

STATE OF CALIFORNIA
California Energy Commission

Minutes of the April 21, 2010, Energy Commission Business Meeting.

The meeting was called to order at 10:05 a.m. by Chairman Karen Douglas. The Pledge of Allegiance was led by Chairman Douglas.

Present:

Karen Douglas, Chairman

Anthony Eggert, Commissioner

Jeffrey D. Byron, Commissioner

Robert B. Weisenmiller, 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. ENERGY BOARD. Possible approval of Contract 150-09-005 for \$18,000 to continue the Energy Commission's membership in the Western Interstate Energy Board for one year. (ERPA funding.) Contact: Grace Anderson.
 - b. DEPARTMENT OF MENTAL HEALTH. Possible approval of an amendment to Agreement 002-09-ECD to extend the period of an existing \$1.6 million loan to the Department of Mental Health. This loan was approved at the Energy Commission's August 26, 2009, Business Meeting to repair and replace broken steam pipes in the Metropolitan State Hospital's steam distribution system. The simple payback for this project is 10 years based on the energy cost savings. Contact: Haile Bucaneg.

Item 1a was removed from the agenda. Commissioner Byron moved and Commissioner Eggert seconded approval of Item 1b. The vote was unanimous. (4-0)

2. LODI ENERGY CENTER (08-AFC-10). Possible adoption of the Presiding Member's Proposed Decision on the Lodi Energy Center. The Lodi Energy Center is a natural gas-fired, combined-cycle nominal 255 megawatt power plant to be located on 4.4 acres of land owned and incorporated by the City of Lodi and approximately two miles north of the City of Stockton. Contact: Ken Celli. (10 minutes)

Commissioner Byron moved and Commissioner Weisenmiller seconded adoption of the Proposed Decision and accompanying Errata. The vote was unanimous (4-0)

3. HUMBOLDT BAY GENERATING STATION. Possible approval of a petition to amend 101 air quality and two public health conditions of certification to match North Coast Unified Air Quality Management District modifications to two permits: the Title V Permit to Operate and the Authority to Construct/Temporary Permit to Operate. The revisions would not change emission limits; however, would change how PG&E demonstrates compliance. Contact: Chris Davis. (10 minutes)

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

4. COUNTY OF SACRAMENTO. Possible approval of Contract 400-09-013 for \$16,499,050 with the County of Sacramento to establish CaliforniaFIRST as the first

statewide AB 811 municipal financing program designed to increase the adoption of energy efficiency and renewable energy products, services and practices throughout California. (ARRA SEP funding.) Contact: Angela Gould. (5 minutes)

Commissioner Weisenmiller moved and Commissioner Byron seconded approval of Contract 400-09-013. The vote was unanimous. (4-0)

5. FIRSTCARBON SOLUTIONS. Possible approval of Contract 400-09-020 for \$874,559 with FirstCarbon Solutions to provide rebate processing services to the Energy Commission for the California Cash for Appliance Program. The State of California is participating in the State Energy Efficient Appliance Rebate Program administered by the Department of Energy and funded by the American Recovery and Reinvestment Act of 2009. This program is to provide rebates to eligible California consumers for the purchase of qualified, energy efficient home appliances. (ARRA funding.) Contact: Lorraine White. (5 minutes)

Commissioner Eggert moved and Commissioner Byron seconded approval of Contract 400-09-020. The vote was unanimous. (4-0)

6. COUNTY OF SAN BENITO. Possible approval of Agreement 025-09-ECE-ARRA for a \$125,000 loan to the County of San Benito to install a new 60 ton chiller, retrofit lighting and replace street lights with energy efficient induction lamps. This project is estimated to save about \$20,971 annually, with a simple payback of six years. (ARRA funding.) Contact: Karen Perrin. (5 minutes)

Commissioner Byron moved and Commissioner Eggert seconded approval of Agreement 025-09-ECE-ARRA. The vote was unanimous. (4-0)

7. CITY OF HOLLISTER. Possible approval of Agreement 027-09-ECE-ARRA for a \$30,868 loan to the City of Hollister for energy efficiency upgrades. This loan helps replace oversized, 30-year-old HVAC with 24.5 ton high efficiency HVAC systems with economizers on the roof of the Hollister Community Center. This project will save the city approximately \$2,953 annually, with a simple payback of 10.5 years. (ARRA funding.) Contact: Akasha Khalsa. (5 minutes)

Commissioner Byron moved and Commissioner Eggert seconded approval of Agreement 027-09-ECE-ARRA. The vote was unanimous. (4-0)

8. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT AWARDS. Possible approval of 19 Energy Efficiency and Conservation Block Grant (EECBG) Program grant agreements awarding \$2,791,346 in American Recovery and Reinvestment Act of 2009 funds. These awards provide grant funding to eligible small cities and counties in California to install eligible cost-effective energy efficiency retrofits within their jurisdictions. The EECBG program allows for the purchase and installation of specific energy efficiency measures. The following proposals are Direct Equipment Purchase projects. Contact: Deborah Godfrey. (10 minutes)
 - a. CITY OF FARMERSVILLE. Grant agreement CBG-09-073, awarding \$57,350 to replace 40.5 tons of air conditioning from 1985 with modern, efficient units;

install six energy-saving LED Exit signs, upgrade lighting and heating controls, and replace 130 inefficient T12 fluorescent fixtures with efficient T8 fluorescent fixtures.

- b. CITY OF DIXON. Grant agreement CBG-09-037, awarding \$97,561 to retrofit existing street lights with more energy efficient LED lighting.
- c. CITY OF SAN JUAN BAUTISTA. Grant agreement CBG-09-075, awarding \$25,000 to replace existing High Pressure Sodium street lights and Incandescent street lights located within the public right of way with Induction lights.
- d. CITY OF GRIDLEY. Grant agreement CBG-09-097, awarding \$35,407 to update 57 of the city's high pressure sodium streetlights to LED.
- e. CITY OF BIG BEAR LAKE. Grant agreement CBG-09-096, awarding \$34,836 to replace 57 high pressure sodium and metal halide parking lot lights with LED lights. In addition, the City of Big Bear Lake proposes to replace 263 32-watt T8 lamps with 28-watt T8 lamps and replace 35 timed lighting controls with dual technology occupancy sensors.
- f. CITY OF GONZALES. Grant agreement CBG-09-074, awarding \$47,225 to retrofit existing streetlights with more energy efficient induction lighting.
- g. COUNTY OF MERCED. Grant agreement CBG-09-021, awarding \$511,566 to replace existing metal halide, high pressure sodium lighting with energy efficient induction lighting and replace high watt fluorescent lighting in public parking lots with low watt fluorescent lighting.
- h. CITY OF SHASTA LAKE. Grant agreement CBG-09-099, awarding \$58,555 to install four variable frequency drives (VFD) on existing pumps at two city lift stations. The VFDs will be installed on two 200-hp pumps and two 75-hp pumps.
- i. CITY OF EL PASO ROBLES. Grant agreement CBG-09-028, awarding \$156,083 to replace high pressure sodium vapor street lights with LED lighting fixtures.
- j. COUNTY OF SAN JOAQUIN. Grant agreement CBG-09-010 awarding \$836,781 to install HVAC upgrades and variable frequency drives.
- k. CITY OF LEMOORE. Grant agreement CBG-09-050, awarding \$136,469 to replace high pressure sodium vapor street lights with LED lighting fixtures.
- l. CITY OF MILLBRAE. Grant agreement CBG-09-094, awarding \$112,630 to replace high pressure sodium vapor street lights with LED lighting fixtures.
- m. CITY OF BEAUMONT. Grant agreement CBG-09-041, awarding \$172,103 to upgrade interior and exterior lighting, and HVAC units, as well as install programmable thermostats.

- n. CITY OF MENLO PARK. Grant agreement CBG-09-040, awarding \$163,154 to replace high pressure sodium vapor street lights with LED lighting fixtures.
- o. CITY OF SIGNAL HILL. Grant agreement CBG-09-068, awarding \$60,853 to replace eight standard efficiency motors in water wells located throughout the city totaling 910 horse power with premium efficiency motors.
- p. CITY OF BRISBANE. Grant agreement CBG-09-087, awarding \$25,000 to replace high pressure sodium vapor street lights with LED lighting fixtures
- q. CITY OF LA PALMA. Grant agreement CBG-09-083, awarding \$85,346 to replace HVAC units at City Hall and the police department, as well as upgrade interior and exterior light fixtures and install occupancy sensors.
- r. CITY OF SONORA. Grant agreement CBG-09-098, awarding \$7,500 to replace two furnaces at the police department.
- s. Northern California Power Agency Collaborative. Grant agreement CBG-09-102 awarding \$167,927 for the cities of Biggs, Healdsburg, and Ukiah to replace high pressure sodium vapor street lights with LED lighting fixtures.

Commissioner Byron moved and Commissioner Weisenmiller seconded approval of the 19 grant agreements. The vote was unanimous. (4-0)

- 9. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT AWARDS. Possible approval of 13 Energy Efficiency and Conservation Block Grant (EECBG) Program grant agreements awarding \$2,127,989 in American Recovery and Reinvestment Act of 2009 (ARRA) funds. These awards provide grant funding eligible small cities and counties within California to install eligible cost-effective energy efficiency retrofits within their jurisdictions. The EECBG program allows for the purchase and installation of specific energy efficiency measures. The following Energy Efficiency Projects are proposed for the following jurisdictions. Contact: Deborah Godfrey. (10 minutes)
 - a. COUNTY OF NEVADA. Grant agreement CBG-09-017, awarding \$373,291 to replace HVAC equipment and controls, lighting retrofit, and the domestic boiler.
 - b. CITY OF MILL VALLEY. Grant agreement CBG-09-080, awarding \$71,550 to retrofit lighting at the Public Safety Building and the Mill Valley Middle School and a condensing unit upgrade at the Library.
 - c. CITY OF CORTE MADERA. Grant agreement CBG-09-100, awarding \$34,800 to upgrade HVAC equipment and install HVAC controls at the City Fire Department and upgrade interior lighting at the Fire Department, Town Hall and Recreation Center.
 - d. COUNTY OF PLACER. Grant agreement CBG-09-006, awarding \$606,540 to install various energy efficiency projects at six county buildings. The project

includes lighting retrofit and controls, HVAC replacement and commissioning and controls and vending machine controls.

- e. COUNTY OF MONO. Grant agreement CBG-09-026, awarding \$49,649 to replace thermostats, mixed-air temperature sensors, motors and drivers, and upgrade controls for the boilers in Courthouse Annex 1 and Courthouse Annex 2
- f. CITY OF LA VERNE. Grant agreement CBG-09-019, awarding \$184,473 to install various energy efficiency projects at three city buildings. The project includes parking lot light, traffic signal and interior lighting retrofit, city hall HVAC replacement and energy management system.
- g. CITY OF SONOMA, Grant agreement CBG-09-033, awarding \$54,346 to upgrade five HVAC units and related controls, and replace interior lighting and control systems
- h. COUNTY OF SAN BENITO. Grant agreement CBG-09-064, awarding \$107,874 to install a 60 ton chiller at the County Courthouse, upgrade interior and exterior lights at various County buildings (Public Works, jail, Juvenile Hall and Administration) and replace street lights with induction lights.
- i. COUNTY OF CALAVERAS, Grant agreement CBG-09-020, awarding \$180,480 to upgrade interior lighting in 12 buildings and install a central control system for HVAC units.
- j. CITY OF WALNUT. Grant agreement CBG-09-038, awarding \$172,264 to retrofit lighting and mechanical systems and controls at multiple city owned facilities to a more energy efficient systems.
- k. CITY OF LIVE OAK. Grant agreement CBG-09-076, awarding \$45,998 to upgrade pumps and motors assemblies at four water wells and a booster station.
- l. CITY OF NORCO. Grant agreement CBG-09-046, awarding \$153,259 to replace existing equipment with energy efficient pumps and motors assemblies at two booster pump stations. The project also includes retrofitting energy efficient lighting at the Sports Complex.
- m. TOWN OF MORAGA, Grant agreement CBG-09-101 awarding 93,465 to upgrade HVAC systems, upgrade parking and street lights and install lighting controls.

Commissioner Eggert moved and Commissioner Byron seconded approval of the 13 grant agreements. The vote was unanimous. (4-0)

- 10. SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT. Possible approval of Grant agreement ARV-09-003, awarding \$5 million to the South Coast Air Quality Management District to demonstrate plug-in hybrid electric vehicle technology for a very broad range of Class 2–5 vehicles. The U. S. Department of Energy is providing

\$27,994,490 of American Recovery and Reinvestment Act funding. (ARFVTF funding.)
Contact: Jennifer Allen. (5 minutes)

Commissioner Eggert moved and Commissioner Byron seconded approval of Grant Agreement ARV-09-003. The vote was unanimous. (4-0)

11. CITY OF SAN DIEGO. Possible approval of Agreement 003-09-ECA for a \$3 million loan to the City of San Diego to upgrade street light fixtures. This project will save the city approximately \$350,000 annually with a simple payback of 8.6 years based on the loan amount. (ECAA funding.) Contact: Adel Suleiman. (5 minutes)

Commissioner Weisenmiller recused himself and left the dais before consideration of Item 11. Commissioner Eggert moved and Commissioner Byron seconded approval of Agreement 003-09-ECA. The vote of the remaining commissioners was unanimous. (3-0)

12. KERN COMMUNITY COLLEGE DISTRICT. Possible approval of Agreement 002-09-ECC for a \$2.2 million loan to the Kern Community College District to install a one megawatt photovoltaic system. This project will save the district 1.7 million kilowatt hours, or \$199,928 annually in reduced energy costs with a simple payback of approximately 11 years based on the loan amount. (ECAA funding.) Contact: Joji Castillo. (5 minutes)

Commissioner Weisenmiller moved and Commissioner Byron seconded approval of Agreement 002-09-ECC. The vote was unanimous. (4-0)

13. UNIVERSITY ENTERPRISES. Possible approval of Contract 500-09-039 with University Enterprises for \$2 million to establish a Smart Grid Center at California State University, Sacramento (CSUS) to increase smart grid cyber security and functionality. A California Smart Grid Center is needed to research and develop smart grid technologies and services to provide increased environmental benefits, greater system reliability, and lower system costs, and to demonstrate tangible benefits to California ratepayers from these technologies. Center activities will include monitoring of nationwide smart grid research and ARRA-funded installations to identify areas where research is needed. CSUS is one of only two California universities that offer an electrical power engineering curriculum and have the faculty resources to operate a Smart Grid Center. (PIER electricity funding.) Contact Pedro Gomez. (10 minutes)

Commissioner Byron moved and Commissioner Eggert seconded approval of Contract 500-09-039. The vote was unanimous. (4-0)

14. UNIVERSITY OF CALIFORNIA, CALIFORNIA INSTITUTE FOR ENERGY EFFICIENCY (CIEE). Possible approval of Contract 500-09-038 for \$2,535,927 with the Regents of the University of California, CIEE to conduct statewide, local and regional vulnerability and adaptation assessments for man-made infrastructure (such as energy and water systems) that will be affected by climate change. (PIER electricity and natural gas funding.) Contact: Guido Franco. (10 minutes)

Commissioner Eggert moved and Commissioner Weisenmiller seconded approval of Contract 500-09-038. The vote was unanimous. (4-0)

15. UNIVERSITY OF CALIFORNIA, CALIFORNIA INSTITUTE FOR ENERGY EFFICIENCY (CIEE). Possible approval of Contract 500-09-037 for \$1,257,586 with the Regents of the University of California to identify strategies for natural and managed ecosystems in California, such as agriculture and urban forests, to adapt to climate changes. The results of this study will help the California Natural Resources Agency to identify policy measures to protect California's natural resources as mandated by Executive Order S-03-05. (PIER electricity funding.) Contact: Sarah Pittiglio. (5 minutes)

Commissioner Eggert moved and Commissioner Byron seconded approval of Contract 500-09-037. The vote was unanimous. (4-0)

16. ALTEX TECHNOLOGIES CORPORATION. Possible approval of Agreement PIR-09-012 with Altex Technologies for a grant of \$1,493,581 to develop and demonstrate boiler burner energy system technology for fire tube boilers. (PIER electricity funding.) Contact: Ken Koyama. (5 minutes)

Item 16 was removed from the agenda.

17. GAS TECHNOLOGY INSTITUTE. Possible approval of Agreement PIR-09-004 for a grant of \$400,000 to Gas Technology Institute to develop and demonstrate the DOME technology, an integrated waste heat and wastewater recovery and utilization system. At 50 percent penetration in the food processing sector, annual potential savings are estimated to be 220 million gallons of clean water, 15 million therms, and over 90 million kilowatt hours per year of electricity. (PIER natural gas funding.) Contact: Michael Lozano. (5 minutes)

Commissioner Byron moved and Commissioner Eggert seconded approval of Agreement PIR-09-004. The vote was unanimous. (4-0)

18. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Contract 500-09-036 for \$300,000 with the US Department of Energy, Lawrence Berkeley National Laboratory to improve and conduct modeling of particle mass (PM) 2.5 formation. The research would establish with greater accuracy and precision the PM air pollution implication of power generation and power generation growth options in the Central Valley. (PIER electricity funding.) Contact: Marla Mueller. (5 minutes)

Commissioner Weisenmiller moved and Commissioner Eggert seconded approval of Contract 500-09-036. The vote was unanimous. (4-0)

19. **Minutes:**

- a. Approval of the March 24, 2010 Business Meeting Minutes.
- b. Approval of the April 7, 2010, Business Meeting Minutes.

Approval of the Minutes was postpone to a future meeting.

20. **Commission Committee Presentations and Discussion:**

Commissioners Weisenmiller and Eggert reported the Governor's Conference on Renewable Energy Policy and a recent tour of research facilities at UC Irvine and at the Lawrence Berkeley National Laboratory.

- 21. **Chief Counsel's Report:** None.
- 22. **Executive Director's Report:** Executive Director Melissa Jones gave the report.
- 23. **Public Adviser's Report:** None.
- 24. **Public Comment:** None.
- 25. **Internal Organization and Policy.** None.

Appearances:

Mr. David Arnaiz, Kingdon Airport (by telephone)
Mr. Scott Galati, Galati & Blek, LLP
Mr. Ed Warner, Northern California Power Agency
Ms. Dena Parish, Pacific Gas and Electric Company
Mr. Michael Boyd, Californians for Renewable Energy (by telephone)
Mr. Peter Ucovich, Sacramento County
Ms. Annie Henderson, Renewable Funding
Mr. Gabe Karam, San Joaquin County
Dr. Emir Macari, California State University, Sacramento

There being no further business, the meeting was adjourned.

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission