

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

In the Matter of:)
)
Business Meeting)
_____)

CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, APRIL 21, 2010
10:00 A.M.

Reported by:
Kent Odell

COMMISSIONERS PRESENT

Karen Douglas, Chair
Jeffrey D. Byron
Anthony Eggert
Robert B. Weisenmiller

STAFF PRESENT

Michael Levy, Chief Counsel
Jennifer Jennings, Public Advisor
Melissa Jones, Executive Director

	Agenda Item
Ken Celli	2
Scott Galati, NCPA	2, 3
Ed Warner, NCPA	2
Rod Jones	2
Melanie Moultny	2
David Arnaiz	2
Chris Davis	3
Dena Parish	3
Michael Boyd	3
Angela Gould	4
Peter Ucovich	4
Annie Henderson	4
Lorraine White	5
Karen Perrin	6
Akasha Khalsa	7
Deborah Godfrey	8, 9
Gabe Karam	8
John Sugar	8
Mike Smith	10
Adel Suleiman	11
Joji Castillo	12
Pedro Gomez	13
Emir Jose Macari	13
Guido Franco	14
Sarah Pittiglio	15
Michael Lozano	17
Marla Mueller	18

I N D E X

	Page
Proceedings	11
Items	
1. CONSENT CALENDAR.	
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.)	Postponed
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.	11
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.	11
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.	24
4. COUNTY OF SACRAMENTO. Possible approval of Contract 400-09-013 for \$16,049,050 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.)	32
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. (ARRA funding.)	40

I N D E X

Items	Page
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. (ARRA funding.)	46
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. (ARRA funding.)	47
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.	48
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 BATISTA. 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 funds 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	

Items

- 8 e. 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 (HPSV) 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 (HPSV) street lights with LED lighting fixtures.
- l. CITY OF MILLBRAE. Grant agreement CBG-09-094, awarding \$112,630 to replace High Pressure Sodium Vapor (HPSV) 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 (HPSV) street lights with LED lighting fixtures.

Items

- 8 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 (HPSV) street lights with LED lighting fixtures.
9. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT AWARDS. **53**
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.
- 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 Mill Valley Middle School and a condensing unit upgrade at the Library.

Items

9. 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.

Items

- 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.'
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.) **56**
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. (ECAA funding.) **60**
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. (ECAA funding.) **62**
13. UNIVERSITY ENTERPRISES. Possible approval of Contract 500-09-039 with University Enterprises for \$2,000,000 to establish a Smart Grid Center at California State University, Sacramento (CSUS) to increase smart grid cyber security and functionality. (PIER electricity funding.) **64**

Items

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.) **71**
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. (PIER electricity funding.) **75**
- ~~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.)~~ **Postponed**
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. (PIER natural gas funding.) **78**
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. (PIER electricity funding.) **81**
- ~~19. MINUTES.~~ **Postponed**
20. COMMISSION COMMITTEE PRESENTATIONS AND DISCUSSION: Presentations or discussion by the Commissioners Regarding Committee Oversight matters may be held. **85**

I N D E X

	Page
Items	
21. CHIEF COUNSEL'S REPORT.	88
22. EXECUTIVE DIRECTOR'S REPORT.	89
23. PUBLIC ADVISER'S REPORT.	89
24. PUBLIC COMMENT.	89
Adjournment	89
Certificate of Reporter	90

1

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
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P R O C E E D I N G S

APRIL 21, 2010

10:10 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of April 21st, 2010.

Please join me in the Pledge.

(Whereupon, the Pledge of Allegiance was received in unison.)

CHAIRPERSON DOUGLAS: A couple of quick changes to the Agenda, Commissioners, before we begin. Item 1A on the Consent Calendar will be moved to the next Business Meeting, Item 16 is off the agenda, it will be moved to the next business meeting, and Item 19, Approval of the Minutes, will be moved to the next Business Meeting. With that, we will begin with the Consent Calendar, Item 1B.

COMMISSIONER BYRON: Madam Chair, I will move Item 1B.

COMMISSIONER EGGERT: Second.

CHAIRPERSON DOUGLAS: All in favor?

(Ayes.)

That item is approved.

Item 2. Lodi Energy Center. Possible adoption of the Presiding Member's Proposed Decision on the Lodi Energy Center. Mr. Celli.

MR. CELLI: Good morning, Chairman Douglas and

1 Commissioners. The Presiding Member's Proposed Decision
2 reflects the Committee's careful consideration of all evidence
3 submitted by the parties, as well as all public comments. The
4 PMPD recommends that the Commission grant certification
5 because the Lodi Energy Center is consistent with laws,
6 ordinances, regulations, and standards, and pursuant to CEQA
7 will have no significant adverse effects on the environment.
8 The Lodi Energy Center would be a natural gas-fired combined
9 cycle nominal 255 megawatt power generation facility. The
10 project would be located on 4.4 acres of land owned and
11 incorporated by the City of Lodi, six miles west of the Lodi
12 City Center near Interstate 5, approximately 1.7 miles south
13 of State Route 12. The proposed project is approximately two
14 miles north of the City of Stockton. There were no
15 Interveners in this proceeding and, as usual, the public was
16 presented a full opportunity to participate at every stage of
17 these proceedings, but there was minimal public interest in
18 the Lodi Energy Center. The Committee recommends that the
19 Commission adopt the PMPD and Lodi Energy Center, along with
20 the Committee Errata which was dated April 20th, 2010, which
21 was served on all of the parties. The Errata incorporates the
22 parties' and public's comments on the PMPD and includes the
23 clarifications for the record. With that, the committee
24 submits the Proposed Decision and Errata.

25 CHAIRPERSON DOUGLAS: Thank you, Mr. Celli. Can we

1 hear from the Applicant?

2 MR. GALATI: Scott Galati representing NCPA.

3 MR. WARNER: Ed Warner, Project Manager of NCPA.

4 MR. GALATI: Members of the Commission, we have
5 reviewed the Errata and we agree to the changes in and we ask
6 for your approval of the PMPD, as modified by the Errata.

7 CHAIRPERSON DOUGLAS: Thank you. Can we hear from
8 staff?

9 MR. JONES: Good morning, Rod Jones, CEC project
10 Manager for Lodi. It is staff's position that we delay the
11 decision of the PMPD for Lodi pending additional information
12 that has been brought to our attention. Staff feels that we
13 need to research this situation in more detail.

14 CHAIRPERSON DOUGLAS: Thank you. I understand,
15 before we move further on this, there is - Hearing Officer
16 Celli?

17 MR. CELLI: Yes, there is someone on the phone who
18 wanted to speak, David Arnaiz from the Kingdon Airport wanted
19 to make a comment.

20 CHAIRPERSON DOUGLAS: Mr. Arnaiz, are you on the
21 phone?

22 MR. CELLI: We have a blue card that says he is
23 concerned about a plume generating facility within their
24 traffic pattern. The Applicant knew about their concerns, but
25 they were never notified of CEC hearings, according to the

1 blue card.

2 CHAIRPERSON DOUGLAS: And I see that Mr. Arnaiz
3 might actually be on the phone now. Is that right? All
4 right, please make your public comment.

5 MR. ARNAIZ: Hello?

6 CHAIRPERSON DOUGLAS: Yes.

7 MR. ARNAIZ: Can you guys hear me?

8 CHAIRPERSON DOUGLAS: We sure can.

9 MR. ARNAIZ: Okay, because I am getting a very
10 garbled message on my end. Is it my turn to speak?

11 CHAIRPERSON DOUGLAS: It is.

12 MR. ARNAIZ: All right, first of all, I want to
13 clarify the notice issue. I did later, after I got off this
14 call this morning, learn that the mail had been received, at
15 least a couple, the one on the January date, anyway, had been
16 received at my partner's other business location and failed to
17 make it to me, so I apologize for that misunderstanding. I
18 did not learn about this hearing, which I truly intended to
19 participate in these hearings, but I did not learn about it
20 myself personally, although I read the paper this morning,
21 that is why I am on the phone calling today. We have had some
22 concerns. We have communicated with NCPA regarding our
23 concerns about the plume generating facility, as well as a gas
24 line extension through our runway protection zone, but
25 probably most importantly now is the plume generating

1 facility. We were reviewing a document provided by NCPA over
2 a safety risk analysis for aircraft over industrial exhaust
3 plumes. I wrote a response to that study and there was some
4 alarming concerns in there, of which NCPA does have knowledge,
5 in that the plume generating facility as it relates to the
6 recommendations of the FAA as to how they are going to handle
7 plume generating facilities in the air traffic pattern zones
8 in the future. My concern is that of these items, there are
9 several things that are suggested that are going to have to
10 happen, or are going to be happening not today, but certainly
11 in the future, and our concern is, as we grow and develop as
12 an airport, these are going to be - the burdens are going to
13 be put on our back as opposed to being remedied right now when
14 the NCPA is seeking their approvals for this plant that will
15 cause these concerns. If you wish, I would be happy to read
16 you the concerns or the rules, if you will, that are going to
17 be coming down the pipeline for us as airport owners, which we
18 are, in fact, governed by the FAA, even though we are
19 privately owned, we are open to the public, and it does put us
20 in their hands. They are requiring us, or may be requiring us
21 in the future to amend our Aeronautical Information Manual
22 with the - saying that flight over a thousand feet over a
23 plume generating facility needs to be avoided. Obviously,
24 that impacts our traffic pattern, on our left side traffic
25 pattern that we have our airport, which is the published

1 traffic pattern for that airport. Also, they recommend that
2 they put a notification in airport facility directories to
3 issue notice to airmen when they are operationally necessary,
4 and these types of notices are just more scares, if you will,
5 or detriments to the use of our airport, that we have to
6 notify them of restricted use.

7 CHAIRPERSON DOUGLAS: Mr. Arnaiz, I am going to ask
8 you to please wrap up and focus in on - the issues that you
9 are raising are issues that normally would come into our
10 process through evidentiary hearings and through workshops,
11 and I hear that you have substantive concerns. You have
12 enumerated a number of them. It is problematic that they are
13 coming to our attention on the day of Business Meeting
14 approval, as opposed to during the long process that this
15 project has come through, but I understand and hear that you
16 have concerns. I would like to ask you to wrap up and get a
17 response from staff, the Applicant, and the Hearing Officer,
18 particularly on some of the procedural issues that you have
19 raised at this point.

20 MR. ARNAIZ: Okay, well, I will conclude by saying
21 that, as I mentioned, there are several of these concerns. I
22 am reading verbatim off of a response from NCPA that,
23 personally, I do not believe my concerns would impact the
24 airport, but if they felt they were not adequately addressed,
25 that I had choices available to me, and this is what their

1 choices were, and that is to restrict the use of the right-
2 hand traffic pattern on the runway; by the way, the way they
3 word that is, "There are several options available to him, any
4 of which would institute a little effort or little impact to
5 the current operations or the economic value of the airport,
6 and wanted to put the warning out, wanted to restrict our use
7 of traffic, and one is to enter the traffic pattern in
8 different locations, which you can do, but you still have to
9 fly the pattern no matter what, or increase the altitude of
10 our traffic patterns above their facility, all of which I did
11 not think were right, that we would have to make these
12 modifications because of the project being proposed. And that
13 is really in a nutshell the heart of our concern, is why are
14 we having to make these alterations and consider these changes
15 to our operation for their benefit?

16 CHAIRPERSON DOUGLAS: Thank you. Now, Applicant,
17 would you like to respond?

18 MR. GALATI: Yes, thank you, Madam Chair. First and
19 foremost, NCPA met with Mr. Arnaiz very early, his partner
20 participated in one workshop. We responded to the concerns.
21 What Mr. Arnaiz is not reading from that letter was our
22 analysis of how it will not impact his airport at all, and the
23 options that we gave him said, "If you do not believe us, and
24 you still have concerns, here are some things you might want
25 to explore." But we absolutely believe, and believe we have

1 demonstrated that we will not have impact to those airport
2 operations. Staff also evaluated that and made the same
3 conclusion. So I understand that there might be some
4 disagreements. At this late game, I think the committee has,
5 and the Commission has, more than ample evidence in the record
6 to show that this project will not have a significant impact
7 on that airport. There was one other issue that was raised
8 that I want to talk about, which was something that happened
9 really early on, which the project is building a natural gas
10 pipeline right next to an existing natural gas pipeline that
11 goes through some airport protection zones. As you may
12 recall, the airport Master Plan controls what is allowed in
13 these protection zones and there was an inconsistency because,
14 across one or two of these airport protection zones, it said
15 you could not put in pipelines. The San Joaquin Council
16 Government, who is the Airport Land Use commissioned for this
17 area, amended that plan to make sure that you could put in an
18 underground pipeline because, 1) there is already one there,
19 and 2) an underground pipeline does not cause that. So any
20 inconsistency with that plan has been resolved and any issue
21 related to upward plumes -- and I want to remind the
22 committee, there is an existing facility out there now and our
23 research has shown, as we told Mr. Arnaiz, we have never seen
24 or heard a complaint associated with that facility, as well.
25 So I think there is ample evidence here and we understand Mr.

1 Arnaiz's concern. Unfortunately, they are not based in
2 science or fact, and I think we have provided that evidence,
3 and staff evaluated that.

4 CHAIRPERSON DOUGLAS: Staff? Do you have comments
5 based on what you have heard?

6 MR. ARNAIZ: Are you talking to me? Because I am
7 having a hard time --

8 CHAIRPERSON DOUGLAS: No, I am talking to the staff
9 at the table here.

10 MS. MOULTRY: We agree with the Applicant that the
11 issues raised by Mr. Arnaiz have been adequately addressed and
12 we have no opposition to the adoption of the Presiding
13 Member's Proposed Decision.

14 COMMISSIONER BYRON: Mr. Jones, your earlier remark
15 was a recommendation that we delay the decision. Did I just
16 hear the opposite of that statement now?

17 MR. JONES: Correct. My earlier statement was based
18 on limited information from the caller, Mr. Arnaiz. Having
19 heard the full conversation and, of course, recalling staff's
20 thorough analysis of air quality and air plume situations, I
21 am in agreement with the Applicant and with our staff attorney
22 to move forward.

23 COMMISSIONER BYRON: Thank you.

24 CHAIRPERSON DOUGLAS: Hearing Officer Celli?

25 MR. CELLI: Just I would also add that there was

1 analysis in the Traffic and Transportation Section, as well,
2 and submitted.

3 COMMISSIONER BYRON: Madam Chairman, you know, we
4 take these kinds of concerns very seriously, obviously, as Mr.
5 Arnaiz indicated early on, on his card, that he had not
6 received notification, obviously he did receive notification;
7 the lack of participation issue, that seems to have been
8 addressed, as well, that his partner did participate. I think
9 we need to go forward with this decision, we have an
10 obligation to the State of California and the Applicant, and
11 all those that participated.

12 CHAIRPERSON DOUGLAS: I am inclined to agree with
13 you, Commissioner Byron. The greatest concern that what was
14 written on the blue card gave me was the assertion that Mr.
15 Arnaiz had not received notice, and hearing that not only did
16 his partner clearly receive notice, but he also participated
17 in the process, or in parts of the process, makes it clear
18 that that is not the case, at least he certainly had ample
19 opportunity to participate in the process. Mr. Arnaiz, I
20 wondered if you might speak directly to this point if you have
21 additional information that you think the Commission should
22 hear.

23 MR. ARNAIZ: Well, first of all, the notification
24 issue, you know, I felt all along I would be receiving such
25 notification and I was actually e-mailing correspondence with

1 one of the NCPA participants, and I have constantly watched
2 for it. I had no idea how it made it through my partner's gas
3 station which is the location where his mailing address went,
4 that it did not make it to me, and that I apologize for, that
5 is housekeeping matters on my end, and that is certainly not
6 your responsibility; however, I have participated in this up
7 to a point, and when we got left with these concerns, and the
8 letter that was written back to me that there was nothing NCPA
9 felt was necessary to accommodate us, I totally disagreed, and
10 I would have loved for the staff to have had the opportunity
11 to hear my points on these, and see these letters and
12 correspondence that have gone back and forth, and then let
13 them make the decision based on that. So I asked for a delay.
14 Give me an opportunity to take time with them, I will make it
15 brief and short, and if they feel that it is still adequately
16 addressed, then so be it and I will step down. But, at this
17 point, I do not feel that they have adequately addressed our
18 concerns.

19 MR. GALATI: Madam Chair, if I could just add one
20 additional fact that would be important on this, as Mr. Warner
21 just reminded me, after we had our correspondence and it
22 looked like Mr. Arnaiz may not have agreed with our analysis,
23 we actually e-mailed him an intervention package to determine
24 exactly how he could intervene in the Energy Commission
25 package and, quite frankly, I think that that is a nice thing

1 for an Applicant to have done, and I think it represents the
2 fact that NPCA is a public agency and values the public
3 process. The bottom line is, Mr. Arnaiz chose not to
4 participate. These conversations took place very early and he
5 had actual notice and constructive notice, and I do not know
6 what more the Commission, nor we would have done, but it is
7 too late now, in my opinion, to ask staff to re-open something
8 that, quite frankly, if Mr. Arnaiz would read the staff
9 assessment, he would see it was addressed.

10 COMMISSIONER BYRON: Well, thank you very much for
11 sending the information to Mr. Arnaiz. Madam Chairman, I am
12 concerned, given the effort that goes into a decision like
13 this, that this kind of delay would make a mockery of our
14 process. We really value the public's input, we go to every
15 extent to notify them. I discussed this with Ms. Jennings
16 earlier before the meeting, as well. And to delay a project
17 of this magnitude at this time for reasons that we cannot seem
18 to determine, I think, is just inappropriate and I would call
19 for the vote.

20 CHAIRPERSON DOUGLAS: Is that a motion,
21 Commissioner?

22 COMMISSIONER BYRON: Yes, I will move approval of
23 the Lodi Energy Center, Item 2 on the agenda.

24 MR. CELLI: And the Errata, it needs to be moved in
25 with it, please.

1 COMMISSIONER BYRON: More than happy to do that, Mr.
2 Celli. Also, the Errata that we received as part of our
3 package, the Errata of the Presiding Member's Proposed
4 Decision dated April 20th, 2010.

5 CHAIRPERSON DOUGLAS: We have a motion. Are there
6 comments or a second from --

7 COMMISSIONER WEISENMILLER: I will second.

8 CHAIRPERSON DOUGLAS: All in favor?

9 (Ayes.)

10 This item is approved.

11 MR. CELLI: Thank you.

12 COMMISSIONER BYRON: And, you know, it is unfortunate
13 that these kinds of discussions overshadow the extraordinary
14 effort that took place in preparation for this decision.
15 Madam Chair, I would certainly like to extend my thanks to the
16 staff, I think they did an excellent job of getting this
17 project out.

18 CHAIRPERSON DOUGLAS: Well, thank you, Commissioner
19 Byron. I second that. And this was one of these projects
20 where we, with our focus on ARRA projects in the Siting
21 Division, and renewable energy projects, we really also have
22 made an effort to work on and process some of these natural
23 gas projects, particularly, you know, we heard loud and clear
24 NCPA's strong interest in this project. We know this is one
25 that is going to move forward and be built, so staff invested

1 a significant amount of time and effort, as did the Hearing
2 Office, and as did the Committee, and I am pleased to see that
3 we have been able to move forward.

4 MR. WARNER: Commissioner Douglas, the NCPA would
5 like to thank the CEC staff, Project Manager, Rod Jones, and
6 the CEC attorney, Melanie Moultry, and also the Siting
7 Committee for their work on this project. We appreciate the
8 effort that was put forth and we appreciate the timely
9 approval of the process. Thank you very much.

10 CHAIRPERSON DOUGLAS: Thank you.

11 Item 3. Humboldt Bay Generating Station. Possible
12 approval of a petition to amend 101 air quality and two public
13 health conditions of certification to match North Coast United
14 Air Quality Management District modifications to two permits:
15 the Title V Permit to Operate and the Authority to
16 Construct/Temporary Permit to Operate. Mr. Davis.

17 MR. DAVIS: Good morning, my name is Chris Davis and
18 I am the Compliance Project Manager for the Humboldt Bay
19 Generating Station, 06-AFC-7C. Humboldt is a 163 megawatt
20 load following power plant under construction in Eureka,
21 California. The project is owned and operated, or will be
22 operated by Pacific Gas & Electric, and it was certified on
23 September 24th of 2008. Construction is approximately 87
24 percent complete and the project is scheduled to begin
25 commercial operation in September. The Petition to Amend,

1 which was filed on April 31st, 2009, and docketed on May 1st,
2 2009, requests modifications to 101 Air Quality and two public
3 health conditions of certification, and the changes would help
4 the Energy Commission conditions conform to those conditions
5 issued by the North Coast Unified Air Quality and Management
6 District when they modified two permits for Humboldt, one, the
7 extension for the Authority to Construct Permit, which was
8 issued in December, and the Title V Permit to Operate, which
9 was released on February 8th of 2010. Perhaps most
10 importantly, the proposed revisions would not increase in
11 emission limits, but rather change and, in some cases,
12 simplify the way that PG&E can comply with those emission
13 limits, for instance, Nitrogen Oxides, NOx emission limits,
14 compliance would be simplified for those. This power plant
15 has to be able to switch from natural gas to diesel when
16 natural gas is curtailed, and the operational mode transfer or
17 switching of fuels would be revised to track diesel operation
18 and particulate matter emissions on a minute-by-minute basis,
19 rather than counting one minute as an hour. The latter
20 allowed higher hourly limits to apply. Operational
21 restrictions would also prohibit more than two diesel engines
22 -- or two engines -- from being tested in diesel mode at the
23 same time. The Ammonia slip monitoring method would be
24 changed for NOx from the sensor usually being monitored to the
25 selective catalytic reduction system; instead, the ammonia and

1 NOx emission limits or emissions would correlate to the amount
2 of ammonia injected into the SCR system, and then those
3 calculations would be confirmed by annual source tests or more
4 frequent tests of the actual emissions. Particulate matter
5 emissions would be calculated in minutes instead of operating
6 hours, similar to the diesel testing emission limits.

7 Staff concludes there would be no significant
8 impacts, providing that the conditions of certification are
9 modified as permitted in the two North Coast Unified Air
10 Quality and Management District Permits that I mentioned, and
11 the Energy Commission staff analysis. Notice of Receipt for
12 this petition was mailed to the Post Certification mailing
13 list and effected public agencies posted to the Energy
14 Commission website, and docketed on February 25th, or, rather,
15 on June 29th, 2009, sorry. A Staff Analysis was posted and
16 mailed to interested parties on February 25th of this year. No
17 comments have been received to date. The petition meets all
18 the filing criteria of Section 1769A concerning Post
19 Certification Modifications. The modifications will not
20 change the findings in the Energy Commission Final Decision
21 pursuant to Section 1755, and the project will remain in
22 compliance with all laws, ordinances, regulations, and
23 standards, subject to the revisions of Public Resources Code
24 25525.

25 The changes benefit the project owner by improving

1 consistency and clarity of air quality compliance measures and
2 revising the means of demonstrating compliance. Changes are
3 based on information that was not available prior to
4 Commission certification because Wärtsilä, the manufacturer of
5 the engine generator sets, has made more detailed information
6 available on engine performance as the actual plans were
7 developed in the engineering procedures.

8 Staff recommends the Energy Commission approve the
9 project modifications and the associated revisions to Air
10 Quality Conditions of Certification.

11 CHAIRPERSON DOUGLAS: Thank you, Mr. Davis. Can we
12 hear from the Applicant?

13 MR. GALATI: Scott Galati representing PG&E.

14 MS. PARISH: Dena Parish, PG&E.

15 MR. GALATI: We have reviewed the staff assessment.
16 We think the staff did a great job of characterizing in that
17 quick summary to you what we think the results of these
18 changes are, and we agree with the staff assessment and ask
19 that you approve that petition to modify as reflected in the
20 staff assessment.

21 CHAIRPERSON DOUGLAS: Thank you, Mr. Galati. We
22 have three members of the public on the phone, I believe, who
23 would like to comment. We will begin with Robert Sarvy.
24 Robert Sarvy, are you there? All right, Gary Rubenstein.

25 MR. GALATI: Gary is our Technical Expert and is

1 available to answer any questions the Committee might have.

2 CHAIRPERSON DOUGLAS: Great, well the last card I
3 have is from Michael Boyd. Is Michael Boyd on the phone?

4 MR. BOYD: Hello?

5 CHAIRPERSON DOUGLAS: Yes, is this Michael Boyd?

6 MR. BOYD: Yeah, this is Michael Boyd, President of
7 CARE, California Renewable Energy.

8 CHAIRPERSON DOUGLAS: Very good. This is your
9 opportunity to comment on Item 3.

10 MR. BOYD: Bob was trying to call in and his cell
11 phone kept dropping the call, so if I mess this up, it is
12 because I am getting it second hand, but essentially the
13 concern is that the staff failed to provide in their analysis
14 to examine the increase of the NO_x emissions during
15 commissioning, has allowed an increase from 332 pounds of NO_x
16 per hour to 392 pounds of NO_x per hour, and it also failed to
17 incorporate the emissions from the existing facility in the
18 analysis. And Bob is opining that this is violating the
19 State's NO₂ standard. And as I recollect, this is the Soviet
20 boat engine project, would be using Soviet engines for their
21 new project, so it seems reasonable that it would be violating
22 the State's NO₂ standards. And that is all I had to say.
23 Thank you.

24 CHAIRPERSON DOUGLAS: Thank you, Mr. Boyd. Mr.
25 Davis, do you have a response to the questions?

1 MR. DAVIS: His first point regarding higher
2 emissions during commissioning, it was changed in these new
3 permit conditions so that the commissioning emission limits
4 matched those of operating, so it is 392 pounds of NO_x per
5 hour for commissioning or for operations.

6 COMMISSIONER BYRON: Mr. Galati, are these Soviet
7 engines?

8 MR. GALATI: No, they are not. They are made by the
9 manufacturer, Wärtsilä, and I believe they are Finnish.

10 COMMISSIONER BYRON: Soviet would mean from Russia,
11 correct?

12 MR. GALATI: I am thinking at one time that is what
13 it meant.

14 COMMISSIONER EGGERT: I guess maybe just a question.
15 Would it be appropriate to characterize these changes as sort
16 of operational improvements for emissions monitoring in most
17 cases?

18 MR. DAVIS: Yes, well, as I said, it simplifies some
19 of the ways of complying. There were some rather complex
20 alternative compliance strategies in the original Decision.
21 Those have been simplified to make it more obvious how to
22 comply.

23 COMMISSIONER EGGERT: And the expectation is no net
24 increase in emissions associated with the changes?

25 MR. DAVIS: That is correct.

1 COMMISSIONER EGGERT: I guess maybe this is a
2 generic question, to the extent that there are improvements in
3 terms of monitoring and measurement, is this something that we
4 would see applied to future projects, these conditions of
5 certification?

6 MR. DAVIS: Well, this is the first time this model
7 of Wärtsilä engine has been deployed in a power plant in the
8 United States, so there has been a learning process, a lot
9 more information, as I mentioned, has been made available as
10 they develop the actual design plans. There are some other
11 Wärtsilä power plants in the United States, but they use
12 smaller engines and so, again, this is the first time these
13 have been deployed. So we have learned a lot. I think
14 probably the District has learned a lot, we all have, as we
15 have gone through this.

16 COMMISSIONER EGGERT: Do we expect to see more of
17 these in the future? Or is this sort of a one-time deal in
18 terms of this type of a system?

19 MR. DAVIS: I really could not speculate. The
20 reason these engines were chosen in this case was because of
21 their flexibility, being able to change from natural gas
22 operation to diesel.

23 COMMISSIONER EGGERT: Okay.

24 COMMISSIONER BYRON: Commissioner, perhaps I can
25 help a little bit, being on the committee for this project

1 when it was originally approved. We could indeed see
2 additional proposals for projects such as this. The Humboldt
3 region is somewhat unique, it is gas curtailed and coal
4 temperature situations, but these units apparently work quite
5 well in a cascading operating mode, as needed for peaking
6 purposes. In fact, we were actually there at one time in
7 December when that county was limited on natural gas for
8 operation of the power plants, and they had to convert to
9 diesel, as well. So the project was thoroughly reviewed at
10 that time for emissions, and I believe this adjustment is
11 appropriate given what we have learned, as staff indicates,
12 from the Commissioning of these plants. There are some
13 existing -- I believe there is another one in Nevada and we
14 will probably see additional proposals in the future for
15 peaking units configured this way.

16 COMMISSIONER EGGERT: I appreciate that. I guess I
17 am always interested to see the opportunities for process
18 improvements, assuming that they can preserve the
19 environmental integrity of the operation.

20 MR. DAVIS: Air Quality staff came up and spoke to
21 me while you were discussing and mentioned that we will
22 probably not see requirements like this for a power plant in
23 California, this is a unique circumstance in that it does need
24 to be able to switch to diesel operation.

25 COMMISSIONER EGGERT: Okay, thank you very much.

1 CHAIRPERSON DOUGLAS: Other questions or comments?

2 COMMISSIONER BYRON: Madam Chair, I no longer serve
3 on the Siting Committee, but I would be more than happy to
4 move approval of Item 3.

5 COMMISSIONER EGGERT: I will second.

6 CHAIRPERSON DOUGLAS: All in favor?

7 (Ayes.)

8 Item 3 is approved.

9 MR. GALATI: Thank you.

10 CHAIRPERSON DOUGLAS: Thank you.

11 MS. PARISH: Thank you.

12 CHAIRPERSON DOUGLAS: Item 4. County of Sacramento.
13 Possible approval of Contract 400-09-013 for -- and I am
14 reading a corrected number -- \$16,499,050 with the County of
15 Sacramento to establish CaliforniaFIRST as the first statewide
16 AB 811 municipal financing program. Ms. Gould.

17 MS. GOULD: Yes, good morning, Chairman and
18 Commissioners. My name is Angie Gould and I am from the
19 Renewable Energy Office, and I am here today to present this
20 contract for \$16.5 million, approximately, with the County of
21 Sacramento, for the CaliforniaFIRST pilot phase. But first I
22 would like to go into some background information.

23 This contract will be funded by the American
24 Recovery and Reinvestment Act of 2009, or ARRA, which was
25 enacted by Congress to preserve and create jobs, and to

1 promote economic recovery, to assist those most impacted by
2 the recession, to provide investments needed to increase
3 economic efficiency by spurring technological advances, and to
4 make investments that will have long-term economic benefits.
5 The U.S. Department of Energy, or DOE, allocated the Energy
6 Commission \$226 million in ARRA funding for the State Energy
7 Program known as SEP. DOE encouraged states to develop SEP
8 strategies that aligned with the national goals of increasing
9 jobs, reducing U.S. oil dependency through increases in energy
10 efficiency, and the deployment of renewable energy
11 technologies, promoting economic vitality through an increase
12 in green jobs, and reducing greenhouse gas emissions. DOE
13 encouraged states to focus their program efforts on
14 initiatives that would be market transformative and actions
15 that align with these national goals. With those goals in
16 mind, the Energy Commission allocated \$110 million in the
17 following program areas: the municipal financing program under
18 which this contract falls, the California Comprehensive
19 Residential Building Retrofit Program, and Municipal and
20 Commercial Building Targeted Measure Retrofit Program. The
21 municipal financing program covers what are often referred to
22 as AB 811 type programs. Assembly Bill 811 of 2008 allows
23 cities and counties in California to create a program in which
24 property owners may enter into contractual assessments to
25 finance the installation of energy efficiency and renewable

1 energy generation improvements that are permanently affixed to
2 residential, which includes multi-family, commercial,
3 industrial, or other real property. AB 474 of 2009 expanded
4 this law, including an authorization to fund water efficiency
5 improvements. Under these municipal financing programs,
6 property owners repay the assessments for their property taxes
7 and the liens associated with the assessments are given
8 priority over previously recorded privately such as a
9 mortgage. These municipal financing programs are potentially
10 important tool in the state's goals to decrease greenhouse gas
11 emissions and increase energy efficiency and renewable energy
12 generation in California. And they will decrease or eliminate
13 the upfront costs property owners must normally incur in
14 installing such improvements.

15 The pilot phase of CaliforniaFIRST is a statewide
16 program that will cover 12 million residents in 146 cities in
17 the following 14 counties: Alameda, Fresno, Kern, Monterey,
18 Sacramento, San Benito, San Diego, San Luis Obispo, San Mateo,
19 Santa Clara, Santa Cruz, Solano, Ventura, and Yolo. The \$16.5
20 million in SEP funds will leverage \$26.5 million in committed
21 in-kind services, energy efficiency and conservation block
22 grant and other grant funds, as well as an additional expected
23 \$137.5 million in private financing utility rebates and tax
24 incentives. These expected leverage funds are based on a
25 minimum goal of 0.2 percent market penetration, which is 4,850

1 residential and 139 commercial properties.

2 Currently operating municipal financing programs in
3 Berkeley, Sonoma County, Palm Desert, and Boulder County,
4 Colorado, have market penetration rates of 0.2 percent to 1.38
5 percent. This program will create an estimated 1,963 jobs in
6 California over the contract period, which ends March 31st,
7 2012. SEP funds will be used to cover program start-up and
8 some ongoing administration costs, a buy-down of the interest
9 rate to lower costs to program participants, and energy
10 ratings and homeowner rebates to increase the uptake of
11 comprehensive whole house retrofits, and facilitate the
12 loading order of prioritizing efficiency measures. Retrofits
13 are expected to begin within 60 days of the contract award.
14 This program enables local jurisdictions around the state that
15 may not otherwise have the capability to establish a municipal
16 financing program to participate. Cities and Counties that
17 are not part of the pilot phase may also opt into
18 CaliforniaFIRST beginning this year.

19 I ask you to approve this contract with Sacramento
20 County.

21 CHAIRPERSON DOUGLAS: Thank you, Ms. Gould. And I
22 understand that Sacramento County is here. Peter and -- I
23 cannot read your last name, but please speak.

24 MR. UCOVICH: Ucovich. Thank you, Chair Douglas and
25 Commissioners. I just want to say on behalf of Sacramento

1 County and the nearly 160 jurisdictions that we have partnered
2 with for this opportunity to establish, as was mentioned, the
3 first in the nation a statewide municipal financing program to
4 help homeowners provide an opportunity and another option for
5 financing, of homeowners and property owners to finance
6 renewable energy and energy efficiency improvements on their
7 property tax bill. As was stated, we believe that more than
8 2,000 jobs will be created and we are excited about that
9 opportunity in this region and throughout the state. We also
10 have working with our partnerships CSCDA Renewable Funding and
11 Ecology Action, and I should say Annie Henderson is with us
12 here to answer any specific questions regarding the program.

13 CHAIRPERSON DOUGLAS: Thank you very much.

14 Questions or comments by Commissioners?

15 COMMISSIONER BYRON: One if I may. How much time
16 did it take to put together this project proposal?

17 MR. UCOVICH: A considerable amount of time.

18 COMMISSIONER BYRON: Would you care to make a guess,
19 just a rough estimate or range?

20 MR. OCOVICH: Number of hours?

21 COMMISSIONER BYRON: Yeah, the number of man hours,
22 or man days, or man months, or man years -- person years.

23 MR. OCOVICH: I would venture a guess of probably in
24 the order of a full year-long effort if you combine all the --
25 at least a year, in combination. I mean, there were a number

1 of jurisdictions. I will let Annie speak to this, as well --
2 there were a number of jurisdictions that also put in staff
3 time that I was not particularly working with, first person.

4 MS. HENDERSON: Hello, I am Annie Henderson with
5 Renewable Funding and, beginning in 2008, Renewable Funding,
6 along with a team, responded to a competitive RFP from the
7 California Communities JPA. So the concept of CaliforniaFIRST
8 began in 2008, however, having received these funds has really
9 allowed us to create the infrastructure and build awareness of
10 the program so that we can quickly lay the groundwork, but
11 then also bring it to scale. By bringing it to scale, it is
12 going to make it more accessible, more affordable for property
13 owners, and then we will be able to open up the program to the
14 rest of the State of California after the first 14 counties.

15 COMMISSIONER EGGERT: Just a comment. Speaking from
16 the Efficiency Committee, I think, you know, we are
17 tremendously excited about this project and program. I think
18 the model is incredibly innovative, especially like the
19 opportunity for other jurisdictions that were not part of the
20 original proposal to opt in at a very reasonable price so that
21 we can achieve a statewide coverage as our goal. I would also
22 say that we see this as really sort of a foundational element
23 to one of the new programs the Commission is embarking upon,
24 which is AB 758, which is attempting to basically target all
25 of the cost-effective efficiency that does exist in terms of

1 improvements to existing facilities. So I guess I would, 1)
2 sort of encourage you, I see that the estimates for economic
3 activity and jobs and other things are based on a 0.2 percent
4 penetration rate; I would suggest, hopefully, we can hit quite
5 a bit higher than that and the benefits will accrue
6 proportionately. You know, it was a great proposal that also
7 linked a lot of the activity going on around workforce
8 development, you know, and I think this is really sort of a
9 model for what we would like to see in the future. So just to
10 commend the good work on this and look forward to seeing how
11 it goes.

12 CHAIRPERSON DOUGLAS: Thank you, Commissioner
13 Eggert. Commissioner Weisenmiller?

14 COMMISSIONER WEISENMILLER: I just wanted to say, I
15 think innovative financing programs like this are going to be
16 critical to achieving our goals under the Skinner Bill in
17 terms of to retrofit and starting to mine that key part of our
18 energy efficiency. So, certainly, I would like to move the
19 item.

20 COMMISSIONER BYRON: Yeah, so let's quick dragging
21 our feet. I will second it.

22 CHAIRPERSON DOUGLAS: Well, I will make a few
23 comments before calling the question. This is exciting, this
24 is a milestone for us in a number of ways, but this is, as you
25 know, Commissioners, the first contract in the competitive

1 \$110 million solicitation that was really looking for
2 innovative proposals that would, at a regional level, help
3 break down market barriers to widespread adoption of energy
4 efficiency retrofit measures, and lead to sustained job
5 creation. So we are going to see more projects, they will be
6 different; they will address different market barriers,
7 multiple market barriers coming before us. This is a really
8 exciting way of particularly honing in on the financing issue,
9 but trying to workforce and really scaling up access to
10 financing programs statewide. So this is an exciting program,
11 it was a great effort by staff, so I join the other
12 Commissioners who have said this, but really appreciate the
13 hard work by staff and the hard work by the Applicant. And it
14 was telling, your question, Commissioner Byron, the answer was
15 a year, that is a lot of effort to go into one of these
16 proposals, and it shows in terms of the way the proposal came
17 across. So this is very exciting, that we definitely
18 recognize the hard work of the Applicant to get us to this
19 point. We have got very high hopes for this project and very
20 high expectations for this project and, as you know, the eyes
21 of the state and maybe the eyes of the nation are going to be
22 on this project to see it deliver. So I would like to thank
23 you for your leadership. We have a motion and a second. All
24 in favor?

25 (Ayes.)

1 This item is approved.

2 COMMISSIONER BYRON: Thank you all very much.

3 MS. JONES: Madam Chairman?

4 CHAIRPERSON DOUGLAS: Yes.

5 MS. JONES: I would just like to make a comment
6 before we move on. This is the first of several ARRA projects
7 that are on the business meeting for today, and I just wanted
8 to acknowledge the tremendous work that staff has done, the
9 long hours that staff has put into this, this has been a
10 monumental task here, and so if I could, could I have the
11 staff who has worked on these programs, who are here in the
12 room, just stand up for a moment? Thank you very much.

13 [Applause]

14 CHAIRPERSON DOUGLAS: Thank you, Ms. Jones.

15 The next ARRA item we have on the agenda is Item 5.
16 FirstCarbon Solutions. Possible approval of Contract 400-09-
17 020 for \$874,559 with FirstCarbon Solutions to provide rebate
18 processing services to the Energy Commission for the
19 California Cash for Appliances Program. Ms. White.

20 MS. WHITE: Good morning, Commissioners. I am
21 pleased to bring before you today for your approval a contract
22 with FirstCarbon, who is our chosen contractor to assist us in
23 providing the rebate processing services for the California
24 Cash for Appliances Program. My name is Lorraine White. As
25 you have mentioned, I am the Program Manager for this. We

1 have endeavored hard to find the right vendor to ensure that
2 we can hit the ground running. As you know, all of these ARRA
3 projects are on fast track and we have confidence that this
4 contractor will be able to provide all of the needed services
5 necessary to make this program a success. The contract
6 represents the last of the vital resources that we needed to
7 complete the team. They are poised to essentially provide us
8 accurate, fast, efficient processing of the rebate claims as
9 they come in. They are capable of integrating with our staff,
10 and that of the State Controller's Office, seamlessly to
11 ensure that we become a unit to ensure the effectiveness, the
12 efficiency of this program, and provide those rebates in a
13 timely fashion to consumers while, of course, validating the
14 claims, providing necessary transparency, customer service,
15 accuracy, and fraud prevention.

16 As you know, the California Cash for Appliances
17 Program launches tomorrow, so this is exceptionally timely,
18 none too soon, of course. So your consideration of this
19 contract is very important to our success. We want to bring
20 just a couple of facts about this program to your attention.
21 The \$35 million that California has been awarded as a result
22 of this rebate program is expected to leverage well in excess
23 of \$100 million in additional economic activity. There is not
24 only just the economic stimulus that is going to occur as a
25 result of this, but these rebates are for high efficient home

1 appliances. We are endeavoring to go above minimum Energy
2 Star requirements and push the envelope on efficiency, as a
3 result, gaining significant environmental benefits. We are
4 talking on the order of a reduction of 255 million kilowatt
5 hours of electricity, 127,000 metric tons of CO₂ greenhouse
6 gas emission reductions, as much as 8 billion gallons of water
7 saved as a result of these high efficient washing machines.
8 And an additional 460,000 metric tons of CO₂ equivalent ozone
9 depleting substances that are associated with refrigerators
10 and room air conditioners. So this program is more than just
11 stimulating the economy, it is about doing a whole lot of
12 benefits to California for consumers. And I respectfully ask
13 that you approve this contract.

14 COMMISSIONER EGGERT: Just a comment. I wanted to
15 just say that the turnaround on this contract has been quite
16 remarkable, and I wonder if perhaps it might actually have
17 broken a record in terms of the time from issuing the
18 solicitation to actually coming before the Business Meeting.
19 But I do want to say also that I have had the pleasure of
20 providing at least two, I think maybe three interviews on this
21 program in the last couple of days, and a couple more to come,
22 and the level of interest is quite substantial in the
23 Appliance Rebate Program, and I think it is partially due to
24 the good work advertising it. Certainly, this entity is going
25 to be part of our public face to the consumers, and so their

1 work is going to be incredibly important to the success of the
2 program. And as Lorraine mentioned, all of the associated co-
3 benefits beyond just the economic, I think the design of this
4 speaks to sort of what we can do, and we really think hard
5 about how do you construct a consumer incentive program to
6 deliver those benefits. So, with that, I would like to move
7 the item.

8 COMMISSIONER BYRON: Question?

9 CHAIRPERSON DOUGLAS: Please.

10 COMMISSIONER BYRON: Ms. White, it is an
11 extraordinary program and I am going to go out and probably
12 take advantage of it myself. The question I had had to do
13 with the economic aspect of it. Have you determined what our
14 administrative costs will be for moving this \$35 million out
15 of this place?

16 MS. WHITE: We have endeavored to keep the costs
17 associated with the administration of this program to the
18 absolute minimum. We have worked very closely with the State
19 Controller's Office to keep their costs down. As many of you
20 know, the team dedicated to doing this program on staff is
21 very lean, nimble, very capable, but nonetheless, a small
22 team, so our in-house associated costs are lean. This
23 contractor has done everything they can to provide all of the
24 necessary services and required actions to us for the least
25 amount of cost. They have the types of customer service we

1 were seeking, they have the ability to provide the security
2 requirements that we were seeking, they have the ability to
3 provide the validation and the expeditious processing we are
4 seeking for an exceptionally low price. So, as a result,
5 considering all costs, we are meeting our goal of keeping the
6 administrative cost below 10 percent for this program. And as
7 a result, we will be able to meet our cost share.

8 COMMISSIONER BYRON: I am certain that you will.
9 And would I be correct in assuming that the administrative
10 costs here are less than about 3 percent?

11 MS. WHITE: Pretty darn close to that, yes.

12 COMMISSIONER BYRON: Okay, thank you. I certainly
13 am in favor of this and I thank all of you for the efforts to
14 get this done on time for Earth Day tomorrow.

15 MS. WHITE: Yes.

16 COMMISSIONER WEISENMILLER: I was just going to
17 observe, I think looking at the experience on the Cash for
18 Clunkers on the car level, and also the experience on the
19 other state programs on the appliances the New York Times
20 mentioned, there could be a real flood of calls of people
21 trying to take advantage of this tomorrow, so Commissioner
22 Byron may want to be in line before the stores open to buy his
23 appliances. Anyway, thanks again for the good work on this.

24 COMMISSIONER BYRON: I would be glad to move the
25 item.

1 COMMISSIONER EGGERT: I was going to say, as a back-
2 up, we had considered having Commissioners be on call center
3 duty.

4 MS. WHITE: We do actually have you all scheduled in
5 the event it is required.

6 COMMISSIONER BYRON: All right, I withdraw my
7 second. No, I do not.

8 CHAIRPERSON DOUGLAS: We have a motion and a second.
9 All in favor?

10 (Ayes.)

11 This item is approved.

12 MS. WHITE: Excellent. Thank you.

13 CHAIRPERSON DOUGLAS: Thank you, Ms. White, and the
14 rest of your lean and fast moving team for getting this before
15 us. I think we are all both relieved that the Commissioners
16 are not going to be volunteering for the call center, and very
17 pleased at your progress, the progress of this program, the
18 attention it is getting in the press, the clear interest from
19 the public, and the fact that we are launching, as planned, on
20 Earth Day.

21 MS. WHITE: If I might just - I would like to name a
22 couple of the team leads that have really bent over backwards
23 to make this program a success, Peter Strait (phonetic), the
24 Technical Lead for the Appliance Program to my left, Steve
25 Bonta in the Information Technology Group, who is working

1 diligently with the Controller's Office and the new vendor to
2 make the data processing an excellent program, Elizabeth
3 Gonzales, who is the lead at the State Controller's Office,
4 she is very much shoulder to shoulder with us, committed to
5 ensuring the program's success, Amy Morgan, who is with our
6 media office and has done an excellent job working with us to
7 get the partners in line and everybody signed up. There are
8 others who have really just come together to support the
9 objectives of the program and to really do a great job for the
10 Commission. You know, I am indebted to them. Thank you.

11 CHAIRPERSON DOUGLAS: Thank you. The next two items
12 are ARRA/ECAA loans. The first one, Item 6, County of San
13 Benito. Possible approval of Agreement 025-09-ECE-ARRA for a
14 \$125,000 loan to the County of San Benito to install a new 60
15 ton chiller, retrofit lighting and replace street lights with
16 energy efficient induction lamps. Ms. Perrin.

17 MS. PERRIN: Good morning, Commissioners. My name is
18 Karen Perrin. I am with the Fields and Transportation
19 Division, and this is a staff request for approval of a
20 \$125,000 loan to the County of San Benito. This is for
21 funding from the American Recovery and Reinvestment Act, the
22 ARRA funding, which is our 1 percent loan. As you stated,
23 this is for several different energy projects and I would like
24 to point out, as well, that the County of San Benito is also
25 requesting a Block Grant allocation, and they will be

1 combining funding from the Block Grant in the amount of
2 \$107,000 with this loan of \$125,000 to complete their energy
3 efficiency projects. This will reduce their energy use by an
4 estimated \$20,000 a year, and the payback on the loan portion
5 of this is six years, and staff is requesting approval of this
6 loan.

7 CHAIRPERSON DOUGLAS: Questions or comments?

8 COMMISSIONER BYRON: Madam Chair, I will move the
9 item.

10 COMMISSIONER EGGERT: Second.

11 CHAIRPERSON DOUGLAS: All in favor?

12 (Ayes.)

13 This item is approved.

14 Item 7. City of Hollister. Possible approval of
15 Agreement 027-09-ECE-ARRA for a \$30,868 loan to the City of
16 Hollister for energy efficiency upgrades. Ms. Khalsa.

17 MS. KHALSA: My name is Akasha Khalsa. I am an
18 Energy Analyst here at the CEC in the Fuels and Transportation
19 Division Special Projects Office. This is a request for a
20 loan for the American Recovery and Reinvestment Act. The City
21 of Hollister has a very old air conditioner that is way too
22 big, and this is going to put in a 24.5 ton air conditioner in
23 the Community Center, and this upgrade will save almost \$3,000
24 annually in electric costs, and it will save about 15,000
25 kilowatt hours per year for the city and reduces carbon

1 dioxide equivalents by about five tons annually. Hollister
2 already has been approved by this Commission for a Block Grant
3 of almost \$200,000 and this loan will complete that work, and
4 the staff requests your approval for this loan.

5 CHAIRPERSON DOUGLAS: Thank you. Questions or
6 comments?

7 COMMISSIONER BYRON: Madam Chair, I move Item 7 for
8 approval.

9 COMMISSIONER EGGERT: Second.

10 CHAIRPERSON DOUGLAS: All in favor?

11 (Ayes.)

12 Item 7 is approved.

13 MS. KHALSA: Thank you.

14 CHAIRPERSON DOUGLAS: Thank you.

15 Item 8. And we will take up Item 8a through s.
16 This is the Energy Efficiency and Conservation Block Grant
17 Awards. Possible approval of 19 Energy Efficiency and
18 Conservation Block Grant Program grant agreements awarding
19 \$2,791,346 in American Recovery and Reinvestment Act of 2009
20 funds. Ms. Godfrey.

21 MS. GODFREY: Good morning, Chairman and
22 Commissioners. I am Deborah Godfrey with the Special Projects
23 Office. There is one minor correction that is to (f) for
24 Gonzales, it should read "induction lighting," not "LED." I
25 am pleased to present for possible approval the second group

1 of Energy Efficiency and Conservation Block Grants. Today
2 there are 19 under the Direct Equipment Purchase Option.
3 There are three applications to apply for this grant, 1) to
4 fund an energy efficiency project, and these will be presented
5 as the next item, Item 9, a Municipal Financing Program, or,
6 as in the case for these, the Direct Equipment Purchase, the
7 DEP. The Direct Equipment Purchase was designed to assist the
8 small cities and counties with a streamlined application
9 through use of a list of energy efficiency measures that CEC
10 staff had determined to be cost-effective. This, of course,
11 was our most popular option. Though we established a minimum
12 grant amount of \$25,000 to cities and \$55,000 to counties,
13 some entities were not able to fully utilize their grant, and
14 that is the case for r, which is Sonora. Ten entities have
15 committed to a cost share, and that is Dixon, San Juan
16 Batista, Gridley, Big Bear Lake, County of Merced, Lemoore,
17 Beaumont, La Palma, Sonora, and the Collaborative.

18 These grants represent an annual reduction of almost
19 2 million kilowatt hours, 681 tons of CO₂ reduction, and
20 energy cost savings of approximately \$280,000. We request
21 your approval.

22 CHAIRPERSON DOUGLAS: Thank you, Ms. Godfrey. And,
23 Commissioners, we have one member of the public here to speak,
24 Gabe Karam, Director of Facilities at San Joaquin County.

25 MR. KARAM: Good morning, Madam Chair and

1 Commissioners. My name is Gabe Karam, I am the Director of
2 Facilities Management for San Joaquin County. I would like to
3 take this opportunity to thank you for considering approving
4 this grant for San Joaquin County and also thank your staff
5 that have spent many hours. We came down here and Deborah
6 Godfrey and Adel Suleiman spent several hours with us, helping
7 us make this process and streamlining it, made it easy for us.
8 So many of the staff members, I will mention their names in a
9 minute, but what this means for San Joaquin County is that we
10 will be getting rid of 69 very old, very inefficient HVAC
11 units with brand new energy efficient units, so I really want
12 to thank you, thank your staff for making this possible for
13 us. We are doing a few -- converting to variable frequency
14 drives, and that makes our chillers much more efficient, so I
15 really -- I came down here just to thank you for this and
16 thank your staff. Again, I would like to mention Adel
17 Suleiman, he is here in the audience, and Deborah Godfrey,
18 they really spent a lot of time with us, thank you. Haley
19 Buchanan is also here, I believe, yes, thank you, Phil Dyer,
20 Renee Webster-Hawkins, Kevyn Piper, Chris Scott, and Michelle
21 Messenger [phonetic]. You have a great team. I want to
22 commend you on the team you have. That is really all what I
23 wanted to say, and thank you so much.

24 CHAIRPERSON DOUGLAS: Well, thank you so much, Mr.
25 Karam, for coming here. I know that this is a tremendous

1 challenge for local jurisdictions, as well, to take advantage
2 of this opportunity, and to meet the requirements and the
3 hurdles that are there, and I am so pleased that this process
4 worked for you, and that our staff was able to help San
5 Joaquin County come up with a proposal that is exciting and
6 very beneficial to you. And I really appreciate -- I think we
7 all really appreciate hearing from you and your making the
8 trip to tell us this.

9 COMMISSIONER EGGERT: I just want to second that. I
10 really appreciate the comments and I think this program is
11 showing a great partnership with the local jurisdictions, this
12 and the ECAA program have enabled a good partnership to show
13 how we can work together to save energy and greenhouse gas
14 emissions. I would be interested, I guess, are we going to be
15 getting information back in the future in terms of the
16 performance of these projects?

17 MS. GODFREY: Yes, we will.

18 COMMISSIONER EGGERT: And I guess maybe one
19 suggestion is, you know, if we see some really innovative
20 activities going on that we have opportunities to highlight
21 that at future meetings, or maybe even some form of a
22 competition, an EECBG competition to see, you know, who spent
23 their money best, or had the most interesting results.

24 MR. SUGAR: I am John Sugar with staff. We had not
25 considered competition. We will go back and see how we can

1 work that. We are hiring a monitoring verification and
2 evaluation contractor, and one of the major objectives of that
3 effort is to be able to evaluate how we are doing, how the
4 various approaches, the different jurisdictions, the different
5 contractors, are using, how those approaches are working, so
6 that as we design programs in the future we can take advantage
7 of this experience from this one shot of federal money that we
8 are so fortunate to be able to take advantage of.

9 COMMISSIONER EGGERT: That is great to here. So
10 feedback to improve our future investments.

11 MR. SUGAR: Yes.

12 COMMISSIONER EGGERT: Excellent.

13 COMMISSIONER BYRON: Mr. Karam, thank you very much
14 for coming, that is very kind of you to acknowledge our staff
15 in that way, publicly, and we try to do it as well here from
16 the dais, but to hear from the public that is served by them
17 is just wonderful. So congratulations, John, I am sorry, Mr.
18 Sugar, and Ms. Godfrey, and all of the staff on bringing this
19 to us today. Thank you very much. I suspect we are going to
20 see some more, aren't we?

21 MS. GODFREY: Yes, quite a few, 208 total.

22 COMMISSIONER BYRON: I look forward to it.

23 COMMISSIONER WEISENMILLER: Certainly, I appreciate
24 your coming up to show your appreciation to the staff for the
25 activity. I think the thing that is remarkable on this is

1 sort of moving from the Federal level to the state, to the
2 local entities, but to the extent we are getting out \$25,000
3 grants for direct purchases throughout the state is an
4 incredible amount of activity, right, if you just think about
5 trying to - ones slightly over 7,000, but again, as we go back
6 to the amount of effort on these, it has to be remarkable in
7 terms of the amount of effort we put in to make sure that some
8 of the smaller communities are also covered. So I certainly
9 appreciate the staff's work on this.

10 CHAIRPERSON DOUGLAS: Absolutely, and Commissioner,
11 every single county in the State of California is covered, and
12 most of the cities in the State of California are covered. In
13 fact, how many cities and counties? Does the staff know that?

14 MS. GODFREY: There are 478 cities in California,
15 and 265 of them constitute "smalls." And out of the 58
16 counties, 44 were "smalls."

17 COMMISSIONER BYRON: Madam Chair, I would be glad to
18 move this item.

19 COMMISSIONER WEISENMILLER: I will second it.

20 CHAIRPERSON DOUGLAS: All in favor?

21 (Ayes.)

22 Item 8 is approved. Thank you.

23 MS. GODFREY: Thank you.

24 CHAIRPERSON DOUGLAS: Item 9. Energy Efficiency and
25 Conservation Block Grant Awards. Possible approval of 13

1 Energy Efficiency and Conservation Block Grant (EECBG) Program
2 grant agreements awarding \$2,127,989 in ARRA Funds. Ms.
3 Godfrey. And Ms. Godfrey will be taking up in this Item 9a
4 through m.

5 MS. GODREY: Thank you. Good morning again. This
6 is the second group of Energy Efficiency and Conservation
7 Block Grants under the Energy Efficiency Project Option.
8 These applications, as opposed to the direct equipment
9 purchase grant applications just presented, require the
10 Applicant to identify projects, provide feasibility studies,
11 and other supporting documentation, and were of course
12 considerably more time intensive for staff and for the
13 jurisdictions. I call your attention to the County of Benito
14 on Item 9h. You will notice that it is the same as the item
15 presented by Karen Perrin as Item 6; as mentioned, this is to
16 complete a larger project. San Benito undertook a larger
17 project than would have been possible with only their grant
18 money. They applied for the ARRA 1 percent loan that was
19 approved as business item number 6 today.

20 Also, Nevada County was approved for an ECAA loan on
21 January 27th of this year; this in addition to their block
22 grant, enable them to undertake a number of projects resulting
23 in significant savings. And this is the type of leveraging
24 that we encouraged at all of the workshops that we conducted
25 throughout the states and in our meetings with the local

1 jurisdictions. In addition, we have six that also have cost
2 share, and those are Mill Valley, Corte Madera, Placer County,
3 La Verne, Norco, and Moraga.

4 These 13 applications represent an approximate
5 annual savings of almost 3 million kilowatt hours, 235 tons of
6 CO₂ reduction, and \$400,000 of energy cost savings. It is of
7 note that the quality of these projects represented in these
8 applications were quite innovative and, coupled with the
9 leveraging of funds, cost share and loans, demonstrated a real
10 significant and strong commitment by these jurisdictions to
11 energy savings. And we request your approval.

12 COMMISSIONER BYRON: Ms. Godfrey, did I understand
13 you to say that this allocation, this project block grant
14 grouping took actually even more time on the part of staff and
15 applicants to put together?

16 MS. GODFREY: Well, the direct equipment purchase
17 was a considerably easier application, these required the full
18 feasibility studies and we are talking significance in just
19 paperwork, alone, going from maybe 20 pages to sometimes
20 literally binder after binder of applications.

21 COMMISSIONER BYRON: Well, I hope you will accept
22 our thanks again for bringing this to us today.

23 MS. GODFREY: Yes.

24 CHAIRPERSON DOUGLAS: Are there comments, questions?

25 COMMISSIONER EGGERT: I will move the item.

1 COMMISSIONER BYRON: Madam Chair, I am happy to
2 second it.

3 CHAIRPERSON DOUGLAS: All in favor?

4 (Ayes.)

5 Item 9 is approved. Thank you.

6 Item 10. South Coast Air Quality Management
7 District. Possible approval of Grant Agreement ARV-09-003,
8 awarding \$5 million to the South Coast Air Quality Management
9 District to demonstrate plug-in hybrid electric vehicle
10 technology. Ms. Allen - no, Mr. Smith.

11 MR. SMITH: Good morning, Chairman, Commissioners.
12 My name is Mike Smith. I am the Deputy Director for Fuels and
13 Transportation here at the Commission. Jennifer Allen was
14 unable to attend today, she is in training, so I am stepping
15 in for her. The project that you have before you today for
16 consideration is the result of a solicitation we released last
17 summer through the AB 118 program to provide match share for
18 entities in California that we are seeking ARRA dollars
19 through competitive programs through the Federal Government --
20 DOE, USEPA, and the Federal Transit Agency. This particular
21 one was proposed by South Coast Air Quality Management
22 District. We are very excited to be a participant in cost
23 sharing in this project. It is a very good example of an
24 important strategy that the South Coast is employing to reduce
25 diesel emissions in their district, in their basin. Diesel

1 emissions represent probably the single largest source of NO_x
2 and other criteria pollutants in the South Coast, as well as
3 the San Joaquin Valley, so these sorts of demonstration
4 projects that hopefully will lead to widespread
5 commercialization of plug-in electric hybrid vehicles in this
6 case, and in the medium duty classes, could provide a very
7 important avenue for reducing these sorts of emissions. I
8 want to just very quickly clarify a few things about this
9 project. It is part of a larger nationwide demonstration
10 program of about 378 vehicles, Class 2 to Class 5 vehicles.
11 The vehicles that are actually coming to California, there are
12 107 that will be used in California by various companies and
13 fleets. The classes covered here include vehicles such as
14 utility trouble trucks, so with the arms, the bucket trucks,
15 basically, and each of these will be Ford platforms, so the
16 Ford 550 Chassis Utility [Trouble] [sic] Trucks, the Ford F250
17 and F350 Pickup Chassis, the F450 and F550 Work Trucks in
18 various configurations, including flatbeds and work
19 configurations, and F-series and E-series Shuttle Buses, so it
20 is a wide class of trucks, vehicles that will be demonstrated.

21 South Coast is the project lead on this, but I do
22 want to mention that there is a host of other entities,
23 important entities, that are participating. Eaton Corporation
24 is the actual OAM plug-in hybrid electric system supplier.
25 Altec Industries, which is located actually just down the road

1 here in Dixon, is the OEM plug-in hybrid electric integrator
2 for all of these vehicles. Of course, Ford Motor Company is
3 participating, EPRI will be participating, Southern California
4 Edison is participating, as well as Compact Power Company is
5 providing the lithium ion battery packs.

6 I also want to just very quickly mention that, while
7 we are not paying for this particular part of the program,
8 this project does include a SMART charging infrastructure for
9 all of these vehicles, that these chargers will be compatible
10 with the Advance Metering infrastructure that is being put in
11 California utilities now.

12 We are very pleased to be a part of this project.
13 It is a very important piece of the Commission's investment
14 plan, AB 118 Program Investment Plan dealing with medium and
15 heavy-duty vehicle advance technology demonstrations, this is
16 perfectly aligned with that, and we are very happy to be part
17 of this project and seek your approval for it.

18 CHAIRPERSON DOUGLAS: Thank you, Mr. Smith, for
19 bringing this forward and for your very thorough description
20 of the project. Commissioners, questions or comments?

21 COMMISSIONER EGGERT: Just a couple. If I have my
22 numbers right here, I guess through the 118 program the Energy
23 Commissioner committed approximately about \$33 million to
24 projects that were cost shared by ARRA at a level of about \$93
25 million. Is that about right?

1 MR. SMITH: That is correct, Commissioner.

2 COMMISSIONER EGGERT: And this is part of that
3 package?

4 MR. SMITH: That is correct.

5 COMMISSIONER EGGERT: And probably just as
6 importantly, there is another almost \$130 or \$127 million in
7 additional private funds that were leveraged against that \$33,
8 so I think this one shows about a 5:1 just in Federal to State
9 leveraging, which is, I think, a great example of, again, what
10 we can do with our money if we put it to good use to leverage
11 other project activities. I would also say, you mentioned all
12 of the various project partners, and a great example of
13 California entities like the one in Dixon, which is providing
14 - is it systems integration?

15 MR. SMITH: They are doing the systems integration
16 for the electricity systems.

17 COMMISSIONER EGGERT: Working with Eaton in
18 Kentucky, Ford, of course, my Alma Mater in Michigan, and a
19 number of other project partners, so sort of a great
20 collaboration to bring this technology to California. So I
21 think, with that, I will move the item.

22 COMMISSIONER BYRON: I would like to thank
23 Commissioner Eggert for the additional information, I think
24 that is very helpful. I would certainly be glad to second the
25 item.

1 CHAIRPERSON DOUGLAS: Commissioner Weisenmiller?

2 All right, we have a motion and a second. All in favor?

3 (Ayes.)

4 The item is approved.

5 MR. SMITH: Thank you very much.

6 CHAIRPERSON DOUGLAS: Item 11. City of San Diego.

7 Possible approval of Agreement 003-09-ECA for a \$3 million

8 loan to the City of San Diego to upgrade street light

9 fixtures. Mr. Suleiman.

10 MR. SULEIMAN: Good morning, everyone. My name is

11 Adel Suleiman, I am with the Special Projects Office here at

12 the Commission.

13 COMMISSIONER BYRON: Pardon me, before you do that,

14 I think Commissioner Weisenmiller has a comment.

15 COMMISSIONER WEISENMILLER: Yeah, I wanted to

16 indicate that my previous employer, MRW, has had a

17 longstanding relationship with the City of San Diego dating

18 back actually to the Edison proposed merger with San Diego,

19 and while I doubt if they were involved in this, in the

20 abundance of caution, I am going to recuse myself from this.

21 CHAIRPERSON DOUGLAS: Thank you, Commissioner

22 Weisenmiller. Mr. Suleiman.

23 MR. SULEIMAN: Thank you. This loan request before

24 you today will provide the City of San Diego with sufficient

25 funding to convert 5,700 street light fixtures from the old

1 technology of hybrid sodium lamps to the new efficient and
2 long-lasting induction lamps. Before San Diego decided on
3 this retrofit and selecting induction technology for their
4 streets, they conducted a comprehensive pilot project which
5 was co-funded by the Energy Commission and installed different
6 types of lamps on six avenues along Balboa Park. Then, they
7 invited local residents, as well as lighting experts from
8 around the country, including staff from the Energy
9 Commission's PIER Program, as well as the Special Projects
10 Office, to survey, evaluate, and provide input on these
11 different technologies and their performance.

12 This retrofit, once completed, will save the City
13 \$350,000 annually in reduced energy costs, and thousands more
14 in maintenance costs. Energy consumption will also be reduced
15 by 2.5 million kWh annually, which is equivalent of removing
16 860 tons of harmful CO₂ from the environment. The design of
17 these new fixtures will be a full cut-off design, so it will
18 greatly reduce light pollution, as well. The total cost is
19 estimated at \$3.1 million, in which \$3 million will be funded
20 by this loan request from the Energy Conservation Assistance
21 Act, the ECAA funds. San Diego Gas & Electric Company will
22 provide approximately \$125,000 in cash incentives. This
23 project has a simple payback of 8.6 years and complies with
24 all requirements of the loan under the Energy Commission Loan
25 Program Funds, and I am asking for your approval on this loan

1 request to the City of San Diego, and will be happy to answer
2 any questions you might have.

3 CHAIRPERSON DOUGLAS: Thank you, Mr. Suleiman.
4 Questions or comments?

5 COMMISSIONER EGGERT: I will move the item.

6 COMMISSIONER BYRON: Second.

7 CHAIRPERSON DOUGLAS: All in favor?

8 (Ayes.)

9 This item is approved with Commissioner Weisenmiller
10 abstaining.

11 MR. SULEIMAN: Thank you.

12 CHAIRPERSON DOUGLAS: Item 12.

13 MR. LEVY: With Commissioner Weisenmiller recused.

14 CHAIRPERSON DOUGLAS: Recused.

15 MR. LEVY: Not abstaining.

16 CHAIRPERSON DOUGLAS: Thank you.

17 MR. LEVY: Thank you.

18 CHAIRPERSON DOUGLAS: Item 12. Kern Community
19 College District. Possible approval of Agreement 002-09-ECC
20 for a \$2.2 million loan to the Kern Community College
21 District. Ms. Castillo.

22 MS. CASTILLO: Good morning. My name is Joji
23 Castillo and I am with the Fuels and Transportation Division.
24 This is a loan request from the Kern Community College
25 District for \$2.2 million. This loan will be funded using

1 ECAA funds of an interest rate of 3 percent. This loan will
2 allow the district to install a 1 megawatt solar ground
3 tracker for the photovoltaic system. This will be a single
4 access tracking system constructed on an already existing
5 parking lot adjacent to the Bakersfield College campus in
6 Bakersfield, California. This project is estimated to save
7 the district 1.7 kilowatt hours, or almost \$200,000 annually.
8 The total project cost is estimated to be over \$8.3 million,
9 with the district potentially receiving utility rebates of
10 \$2.21 million. Almost \$4 million of the total project costs
11 will be funded by a lease revenue bond, and the remaining
12 costs would be the loan amounts requested, which is \$2.2
13 million. Based on this loan amount, payback is estimated at
14 11 years. Annual greenhouse gas reduced per year are
15 estimated to be 1,173,000 pounds of carbon dioxide. The Kern
16 Community College District has complied with all program
17 requirements, and I am seeking your approval for this loan
18 request. Thank you.

19 CHAIRPERSON DOUGLAS: Thank you. Commissioners.

20 COMMISSIONER EGGERT: So if my math is correct here,
21 this is about 8.3 cents per watt, or \$8,000, a little over
22 \$8,000 per kilowatt?

23 MS. CASTILLO: Yes.

24 COMMISSIONER EGGERT: And is that coming in around
25 what we are seeing other projects of similar size in terms of

1 the cost?

2 MS. CASTILLO: The average for this size is about
3 \$6,000 to \$8,000 per kilowatt. That is around average, so
4 this is a little bit on the higher end.

5 COMMISSIONER EGGERT: In terms of - is it higher
6 because of some of the components, like the tracking aspects
7 of it?

8 MS. CASTILLO: We suspect that is why, yes, because
9 there is a tracking component to it.

10 COMMISSIONER EGGERT: Okay. No further questions.

11 CHAIRPERSON DOUGLAS: Okay.

12 COMMISSIONER WEISENMILLER: I would like to move the
13 item.

14 COMMISSIONER BYRON: Second.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 This item is approved.

18 MR. LEVY: Chairman, pardon me. On Item 11, could
19 the record just reflect that Commissioner Weisenmiller did
20 actually leave the dais for the item?

21 CHAIRPERSON DOUGLAS: Yes.

22 MR. LEVY: Thank you.

23 CHAIRPERSON DOUGLAS: Thank you. Item 13.

24 University Enterprises. Possible approval of Contract 500-09-
25 039 with University Enterprises for \$2,000,000 to establish a

1 Smart Grid Center at California State University, Sacramento.
2 Mr. Gomez.

3 MR. GOMEZ: Good morning, Madam Chair,
4 Commissioners. My name is Pedro Gomez. I am the Program
5 Manager for the Energy Systems Integration Program. We are
6 seeking approval to fund this contract and establish the Smart
7 Grid Research Center at California State University in
8 Sacramento. California entities have received more than \$500
9 million in ARRA funds over the last six months to assist in
10 the development of Smart Grid. A Smart Grid will require us
11 to embed communication capability to the existing electrical
12 infrastructure. The future Smart Grid will be a network of
13 devices that will constantly monitor the grid and communicate
14 potential problems before the problems cascade into a black-
15 out. California leads the nation in Smart Grid development
16 and with that come many benefits. To reap those benefits,
17 however, we need to overcome some challenges, and this is what
18 the Center will help us do. One of those challenges is
19 securing the data that is being communicated from the utility
20 to the customer and back through smart meters, and it is
21 vulnerable without appropriate encryption technology. The
22 CSUS Cyber Security Program is certified by the Department of
23 Homeland Security and the National Security Agency. They will
24 use this expertise to help secure the California Smart Grid.

25 A second area that the Center will focus on is

1 integration of Smart Technology. The Center will develop test
2 beds where many of the devices that PIER funds will be tested
3 for interoperability and standards in systems. The Center is
4 focused on applying research where they will evaluate
5 technology and standards development to ensure that, before
6 integrating new Smart devices to the Grid, they are fully
7 operational. Separate from this contract, CSUS recently
8 received a couple of awards, national awards in workforce
9 development that will prepare the workforce needed for Smart
10 Grid implementation. They will research and develop workforce
11 training programs to prepare the workforce of the future.
12 Through this Center, the information that they obtain and
13 collect and gather will be shared statewide and nationally.
14 With that said, I would like to mention that this project was
15 approved at an earlier R&D Committee meeting, and with that, I
16 would like to entertain any questions that you may have.

17 COMMISSIONER EGGERT: So as I understand it, in
18 addition to the expertise that they have on Smart Grid, they
19 are also a provider of a lot of the Smart engineers that end
20 up at the utilities? Is that -

21 MR. GOMEZ: That is correct. CSUS is one of two
22 power engineering programs in the state, in fact, they are the
23 premier engineering school and many of their graduates today
24 are working within the utility industry and the power industry
25 in California and nationally.

1 COMMISSIONER EGGERT: That is great to hear. I
2 think that is one of the other important products of these
3 activities is the actual training of students who are
4 participating in the research and eventually go into the
5 industry to help implement it. I was briefed on this item
6 earlier and I was very encouraged to see that there is going
7 to be a strong emphasis on collaboration with some of the
8 other relevant Centers of Excellence, including demand
9 response, energy efficiency, a plug-in vehicle center which is
10 looking at how to integrate electric vehicles into the Grid,
11 even some of our activities that we are funding, for example,
12 UC Irvine working on RUSGO and sort of local Grid integration
13 activities. And I am assured that that is a strong component
14 of the direction to this center, to take full advantage of
15 those activities?

16 MR. GOMEZ: That is correct.

17 COMMISSIONER EGGERT: Excellent. Thank you.

18 MR. GOMEZ: Thank you, sir.

19 COMMISSIONER WEISENMILLER: I was going to say, when
20 I gave my presentation at SARTA, I had the opportunity to meet
21 the Dean of the Engineering School, who is here, so I was
22 going to ask him if he wanted to say a few words about this
23 effort.

24 MR. MACARI: Thank you, Commissioner. Good morning
25 to everybody. I think Pedro Gomez has done an outstanding

1 job. I have been working with staff at the Energy Commission
2 now for the better part of almost three years trying to
3 structure how this center would operate. We are a CSU, we are
4 not a big UC research center, but we are where the rubber hits
5 the road. Our power engineering program is second to none in
6 the state and utilities are not asking me, but yelling for
7 more products, more capital, human capital to come to them.
8 So this is a wonderful opportunity that we have, we will be
9 sharing our information with all the other research centers
10 that are sponsored by the Energy Commission. In addition,
11 this past November we collaborated with SMUD in securing
12 stimulus package funding for Smart Grid infrastructure for
13 \$127.5 million, which at that time represented about 65
14 percent of the money that came to California. We are looking
15 at having Sacramento become a Smart City, and the campus will
16 become a model that will be a living laboratory for our
17 students to be able to demonstrate these technologies. So we
18 are really looking forward to this project.

19 COMMISSIONER BYRON: Would you please identify
20 yourself for the record?

21 DEAN MACARI: Thank you. My name is Emir Jose
22 Macari, I am Dean of the College of Engineering and Computer
23 Science. And, again, I want to thank Pedro Gomez very much,
24 Jamie Patterson has been working with us, and Mike Gravely,
25 who has been a tremendous source of information and advice as

1 we have been navigating this process.

2 COMMISSIONER BYRON: Well, we have had the
3 opportunity to meet before, as well, and I am very hopeful
4 that your notion of making Sacramento a Smart City is doable.
5 But I am not so sure. If I may, a question of Mr. Gomez just
6 for a second. You had indicated there was another school in
7 the state, as well, that has a similar academic program as
8 Sacramento State. Did you evaluate that school in your
9 selection process?

10 MR. GOMEZ: We did, and though they have a power
11 engineering program, my understanding is most of the
12 professors have now retired, and so the coursework is not
13 available at this time.

14 COMMISSIONER BYRON: Dean, you have positioned your
15 school really well here. We need that capability in the
16 state.

17 DEAN MACARI: Sir, I have only been here for three
18 and a half -- four years -- so it was a situation that
19 developed accidentally; while all universities were moving the
20 electrical engineering programs into microelectronics, Silicon
21 Valley, folks forgot about the power high voltage energy. So
22 we had professors twiddling their thumbs for a few years, but
23 it happened to be that energy has come to be a center
24 position, so we had the power engineering, renewable energy,
25 and the cyber security components, which we felt was three

1 strong legs for a table of Smart Grid. So it is finding the
2 niches, but I cannot take credit for positioning our
3 university to do this.

4 COMMISSIONER EGGERT: Yeah, I guess I would second -
5 - applaud your positioning. I would say, in the interest of
6 providing greater human infrastructure reliability and
7 robustness, hopefully the products of, for example, curriculum
8 development would be made available so that, if universities
9 like Pomona are able to re-staff up their faculty, that that
10 information be available for other programs, as well.

11 DEAN MACARI: Absolutely. We are working closely
12 with SEMPRA, with Southern California Edison, PG&E, SMUD, as
13 well as with Cal Poly Pomona, that is really interested in
14 learning from what we have, and for us to be able to export
15 it, and sharing our information. So we recently had a meeting
16 with all these stakeholders here at our campus to discuss how
17 we can share this information, how we can share the
18 curriculum, and we look forward to doing that.

19 COMMISSIONER BYRON: Thank you very much for being
20 here today. Madam Chair, I would be more than happy to move
21 approval of Item 13.

22 COMMISSIONER EGGERT: Second.

23 CHAIRPERSON DOUGLAS: All in favor?

24 (Ayes.)

25 Item 13 is approved. Thank you.

1 MR. GOMEZ: Thank you.

2 CHAIRPERSON DOUGLAS: Item 14. University of
3 California, California Institute for Energy Efficiency.
4 Possible approval of Contract 500-09-038 for \$2,535,927 with
5 the Regents of the University of California, CIEE to conduct
6 statewide, local and regional vulnerability and adaptation
7 assessments for man-made infrastructure that will be affected
8 by climate change. Mr. Franco.

9 MR. FRANCO: Good morning -

10 MR. LEVY: Pardon me, one moment, Chairman Douglas.
11 I just wanted to disclose on the record my own relationship
12 with the University of California. I am the Vice President
13 and President Elect of the Cal Ag Alumni Association of U.C.
14 Davis, it is an unpaid, voluntary position. The Cal Ag Alumni
15 Association is a 501(c)(3) nonprofit corporation, which is not
16 actually a part of the university. I just wanted to put it on
17 the record in an abundance of caution. Thank you.

18 COMMISSIONER BYRON: And I certainly will not hold
19 it against our Chief Counsel.

20 CHAIRPERSON DOUGLAS: Thank you.

21 MR. FRANCO: Good morning, Commissioners. My name
22 is Guido Franco, I am a Senior Engineer in the Public Interest
23 and Energy Research Program. Last December, the Governor
24 unveiled the 2009 California Adaptation Strategy. That
25 mandates, among other things, the preparation of a

1 vulnerability and adaptation study for California that has to
2 be led by the California Energy Commission's PIER Program. To
3 design this study, we formed a steering committee, formed by
4 representatives from different state agencies. They have
5 helped us design the overall study, and they will be involved
6 in all aspects of the project. The study will be a
7 combination of local, regional studies that will be
8 coordinated with the statewide analysis, but also we will be
9 looking not only to physical vulnerability due to climate
10 change, but also will be looking for the first time at what we
11 call the socioeconomic vulnerability, or the human dimension
12 of climate change. So the human dimension of climate change
13 will include identification of areas that may impede the
14 implementation of adaptation measures, so regulatory barriers,
15 legal, cultural, financial, and other barriers, like that.
16 This is a very large study, so in order to make it more
17 manageable, we have two interagency agreements, the next item
18 on the agenda will include the second part of the overall
19 vulnerability study. My vulnerability study, my part of it
20 mostly deals with man-made systems, like the energy systems
21 and the water systems. Ms. Sarah Pittiglio will be looking at
22 the vulnerability of natural and managed ecosystems. My
23 proposed project includes about 20 different studies that will
24 be conducted by about 15 different principal investigators,
25 seven different campuses of the University of California, and

1 the foundation of all of this has been the loan work, the work
2 that the Energy Commission has been sponsoring for the last
3 several years. We are very excited to bring these projects
4 for your consideration. And with that, I am ready to answer
5 any questions that you may have.

6 COMMISSIONER EGGERT: I was just going to say I
7 think this is a great example of the adaptation work that I
8 know that was done that led up to the State Adaptation Plan,
9 was based largely on a lot of the work that was done under
10 PIER, and so that was a great accomplishment, and this is
11 really sort of carrying forward on the recommendations that
12 came out of that effort, as I understand it?

13 MR. FRANCO: Yes, that is correct.

14 COMMISSIONER EGGERT: And I think, again, based on
15 my understanding of this field, it is really going to be the
16 first time where we are going to be able to provide more
17 detailed guidance, including to local jurisdictions and other
18 managers of infrastructure and such, as to how they are
19 supposed to think about adaptation, and how to plan for it,
20 and what types of impacts might accrue within sort of a fairly
21 fine-grained assessment. So I guess this is, again, I think
22 another sort of groundbreaking work that the Commission is
23 doing on this topic area, and hopefully will also become a
24 model for other states and the rest of the country, as well.

25 COMMISSIONER BYRON: Mr. Franco, you and Ms.

1 Pittiglio always put together interesting research projects.
2 My question is more about the administrative aspect of this,
3 it is two separate contracts, but yet they are very closely
4 related, as you indicated. Will you be managing the first
5 contract and her, the second?

6 MR. FRANCO: Yes, but they probably will be managed
7 in a very well -- I mean, we will be a management team,
8 basically. So the two projects are very well coordinated. We
9 will have the same steering committee. We will have, for
10 example, a meeting with all the PI's, all the Principal
11 Investigators, so both groups will be involved in that
12 meeting.

13 COMMISSIONER BYRON: And you had indicated there
14 were seven universities associated with this?

15 MR. FRANCO: In my part of the interagency
16 agreement, yeah, there are seven different campuses of the
17 University of California. Ms. Pittiglio may have additional
18 groups of the University.

19 COMMISSIONER BYRON: I could not get to seven when I
20 looked through the materials, so help me out. I saw Scripps,
21 Davis, Riverside, Berkeley, Santa Cruz, and those are the only
22 five I could identify.

23 MR. FRANCO: Santa Barbara -- how many more do you
24 need? U.C. Davis, U.C. Berkeley, we have Santa Cruz, U.C.
25 Santa Barbara. I think there is somebody from U.C.L.A., but I

1 am not really sure. U.C. San Diego.

2 COMMISSIONER BYRON: San Diego would be the other
3 one, okay. Thank you very much.

4 MR. FRANCO: You are welcome.

5 COMMISSIONER WEISENMILLER: Again, I think it is
6 very very important that, from the infrastructure purpose, we
7 start figuring out what climate impacts are, but also note
8 that you are also looking at Peter Glick, a long-time
9 colleague, as an associate here. Peter -- remarkable, also
10 graduated the IER program, a McArthur Fellow Genius Award,
11 National Academy of Science, on water issues. So, again, I
12 certainly applaud you in getting Peter involved, too.

13 COMMISSIONER EGGERT: I move the item.

14 COMMISSIONER WEISENMILLER: I will second it.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 This item is approved.

18 Item 15. University of California, California
19 Institute for Energy Efficiency. Possible approval of
20 Contract 500-09-037 for \$1,257,586 with the Regents of
21 University of California, to identify strategies for national
22 and managed ecosystems in California. Ms. Pittiglio.

23 MS. PITTIGLIO: Good morning, Commissioners. My
24 name is Sarah Pittiglio. I am with the PIER Environmental
25 Group. This project is designed to address the research needs

1 that are outlined in the California Adaptation Strategy that
2 was released by the Resources Agency last summer. We also
3 worked very closely with staff at Fish & Game, Cal Fire, State
4 Parks, and Caltrans in developing the Statement of Work. The
5 study will be applying databases and models that we created in
6 six previously funded PIER studies, so I am very excited to
7 see those models in action. The study will be using models on
8 the geographic distribution of species, wildfire, and also
9 urban growth in future climates. And they will be run for the
10 entire state and under several different climate change
11 scenarios. But in the interest of time, we will just be
12 tracking small regional studies out of the Statewide Spatial
13 Distribution Data, but it will be nice that we will have this
14 statewide data available for future regional studies, and also
15 available to other state agencies in developing their
16 adaptation plans. So we will be using the models and the
17 databases to identify vulnerable species and ecosystems, and
18 then we will use the data to create plausible, no-regrets
19 adaptation strategies. And this study will also be looking at
20 social barriers to adaptation, including regulatory, legal,
21 cultural, and financial barriers to adaptation. And the study
22 will not only benefit entities designing adaptation strategies
23 in California, but all of the spatial data will be publicly
24 available on Google Earth through the Cal Adapt Project. So
25 that will be nice, as well. And I am happy to answer any

1 questions you might have.

2 COMMISSIONER BYRON: No, I will not put you through
3 the quiz I put Mr. Franco -

4 MS. PITTIGLIO: I am ready, I have them all.

5 COMMISSIONER BYRON: But I do want to compliment,
6 again, you, as well. These are complicated research projects,
7 take a great deal of coordination and effort, and I note that
8 this also complies with the Governor's adaptation strategy
9 that he released in December of last year. So, again, thank
10 you for the research and the responsiveness to that strategy
11 that he just put forward.

12 MS. PITTIGLIO: Yeah, I also wanted to add that, in
13 addition to -- I think we have eight PI's and five U.C.
14 campuses, we also are working really closely with Rebecca Shaw
15 at the Nature Conservancy and several people at PRBO that are
16 basically donating their time and databases to the study, as
17 well, so we are really lucky to have their contributions, as
18 well.

19 COMMISSIONER EGGERT: I guess, similarly, it appears
20 to be another great follow-on to the previous work and it is
21 great to hear that we will be making the data available to
22 Google Earth, which will probably be great fodder for a lot of
23 university research projects. I did have a question about
24 kind of reading through this whether or not there would be a
25 link or an applicability of this work to the DRECP efforts,

1 the Desert Renewable Energy Conservation Plan, sort of the
2 interface between habitat mitigation and the capital
3 investments that are being made in these large solar projects?

4 MS. PITTIGLIO: Yeah, you know, that is a good
5 question and most of those projects are obviously in the
6 desert regions, but in this study, in the interest of time, we
7 just picked a few regional case studies and it does not cover
8 those desert areas, but we will have the spatial data
9 available that could be used in other projects that are being
10 funded by the environmental group looking at desert ecosystems
11 and the impact of renewable energy there.

12 COMMISSIONER EGGERT: So that will be covered in
13 other project research areas?

14 MS. PITTIGLIO: Yeah, the other members of the
15 environmental team had just had a request for a proposal
16 covering topics looking at renewable energies in desert
17 ecosystems, so...

18 COMMISSIONER EGGERT: Okay, thank you.

19 COMMISSIONER WEISENMILLER: Actually, as part of the
20 DRECP, they are looking at the implications of climate change
21 on the conservation areas and, in lieu of the land you might
22 find as part of the mitigation, so it is certainly a key topic
23 to build into that.

24 COMMISSIONER EGGERT: I will go ahead and move the
25 item.

1 COMMISSIONER BYRON: Second.

2 CHAIRPERSON DOUGLAS: All in favor?

3 (Ayes.)

4 MS. PITTIGLIO: Thank you.

5 CHAIRPERSON DOUGLAS: [Inaudible] Item 17.

6 MR. LOZANO: Good morning, Commissioners. My name
7 is Michael Lozano, Team Lead representing the PIER Industrial-
8 Ag Water Team. We are here requesting approval for this
9 agreement with the Gas Technology Institute for \$400,000, with
10 a \$125,000 in-kind cost share to fund GTI's DOME technology.
11 The \$50 billion California food processing industry is the
12 third largest industrial energy user in the state, consuming
13 an estimated 590 million therms of natural gas, and 36 billion
14 gallons of water. Over the past decades, limitations on water
15 availability and stringent discharge requirements has
16 motivated the food processing industry to search for ways to
17 reduce water and energy use. The DOME technology is a new
18 design concept for water distillation tailored for the
19 agricultural and food processing industries. The idea is to
20 utilize low-grade waste heat generated in the processing of
21 food products to clean and recycle their wastewater. For
22 instance, it would be things such as de-feathering of
23 chickens, or blanching of tomatoes, common processes. This
24 research and demonstration project is currently slated to be
25 conducted at the partner onion processor in Oxnard,

1 California. If successful, 50 percent market penetration of
2 this technology can potentially save 220 million gallons of
3 clean water and 15 million therms of natural gas per year. We
4 request approval of this project, and I am available to answer
5 your questions.

6 CHAIRPERSON DOUGLAS: Questions?

7 COMMISSIONER BYRON: Madam Chair, the staff is
8 becoming well aware of my aversion to turning acronyms into
9 words, and I am sure that either Ms. Mueller -- forgive me, I
10 cannot remember your name, I am sorry.

11 MR. LOZANO: Michael Lozano.

12 COMMISSIONER BYRON: Mr. Lozano added to the summary
13 that DOME is the name of a process, it is not an acronym, so I
14 thank you very much for that. Again, this is interesting
15 research, I am always amazed at research that comes out of
16 PIER, and the potential usefulness of this research is very
17 good. So I am pleased to move the item for approval here
18 today.

19 COMMISSIONER EGGERT: Just a question. You said
20 this is going to be deployed at an onion facility? Did I hear
21 that correctly?

22 MR. LOZANO: Yes.

23 COMMISSIONER EGGERT: That does not happen to be the
24 same one that won an award at -- I cannot remember, but
25 recently one of our Commissioners who is not here,

1 Commissioner Boyd, received an award for some work done at an
2 onion facility. Is that the same one?

3 MR. LOZANO: I do not know which one he won the
4 award for.

5 COMMISSIONER EGGERT: I am seeing Ken in the back
6 nodding. And is this project in any way related to that?

7 MR. LOZANO: It was Gill's Onions.

8 MR. KOYAMA: Yes, Gill's Onion in Ventura County,
9 and the award that we received was for a fuel cell using
10 biogas that is produced in the onion waste, so it is a
11 different project than what Mike has.

12 COMMISSIONER EGGERT: But the same company?

13 MR. KOYAMA: Yeah.

14 COMMISSIONER EGGERT: Okay, thank you very much.

15 CHAIRPERSON DOUGLAS: We have a motion and a second.
16 Mr. Weisenmiller?

17 COMMISSIONER EGGERT: Second.

18 CHAIRPERSON DOUGLAS: All in favor?

19 (Ayes.)

20 This item is approved.

21 MR. LOZANO: Thank you.

22 CHAIRPERSON DOUGLAS: Item 18. Lawrence Berkeley
23 National Laboratory. Possible approval of Contract 500-09-036
24 for \$300,000 with the U.S. Department of Energy, Lawrence
25 Berkeley National Laboratory, to improve and conduct modeling

1 of particle mass (PM) 2.5 formation. Ms. Mueller.

2 MS. MUELLER: Good morning, I am Marla Mueller with
3 the Energy area of the Public Interest Energy Research
4 Program. The California Central Valley has some of the
5 dirtiest air in the United States. It is out of compliance
6 with both U.S. EPA annual and 24-hour particulate matter 2.5
7 standards. Air quality in the summer and early fall
8 contribute significantly to these exceedances, and this is
9 also a time when utility loads are at their highest. The
10 formation of particulate matter is complex, and there are many
11 precursors and pathways to creating particulate matter. With
12 peak demand continuing to increase in the summer and early
13 fall, understanding the best options for meeting the growing
14 power demands and minimizing the air quality impact is of
15 utmost importance. The objective of the proposed project
16 before you is to better understand the formation of prime
17 particulate matter, or, as we say (PM) 2.5, and ozone
18 concentrations in Central California in August and September,
19 and to determine their sensitivities to precursor compounds,
20 especially those emitted during power generation. The project
21 will use ambient (PM) 2.5, ozone and precursor data at a
22 number of sites over a number of years, along with
23 meteorological data, to conduct modeling studies to determine
24 the contribution of power generation in the late summer and
25 early fall to the lack of compliance with annual average PM

1 standards in the Central Valley. It will evaluate how the
2 control strategies for each of these two pollutants, ozone and
3 particulate matter, might change if they are considered
4 together. It will evaluate the impact power plant locations,
5 such as rural vs. urban areas, has on the impact of the ozone
6 and particulate matter production; it will determine the
7 potential ozone and particulate matter implications of siting
8 renewable power such as biomass, waste fueled power generation
9 at dairies or composting facilities, and it will help
10 understand how power generation may contribute to the lack of
11 compliance with a more stringent ozone standard currently
12 being considered. I would like to mention that we have worked
13 with the San Joaquin Valley in developing this project and, if
14 it goes forward, we would work with them, the Air Resources
15 Board, and other districts. And I am ready to answer your
16 questions. Thank you.

17 CHAIRPERSON DOUGLAS: Commissioners, I would also
18 like to point out that I got a support letter for this project
19 from the San Joaquin Valley Air Pollution Control District,
20 and among other things, they expressed their strong support
21 for the project and they say that the proposed research would
22 provide much needed quantification of the effects of power
23 generation on air quality with regard to ozone and (PM) 2.5
24 levels. So I am pleased that we have such an important
25 constituent group that would use this research in a real world

1 way, writing in support of the project.

2 COMMISSIONER EGGERT: Yeah, I think this does appear
3 to be a really valuable project in terms of the types of
4 information it will provide, including for how we are going to
5 comply with some of these standards that continue to get more
6 stringent, and for a good reason, because of the associated
7 health impacts. We had the opportunity to be briefed on this
8 very shortly when we were at LBL and it appears that, you
9 know, the quality of the project is quite good, and they said
10 that they were also collaborating with a lot of the other work
11 that is going on at other institutions around the state, you
12 know, looking at the transport of these particulates, as well
13 as their formation and the relative contribution from
14 different sources. So this is a good project.

15 COMMISSIONER WEISENMILLER: I think certainly from
16 the perspective of the Siting Policy Committee, we have been
17 looking at the generic issue of how the [inaudible] [1:53] Air
18 Quality Regs are affecting our power plant sitings, so it is
19 very good to have some proactive work going on, trying to do
20 some of the fundamental R&D that can help the state come to
21 grips with these issues. As Commissioner Eggert said, these
22 certainly have real health impacts that we need to be dealing
23 with the mitigation of those as part of our siting process.
24 So, again, I certainly support the project. I would move it
25 for adoption.

1 COMMISSIONER EGGERT: Second.

2 CHAIRPERSON DOUGLAS: All in favor?

3 (Ayes.)

4 This item is approved.

5 MS. MUELLER: Thank you.

6 CHAIRPERSON DOUGLAS: Thank you.

7 Item 20. Are there any Commission Committee
8 Presentations and Discussion?

9 COMMISSIONER WEISENMILLER: I just wanted to
10 identify three things briefly. Two of those, Commissioner
11 Eggert and I were both at Riverside for the Governor's
12 Renewable Conference and, also, we both went to LBNL for a
13 presentation on their research, and I was going to talk just
14 very briefly on SARTA. So walking through the first thing, I
15 think Riverside was very well attended, over 300 people, I
16 think initially, many people from our staff, I think probably
17 one of the points I wanted to really convey back to people was
18 that, at one point, I asked siting staff to stand up and they
19 got a round of applause from the audience. Obviously, not all
20 of them were there, but I think it is important to indicate in
21 a roomful of developers and other participants that they
22 recognized the sacrifices they were going through to help the
23 state deal with these challenging times. Again, I think it
24 was a good conference, a lot of energy, a lot more focus now
25 on some of the local government issues, but particularly the

1 kick-off on a lot of the DRECP activities in the South. But,
2 as I said, I think this was a real highlight, I hope, for a
3 lot of our staff, was that applause.

4 In terms of LBNL, I think it was a good opportunity
5 for us to see a number of things that are going on there and
6 they have talked about a proposal they are putting together
7 for the Federal Government assistance to become a center on
8 innovation and buildings, and I guess that expands from
9 Sacramento, this group SARTA I want to mention in a second is
10 part of that, all the way down to San Jose, so the notion is
11 to really drive innovation in building technology and
12 presumably for the region to continue being a strong center
13 for buildings, you know, certainly competing with Princeton
14 for years, but there are at least 20 states vying for this --
15 or 20 groups vying for this, and this is the only one vying in
16 California for the position, but it would certainly be very
17 competitive. And I think we were told Harvard and MIT are
18 seen as a very strong challengers, among others, in this
19 activity. So, again, I think it is critical for the state to
20 keep its leadership and to build a technology to win this or
21 at least be very well positioned on the proposal side.

22 And finally, SARTA is Sacramento Area Regional
23 Technology Alliance, which was founded by Gary Simon. Gary
24 has a number of links into the Energy Commission. I think
25 when Melissa was an intern, he was her supervisor. He also

1 was -- when he was an intern, he worked for Charlie Warren and
2 was part of the authorship of the Warren-Alquist Act,
3 certainly he was here for a number of years. This particular
4 organization, I think the Energy Commission gave a PIER grant
5 to get it going. I do not know if we have been participating
6 as much lately, but pretty impressive, very strong support
7 from SMUD for this. We saw, they had their list of over 3,000
8 jobs in Sacramento, and well over 100 companies, all sort of
9 in the technology development space here, particularly in the
10 energy area of clean technology. So a lot of energy and
11 enthusiasm, a very impressive test bed at McCallum for high
12 technologies to try to take these innovative technologies and
13 help incubate this along. So I think complimentary in many
14 respects to PIER where we come up with a lot of R&D, but this
15 is much more in the how do you really move the R&D out into
16 commercialization. So a pretty impressive organization.
17 Those are my three. So your sense of the two we were both at
18 together?

19 COMMISSIONER EGGERT: I guess I would just add a
20 little bit. I think, you know, Riverside, the meeting on
21 renewables, was a great event. It was a good opportunity to
22 bring together all the relevant stakeholders as a
23 demonstration of how serious the state is to meeting its
24 commitment to achieve high penetrations of renewable energy
25 within the state, and a good opportunity to sort of introduce

1 some to some of the activities, including the DRECP. Also, at
2 Lawrence Berkeley, we had basically spent an entire day
3 learning about all of their various programmatic areas, very
4 very impressive work on buildings and demand response, even
5 the project we just heard about on PM formation and transport.
6 And there is actually one other -- we expect there potentially
7 to be another proposal on the buildings hub that is going to
8 be partially led by UCI, so there is going to be some
9 competition here. But given California's leadership on
10 buildings, hopefully we have a fantastic opportunity that one
11 of those will be successful in winning the DOE's hub proposal.
12 And then, I would just say the other recent visit that I did
13 take was to UC Irvine and met with their Energy Research
14 Group, which is working on a lot of relevant activity in
15 distributed generation and fuel cells, advanced transportation
16 technologies, sort of integrating a lot of different
17 disciplines, including engineering, economics, and behavioral
18 sciences, to do some very innovative work that I think is
19 going to help us chart our path in terms of the program
20 designs that we have in that area, and also help with the
21 industry in figuring out what opportunities exist and how they
22 might be achieved most profitably.

23 CHAIRPERSON DOUGLAS: Thank you, Commissioners.
24 That was very interesting and great to hear.

25 Item 21. Chief Counsel's Report.

1 MR. LEVY: I have nothing to report.

2 CHAIRPERSON DOUGLAS: Item 22. Executive Director's
3 Report.

4 MS. JONES: I have one quick item. DOE announced
5 the awards for its competition for the Energy Efficiency and
6 Conservation Block Grants. This was the \$452 million
7 competitive program. The County of Los Angeles partnered with
8 the Cities and Counties throughout California and was awarded
9 a \$30 million contract; they had originally requested \$75
10 million. And this is for doing a residential whole
11 neighborhood building energy retrofit. We, as well as the
12 Governor's Office, had given support letters for this project.
13 There was an additional project that was not funded, and that
14 was the San Joaquin Project. Thank you.

15 CHAIRPERSON DOUGLAS: Thank you, Ms. Jones.

16 Item 23. Public Advisor's Report.

17 MS. JENNINGS: I have nothing to report, thank you.

18 CHAIRPERSON DOUGLAS: Is there any public comment at
19 this time? Very well, we are adjourned. Thank you.

20 (Whereupon, at 12:07 p.m., the business meeting was
21 adjourned.)

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