONER BYRON: So I'd like to thank my advisor,
12 Kristy Chew, for making sure that that stayed on the
13 schedule and we got out there on Monday.

14 COMMISSIONER BOYD: And Ms. Allen, who arranged, and
15 her crew who arranged for a gentleman to stay, actually
16 stayed past his working hours to host us.

17 CHAIRPERSON DOUGLAS: That's great. Other reports?
18 Let's go onto Item 21, Chief Counsel's report.

19 MR. CHAMBERLAIN: Thank you, Madam Chairman. I know
20 I've mentioned to the Commission many times how proud I am
21 of the legal office that serves you. And just as an index
22 or an indication of how wonderful an office this is, if we
23 look at the kinds of law students that try to compete for
24 the opportunity to serve us as interns during the course of
25 the year and during the summer.

1 I'm proud to say that this summer we have two interns
2 from my alma mater, Boalt Hall School of Law, otherwise
3 sometimes known as Berkeley Law.

4 One of them was in the audience, or was in the
5 audience, I guess she left.

6 COMMISSIONER BYRON: Just she's only left the meeting.

7 MR. CHAMBERLAIN: Yes, she probably went back to work.

8 The other one had to take last Friday off, and we gave
9 him that time off because he needed to go and defend his PhD
10 thesis in the economics of interstate compacts. So we now
11 refer to him as "Dr. Map."

12 Thank you, that's all.

13 CHAIRPERSON DOUGLAS: Thank you. Executive Director's
14 report.

15 MS. JONES: I would just like to report on a couple of
16 ARRA activities. Let's see, the Block Grant application is
17 due tomorrow. We've worked closely with the Resources
18 Agency, the Governor's Office, and others to include their
19 comments.

20 We are scheduling a Block Grant workshop; this is under
21 the OII for developing guidelines, on July 7th.

22 We should be hearing from DOE, hopefully this week, on
23 our SEP application filed earlier in May.

24 And the guidelines development is in process and will
25 be ought for SEP for workshops the second week of July.

1 CHAIRPERSON DOUGLAS: Great, thank you very much. And
2 when you say we hope to hear from DOE on our SEP
3 application, we hope to get approval of the application?

4 MS. JONES: Yes, yes.

5 CHAIRPERSON DOUGLAS: And does that trigger the first
6 half of the funding to come to the Energy Commission?

7 MS. JONES: Yeah, I believe it does, but I can't recall
8 the timeline.

9 CHAIRPERSON DOUGLAS: Thank you very much.
10 Public Adviser's report?

11 MS. MILLER: I just wanted to report that yesterday I
12 was in Avenal for the annual workshop and I think it went
13 very well. And it was my first chance to be in that
14 community and to work with the people. And I wanted to let
15 you know that it was an interesting event for me, as Public
16 Adviser, because what I saw there is something that I've
17 seen more often in our cases and that is an awareness by
18 local people, not just about the case that's in their
19 community, but about things like the RPS and the push to get
20 closer to those goals.

21 It's intriguing to me every time I see local people
22 that are struggling financially in their communities, with
23 their own circumstances, ask questions about things that are
24 very specific, such as the RPS.

25 And it's encouraging to me to see that people are

1 dialed in and that they are trying to comprehend the big
2 picture, beyond just what's going on in their neighborhood
3 or their community.

4 So I find that encouraging and I think that all of us
5 benefit from those types of comments and the participation
6 that we're having at our workshops. And so it was a good
7 day. That's all I have to say.

8 CHAIRPERSON DOUGLAS: Thank you. Thanks for reporting.

9 MS. MILLER: Thank you.

10 COMMISSIONER BOYD: It may be a reflection on the good
11 work of your office.

12 MS. MILLER: Thank you, Commissioner.

13 COMMISSIONER BOYD: I think Commissioner Byron and I
14 had the similar experience in the siting case he referenced,
15 on Monday, again in the desert, concentrating solar plant, a
16 fairly substantial turn out of folks who were interested,
17 concerned, and had a fair amount of knowledge.

18 Your outreach is working, so very --

19 MS. MILLER: Thank you. I want to thank Loreen
20 McMahon, the Associate Public Adviser. I know that she was
21 there with you and I have also heard great things about that
22 event on Monday. And we have had a great deal of work and
23 interest that Loreen has managed for that case.

24 A great deal of people I know wanted to attend and I
25 think at the last minute even more people showed up. So

1 thank you, Commissioner, that's all I have.

2 CHAIRPERSON DOUGLAS: Well, thank you for your good
3 work.

4 MS. MILLER: Thank you.

5 CHAIRPERSON DOUGLAS: Item 24, is there any public
6 comment?

7 Seeing none, this meeting's adjourned. Thank you.

8 (Whereupon, at 10:52 a.m., the Business
9 Meeting was adjourned.)

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