

**STATE OF CALIFORNIA**  
California Energy Commission

Minutes of the November 16, 2011, Energy Commission Business Meeting

The meeting was called to order at 10:07 by Chair Robert W. Weisenmiller. The Pledge of Allegiance was lead by Chair Weisenmiller.

Present:

Robert W. Weisenmiller, Chair  
James D. Boyd, Vice 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. STATE CONTROLLER'S OFFICE, DIVISION OF AUDITS. Possible approval of Amendment 6 to Contract 200-98-012 with the State Controller's Office, Division of Audits, to perform Public Interest Energy Research (PIER) Royalty Payment Verification Engagements. On an as-needed basis, the State Controller's Office will review PIER royalty payments received by the Energy Commission. There will be no increase in funding or time extension with this amendment. (PIER funding.) Contact: Mary Lam.
  - b. INTER-CON SECURITY SYSTEMS, INC. Possible approval of Amendment 8 to Contract 200-07-004 with Inter-Con Security Systems, Inc. to extend the term from January 1, 2012 to June 30, 2012, and add \$110,000 to the contract for unarmed security guards at the Energy Commission. The amendment is necessary due to ongoing negotiations for the Master Service Agreement with the California Highway Patrol. (ERPA funding.) Contact: Emily Oren.

*Item 1b was removed from the agenda.*

- c. CALIFORNIA INSTITUTE OF ENERGY AND ENVIRONMENT. Possible approval of Amendment 1 to Contract RMB 200-10-006 with the Regents of the University of California, California Institute of Energy and Environment (CIEE) to extend the existing tenant agreement at 1500 5<sup>th</sup> Street, Third Floor in Sacramento. Changes include a one-year term extension, and space and nominal fee reduction as CIEE is no longer renting conference room space. (Reimbursement funding.) Contact: Mark Hutchison.

*Commissioner Peterman recused herself due to a previous financial relationship with CIEE.*

- d. CITY OF SEASIDE. Possible approval of Amendment 1 to Agreement 023-09-ECE-ARRA with the City of Seaside for a change of scope and a time extension to March 31, 2012. The project is to replace a 40-year-old boiler and upgrade streetlights to higher efficiency induction and/or LED lamps. The city originally proposed retrofitting streetlights with induction lamps. This amendment will not change the project cost, loan amount, energy cost savings, or payback period. (ARRA funding.) Contact: Joji Castillo.

- e. COUNTY OF ALAMEDA. Possible approval of Amendment 1 to Grant Agreement PIR-08-039 with the County of Alameda to extend the term of the agreement to March 31, 2014. Santa Rita Jail researchers plan to install and demonstrate demand response using an advanced energy storage battery. A two-year data monitoring project will be completed in February 2014. There is no change to the total grant amount of \$1,983,555. (PIER electricity funding.) Contact: Gail Wiggett.
- f. LIPPMAN CONSULTING. Possible approval of Purchase Order 11-445.03-004 for \$50,000 to Lippman Consulting for subscription renewal for one year from October 1, 2011 to September 30, 2012. This subscription allows Energy Commission staff access to two databases that contain up-to-date information on natural gas production and pipeline gas flows in the United States, Canada and Mexico. This data is used to develop analyses related to the Integrated Energy Policy Report. (ERPA funding.) Contact: Ruben Tavares.

*Chair Weisenmiller recused himself due to a non-financial relationship with Lippman Consulting.*

- g. ADMINISTRATIVE SUBPOENA. Possible approval of modifications to an existing administrative subpoena directing the California Independent System Operator (CA ISO) to provide data needed to evaluate generation and transmission outages, congestion, must-offer waivers, and load, to assist Energy Commission staff in assessing electric system adequacy. Contact: Caryn Holmes.

*Item 1g was removed from the agenda.*

*Vice Chair Boyd moved and Commissioner Peterman seconded approval of Items 1a, 1d and 1e. The vote was unanimous. (4-0)*

*Commissioner Peterman left the room. Vice Chair Boyd moved and Commissioner Douglas seconded approval of Item 1c. The vote was 3-0-1, Commissioner Peterman having recused herself. Commissioner Peterman returned to the dais following the vote.*

*Chair Weisenmiller left the room. Vice Chair Boyd moved and Commissioner Douglas seconded approval of Item 1f. The vote was 3-0-1, Chair Weisenmiller having recused himself. Chair Weisenmiller returned to the dais following the vote.*

- 2. ENERGY COMMISSION COMMITTEE APPOINTMENTS. Possible approval of appointments to the Energy Commission's Standing Committees and Siting Case Committees. Contact: Kevin Barker. (5 minutes)

*No action was taken on Item 2.*

- 3. QUAIL BRUSH GENERATION PROJECT (11-AFC-3).  
Contact: Eric Solorio (10 minutes)
  - a. Possible adoption of the Executive Director's data adequacy recommendation for the Quail Brush Generation Project, a nominal 100-megawatt intermediate/peak load serving facility that would employ a set of eleven (11) natural gas-fired, reciprocating Wartsila engine generators. The project is proposed to be located on a 21-acre parcel in the City of San Diego west of the City of Santee, south of the Sycamore Landfill, and north of State Route 52.

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

- b. Possible appointment of a siting committee for the Quail Brush Generation Project.

*Chair Weisenmiller appointed a siting case committee of Commissioner Douglas (presiding member) and Commissioner Peterman (second member) for the project. Vice Chair Boyd moved and Commissioner Douglas seconded approval of the appointments. The vote was unanimous. (4-0)*

4. RIO MESA SOLAR ELECTRIC GENERATING FACILITY (11AFC-4).  
Contact: Pierre Martinez. (10 minutes)

- a. Possible approval of the Executive Director's data adequacy recommendation for the proposed Rio Mesa Solar Electric Generating Facility. The project consists of three 250-MW solar plants each surrounded by approximately 85,000 heliostats that focus the sun's rays on a solar receiver atop a 750-foot-tall tower. The project is proposed on the Palo Verde Mesa in Riverside County, California, 13 miles southwest of Blythe and is located partially on public land and partially on private land.

*Commissioner Douglas moved and Vice Chair Boyd seconded approval of the Executive Director's recommendation that the Rio Mesa project be found data inadequate at this time and that the list of deficiencies dated November 8, 2011 be adopted. The vote was unanimous. (4-0)*

- b. Possible appointment of a siting committee for the Rio Mesa Solar Generating Facility.

*No action was taken on Item 4b.*

5. COSUMNES POWER PROJECT (01-AFC-19C). Possible approval of a petition to amend the Cosumnes Power Project to allow for a change in fuel supply and modifications to WATER RES-1 to maximize generation on high temperature days due to changes in water supply quality. Contact: Christine Stora. (10 minutes)

*Item 5 was removed from the agenda.*

6. QUANTUM ENERGY SERVICES & TECHNOLOGIES. Possible approval of Amendment 1 to Contract 400-09-011 with Quantum Energy Services & Technologies to reallocate \$20,000 from Task 2 (Project Marketing) to Task 2.8 (Rebate Processing) and authorize an increase of up to \$250,000 above the original contract amount should American Recovery and Reinvestment Act (ARRA) funding become available. The amendment will fund additional projects that reduce energy costs for Oakland businesses. The amendment does not extend the contract period. (ARRA funding.) Contact: Tony Wong. (5 minutes)

*Commissioner Douglas moved and Vice Chair Boyd seconded approval of Item 6. The vote was unanimous. (4-0)*

7. COHEN VENTURES, INC. dba ENERGY SOLUTIONS. Possible approval of Amendment 1 to Contract 400-09-012 with Cohen Ventures, Inc., dba Energy Solutions

to reallocate \$100,000 from various tasks to project financing (Task 2.6) and to authorize up to \$750,000 above the original contract amount should American Recovery and Reinvestment Act (ARRA) funding become available. The amendment will fund additional projects that are on a waiting list. The amendment does not extend the contract period. (ARRA funding.) Contact: Tony Wong. (5 minutes)

*Commissioner Douglas moved and Vice Chair Boyd seconded approval of Item 7. The vote was unanimous. (4-0)*

8. UNIVERSITY OF CALIFORNIA DAVIS. Possible approval of Contract 500-11-009 for \$398,662 with the Regents of the University of California on behalf of the Davis Campus to implement an analytical wind ramp event prediction tool for the California Independent System Operator. Match funding of \$109,364 is being provided. (PIER electricity funding.) Contact: Jamie Patterson. (5 minutes)

*Vice Chair Boyd moved and Commissioner Peterman seconded approval of Item 8. The vote was unanimous. (4-0)*

9. THE SOLARIA CORPORATION. Possible approval of Amendment 2 to Agreement 009-10-CEB to increase the loan amount by \$2,231,878, from the previously approved \$2,768,122 to the maximum amount of up to \$5 million, using American Recovery and Reinvestment Act - State Energy Program funds. The additional loan funding will be used to purchase equipment designed to increase annual manufacturing capacity by an estimated eight megawatts and improve cost-competitiveness at Solaria's Fremont, California facility. (ARRA funding.) Contact: Marcia Smith. (5 minutes)

*Commissioner Douglas moved and Vice Chair Boyd seconded approval of Item 9. The vote was unanimous. (4-0)*

10. MORGAN SOLAR INC. Possible approval of Amendment 1 to Agreement 008-10-CEB to increase the amount of a loan to Morgan Solar Inc. by \$1,695,000, from the previously approved \$3,305,000 to the maximum amount of up to \$5 million, using American Recovery and Reinvestment Act - State Energy Program funds. The additional loan funding will be used to purchase equipment designed to further increase annual manufacturing capacity by an estimated six megawatts and enable increased long term investment by Morgan Solar in the Chula Vista, California area. (ARRA funding.) Contact: Marcia Smith. (5 minutes)

*Commissioner Douglas moved and Vice Chair Boyd seconded approval of Item 10. The vote was unanimous. (4-0)*

11. NEW SOLAR HOMES PARTNERSHIP PROGRAM WAITING LIST. Possible approval to establish a waiting list for the New Solar Homes Partnership (NSHP) and criteria for processing and disposing rebate applications from the waiting list. Since August 2011, the Energy Commission has seen a surge in the number of rebate reservations for NSHP funding. Due to this temporary increase in program activity, the amount of funding requests will exceed program funds available at this time. Contact: Le-Quyen Nguyen. (5 minutes)

*Commissioner Peterman moved and Vice Chair Boyd seconded approval of Item 11. The vote was unanimous. (4-0)*

12. RENEWABLE ENERGY PROGRAM 2011 ANNUAL REPORT. Possible approval of the *Renewable Energy Program 2011 Annual Report to the Legislature* and its associated *Appendix*. The *2011 Annual Report* summarizes the results and accomplishments of the Renewable Energy Program's activities and status of funding for the period July 1, 2010 through June 30, 2011. The *2011 Appendix* contains detailed project descriptions, statistics, and financial data; it also lists facilities certified or pre-certified as Renewable Portfolio Standard (RPS) eligible in fiscal year 2010/2011, and RPS contract activities in FY 2010/2011 for California's large investor-owned utilities.  
Contact: Lorraine Gonzalez. (10 minutes)

*Commissioner Peterman moved and Vice Chair Boyd seconded approval of Item 12. The vote was unanimous. (4-0)*

13. ENERGY AWARE PLANNING GUIDE. Possible approval of a Web-tool version of the Energy Aware Planning Guide approved by the Energy Commission in February 2011 to assist regional and local jurisdictions to make land use choices that reduce energy consumption and greenhouse gas emissions. Contact: Bill Pfanner. (15 minutes) (To be heard a later date.)

*Item 13 was removed from the agenda.*

14. CALICO SOLAR PROJECT COMPLAINT AND INVESTIGATION (11-CAI-01). Possible adoption of the assigned committee's proposed decision on BNSF Railway Company's Verified Complaint to Revoke Certification and Patrick C. Jackson's related request for investigation. Contact: Kourtney Vaccaro. (15 minutes.)

*Item 14 was moved to the November 30 agenda.*

15. RIDGECREST SOLAR POWER PROJECT (09-AFC-09). The Commission will hold a closed session pursuant to Section 11126(c)(3) of the Government Code, to deliberate on the decision to be made in response to Applicant's Motion for Order Affirming Application of Jurisdictional Waiver pursuant to Section 25502.3 of the Public Resources Code. No action will be taken by the Commission on this date. Contact: Reneé Webster-Hawkins. (30 minutes).

*Item 15 was moved to the November 30 agenda.*

16. EMERGING RENEWABLES PROGRAM GUIDEBOOK. Possible adoption of proposed revisions to the *Emerging Renewables Program Guidebook*, Eleventh Edition. The guidebook describes the requirements to receive incentives for installing eligible fuel cell systems and small wind generating systems located in specified investor-owned utility territories. Contact: Anthony Ng. (5 minutes)

*Commissioner Peterman moved and Vice Chair Boyd seconded approval of Item 16. The vote was unanimous. (4-0)*

17. **Minutes:** Possible approval of the November 2, 2011, Business Meeting Minutes.

*Commissioner Douglas moved and Commissioner Peterman seconded approval of the Minutes. The vote was 3-0-1. Vice Chair Boyd abstained.*

18. **Lead Commissioner or Presiding Member Reports.**

Commissioner Peterman reported the November 9 re-start of the Emerging Renewables Program.

Vice Chair Boyd reported on two workshops held this week on alternative transportation fuels and energy storage.

19. **Chief Counsel's Report:** None.
20. **Executive Director's Report.** Executive Director Robert Oglesby introduced Drew Bohan, the newly appointed Chief Deputy Director.
21. **Public Adviser's Report.** None.
22. **Public Comment:** Mr. Patrick L. Splitt, App-Tech, Inc. appeared.

Appearances:

Ms. Ella Foley Gannon, Bingham McCutcheon, LLP  
Mr. Richard Neff, Cogentrix  
Mr. Brian Biering, Ellison Schneider & Harris LLP  
Mr. Leonard Miller, Richmond American Homes  
Ms. Nina Rizzo, Sun Light & Power  
Mr. Bill Scott, Petersen Dean  
Mr. Jim Blatchford, California Independent System Operator  
Mr. C. P. Van Dam, U. C. Davis  
Ms. Lucy Daniels Bosworth (by telephone)  
Mr. Bob Raymer, California Builders Association  
Ms. Rachael O'Brien, Ecoconsult  
Mr. Terry Carlone, Synergex Ventures

There being no further business, the meeting was adjourned at 12 noon.

Respectfully submitted

HARRIET KALLEMEYN  
Secretary to the Commission