

STATE OF CALIFORNIA
California Energy Commission

Minutes of the May 18, 2011, Energy Commission Business Meeting.

The meeting was called to order at 10:05 by Chair Robert Weisenmiller. The Pledge of Allegiance was lead by Chair Weisenmiller.

Present:

Robert B. Weisenmiller, Chair
Karen Douglas, Commissioner

Carla J. Peterman, Commissioner

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)
 - a. CITY OF NAPA. Possible approval of the City of Napa’s locally adopted energy standards to require greater energy efficiency than the *2008 Building Energy Efficiency Standards*. Contact: Joe Loyer.
 - b. UNIVERSITY OF CALIFORNIA, DAVIS. Possible approval of Amendment 1 to agreement PIR-08-007 with the Regents of the University of California, Davis, to reallocate funds within the agreement and add three additional case studies of cities that are exploring local policy initiatives to reduce greenhouse gas emissions in order to highlight achievements and barriers. The proposed amendment will not change the contract term or overall budget amount. Contact: Sarah Pittiglio.
 - c. CSU FULLERTON AUXILIARY SERVICES CORPORATION. Possible approval of Amendment 1 to Contract 500-09-007 with California State University Fullerton Auxiliary Services Corporation for a six-month, no-cost time extension to allow additional measurements of fugitive methane emissions at natural gas facilities in California. Contact: Sarah Pittiglio.
 - d. CITY OF ORLAND. Possible approval of Amendment 1 to Agreement CBG-09-049 with the City of Orland to reallocate \$3,802 from the Labor budget to Non-Labor Contract Expenses category. Contact: Barry McLeod.
 - e. COUNTY OF NEVADA. Possible approval of Amendment 1 to loan agreement 006-09-ECD with the County of Nevada to change the scope of work, and reduce the loan amount by \$94,641. Installation of larger HVAC units than originally proposed results in lower annual energy cost savings. The new maximum amount of the loan is \$1,392,226. Contact: Akasha Kaur Khalsa.
 - f. PORTLAND ENERGY CONSERVATION, INC. Possible approval of Amendment 1 to Contract 400-09-014 to reallocate budget from labor expenses to travel and program management categories, and to increase the budgeted “Leveraged Funding” to reflect \$175,000 of new match funding. Contact: Paula David.
 - g. EV CONNECT, LLC. Possible approval of Amendment to approval of Grant Award ARV-10-006 with EV Connect, LLC and to Resolution 10-1006-14, substituting EV Connect, Inc., as the Grant Recipient and novating the Agreement to EV Connect, Inc., for a project to install, upgrade, and expand public plug-in

chargers at five end-of-the-line transit facilities in the Los Angeles County Metropolitan Transit Authority service area. Contact: Jonah Margolis.

Commissioner Douglas moved and Commissioner Peterman seconded approval of the Consent Calendar. The vote was unanimous. (3-0)

2. CITY OF CALIMESA. Possible approval of agreement 009-10-ECE-ARRA for a \$65,292 loan to the City of Calimesa to replace six HVAC heat pump units. One unit is for the City Hall Annex, and the remaining five units are for the Senior Center, a Riverside County designated "Cool Center". (ARRA funded.) Contact: Akasha Kaur Khalsa. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Agreement 009-10-ECE-ARRA. The vote was unanimous. (3-0)

3. THE RESULTS GROUP. Possible approval of Contract 400-10-014 for \$75,000 with The Results Group for strategic planning service to assist the Energy Commission's Efficiency and Renewable Energy Division's evaluation and implementation of strategic priorities, structural re-alignment, project management protocol and stakeholder engagement efforts. (ERPA funding.) Contact: Jenny Wu. (5 minutes)

Item 3 was removed from the agenda.

4. UNIVERSITY OF CALIFORNIA, BERKELEY. Possible approval of Agreement FED-10-001 for a grant of \$122,000 with the Regents of the University of California, Berkeley, to conduct directed outreach, field performance and implementation assessment activities related to further deployment of combined heat and power in California. (DOE funding.) Contact: Bryan Neff. (5 minutes)

Commissioner Peterman disclosed that she has a non-financial relationship with UC Berkeley in that she is finishing her dissertation there. Commissioner Douglas moved and Commissioner Peterman seconded approval of Agreement FED-10-001. The vote was unanimous. (3-0)

5. CALIFORNIA AIR RESOURCES BOARD. Possible approval of Contract 600-10-010 for an interagency agreement with the California Air Resources Board for \$4 million to provide funding for the Hybrid Truck and Bus Voucher Incentive Project for qualified battery electric vehicles. (ARFVT funding.) Contact: Aleecia Macias. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of Contract 600-10-010. The vote was unanimous. (3-0)

6. REGENTS OF THE UNIVERSITY OF CALIFORNIA. Possible approval of Contract 500-10-044 for \$478,457 with the Regents of the University of California to develop innovative technologies and approaches to inspect and monitor the integrity of natural gas pipelines. (PIER natural gas funding.) Contact: Matt Coldwell. (5 minutes)

Commissioner Peterman disclosed that she has a non-financial relationship with UC Berkeley in that she is finishing her dissertation there. Commissioner Peterman moved and Commissioner Douglas seconded approval of Contract 500-10-044. The vote was unanimous. (3-0)

7. UNIVERSITY OF CALIFORNIA, SANTA BARBARA. Possible approval of Contract 500-10-045 for \$600,000 with the University of California, Santa Barbara, to estimate the effects of climate change on fire frequency and vegetation in California watersheds. Fire and altered vegetation can substantially modify hydrologic conditions, and have

significant impact on hydropower generation. (PIER electricity funding.) Contact: Sarah Pittiglio. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of Contract 500-10-045. The vote was unanimous. (3-0)

8. UNIVERSITY OF CALIFORNIA, BERKELEY. Possible approval of Contract 500-10-046 for \$400,000 with the University of California, Berkeley, to determine the effect of forest disturbances, such as bark beetle infestations, on carbon stocks and the potential for forested lands to provide carbon offsets for California's energy sector. (PIER electricity funding.) Contact: Sarah Pittiglio. (5 minutes)

Commissioner Peterman disclosed that she has a non-financial relationship with UC Berkeley in that she is finishing her dissertation there. Commissioner Douglas moved and Commissioner Peterman seconded approval of Contract 500-10-046. The vote was unanimous. (3-0)

9. UNIVERSITY OF CALIFORNIA, BERKELEY. Possible approval of Contract 500-10-047 for \$900,000 with the Regents of the University of California, Berkeley, to develop long-term energy scenarios for California using a geographical information system framework and high temporal resolution to properly model intermittent sources of electricity. (PIER electricity funding.) Contact: Sarah Pittiglio. (5 minutes)

Item 9 was removed from the agenda.

10. UNIVERSITY OF CALIFORNIA, SAN DIEGO. Possible approval of Contract 500-10-043 with the University of California, San Diego, for \$1,394,298 to perform four projects in solar insolation forecasting, demonstrate distributed energy systems, provide observability microgrid operations, and demonstrate renewable energy charging of electric vehicles. (PIER electricity funding.) Contact: Jamie Patterson. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Contract 500-10-043. The vote was unanimous. (3-0)

11. QUALLION LLC. Possible approval of Amendment to approval of Grant Award ARV-10-010 with Quallion LLC and to Resolution 10-1006-11 to add \$5,888,000 for a total grant award of \$6,914,072. The project is to develop a pilot automated manufacturing line capable of producing 10,000 one-kilowatt-hour lithium ion modules that can be used as the building block for many types of battery systems, including electric vehicles. (ARFVT funding). Contact: Jonah Margolis. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the amendment to Grant Award ARV-10-010. The vote was unanimous. (3-0)

12. SOLAZYME, INC. Possible approval of Agreement ARV-10-047, for a grant of \$1,472,638 to Solazyme, Inc., to develop and test the feasibility of a pilot production plant that will convert algae feedstock into renewable oil for vehicle use. (ARFVT funding.) Contact: Joanne Vinton. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Agreement ARV-10-047. The vote was unanimous. (3-0)

13. VEHICLE BUY-DOWN INCENTIVE RESERVATIONS. Possible approval of a total of \$4,755,000 in vehicle buy-down incentive reservations (ARFVT funding).

Contact: Peter Ward) (5 minutes)

- a. SOUTH BAY FORD, in the amount of \$357,000 for the buy-down of 119 natural gas vehicles (up to 8,500 pounds gross vehicle weight).
- b. BIG VALLEY FORD, in the amount of \$192,000 for the buy-down of 32 propane vehicles (8,501 to 14,000 pounds gross vehicle weight).
- c. GALPIN MOTORS, INC., dba GALPIN FORD, in the amount of \$150,000 for the buy-down of 25 propane vehicles (8,501 to 14,000 gross vehicle weight).
- d. TUTTLE CLICK FORD, in the amount of \$24,000 for the buy-down of 8 natural gas vehicles (up to 8,500 pounds gross vehicle weight) and \$8,000 for the buy-down of 1 natural gas vehicle (8,500 to 14,000 pounds gross vehicle weight). for a total reservation amount of \$32,000.
- e. HANSEL FORD, INC., in the amount of \$64,000 for the buy-down of 8 natural gas vehicles (8,501 to 14,000 pounds gross vehicle weight).
- f. SERRAMONTE FORD, in the amount of \$120,000 for the buy-down of 15 natural gas vehicles (8,501 to 14,000 pounds gross vehicle weight).
- g. AUTOCAR, LLC, in the amount of \$1,280,000 for the buy-down of 40 natural gas vehicles (26,001 pounds gross vehicle weight and greater).
- h. KENWORTH TRUCK COMPANY, in the amount of \$1,280,000 for the buy-down of 40 natural gas vehicles (26,001 pounds gross vehicle weight and greater).
- i. DAIMLER TRUCKS NORTH AMERICA LLC, in the amount of \$1,280,000 for the buy-down of 40 natural gas vehicles (26,001 pounds gross vehicle weight and greater).

Commissioner Douglas moved and Commissioner Peterman seconded approval of the incentive reservations. The vote was unanimous. (3-0)

14. LOS MEDANOS ENERGY CENTER (98-AFC-1C). Possible approval of a petition to amend the California Energy Commission Decision to modify the Los Medanos Energy Center, to make efficiency improvements to the Advance Gas Path on the existing turbines S-1 and S-3. No Conditions of Certification are proposed to change as part of this petition. Contact: Christine Stora. (10 minutes).

Commissioner Douglas moved and Commissioner Peterman seconded approval of the petition. The vote was unanimous. (3-0)

15. OAKLEY GENERATING STATION PROJECT (09-AFC-4), AND ERRATA. Possible adoption of the Presiding Member's Proposed Decision, and Errata, on the Oakley Generating Station Project. The project is a natural gas-fired, combined-cycle facility with a nominal generating capacity of 624 megawatts located in Contra Costa County. Contact: Kourtney Vaccaro. (15 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded adoption of the Presiding Member's Proposed Decision, Errata, and amendment to the Errata discussed today. The vote was unanimous. (3-0)

16. MARIPOSA ENERGY PROJECT (09-AFC-3). AND ERRATA. Possible adoption of the Presiding Member's Proposed Decision on the Mariposa Energy Project, and Errata. The project is a simple-cycle peaking facility with a generating capacity of 200 megawatts in northeastern Alameda County. Contact: Ken Celli. (35 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of the Presiding Member's Proposed Decision and Errata dated May 17, 2011. The vote was unanimous. (3-0)

17. Commission Committee Presentations and Discussion:

Commissioner Douglas reported on yesterday's IEPR workshop and Desert Renewable Energy Stakeholder's meeting.

- 18. **Chief Counsel's Report:** None.
- 19. **Executive Director's Report:** None.
- 20. **Public Adviser's Report:** None.
- 21. **Public Comment:** None.
- 22. **Internal Organization and Policy.** None.

Appearances:

Mr. Andrew Panson, California Air Resources Board
Mr. Chris Keithley, CalFire
Mr. Richard Bode, California Air Resources Board
Mr. Byron Washon, University of California, San Diego
Mr. Vincent Visco, Quallion LLC
Ms. Sarah McQuaid, Solazyme, Inc.
Mr. Sean Edgar, Clean Fleets Coalition
Mr. Robert Sarvey, Intervenor
Ms. Barbara McBride, Calpine
Mr. Greg Lamberg, Radback Energy
Mr. Chris Curry, Mariposa Energy, LLC
Mr. Edward Mainland, Sierra Club California
Mr. Paul Seger, Delta Greens
Ms. Dorothy Rottrock, California Manufacturing and Technology Association
Mr. James Lamb, Mountain House Community
Mr. Andy Wilson, California Pilots Association
Mr. Rajesh Digma, Intervenor
Mr. Guy Colton
Ms. Eve Diamond, OCRG,
Mr. Scott Galati, Galati Blek LLP
Mr. Greg Wheatland, Ellison, Schneider & Harris
Ms. April Sommer on behalf of Mr. Robert Simpson, Intervenor

There being no further business, the meeting was adjourned.

Respectfully submitted

HARRIET KALLEMEYN
Secretary to the Commission