

STATE OF CALIFORNIA
California Energy Commission

Minutes of the December 14, 2011, Energy Commission Business Meeting

The meeting was called to order at 10:07 a.m. by Chair Robert B. Weisenmiller. The Pledge of Allegiance was led by Chair Weisenmiller.

Present:

Robert B. Weisenmiller, Chair
James D. Boyd, Vice Chair

Karen Douglas, Commissioner
Carla J. Peterman, Commissioner

Chair Weisenmiller opened the meeting with a tribute to Vice Chair James D. Boyd, presenting the Energy Commission's resolution commending the Vice Chair for his many contributions during 50 years of public service.

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. PERRY-SMITH LLP (CROWE HORWATH LLP). Possible approval of Amendment 2 to Agreement 150-09-004 with Perry-Smith LLP to change the contractor's legal name and for a four-month no-cost time extension to September 1, 2012. The extension will allow time to perform additional audits and reviews of projects scheduled to end after the existing contract end date. (ARRA funding.) Contact: Mark Hutchison.
 - 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.
 - c. STATE CONTROLLER'S OFFICE. Possible approval of Amendment 1 to Contract 200-10-001 to add \$26,340 and extend the contract two years to June 30, 2014 for expedited handling of American Recovery and Reinvestment Act payments. (ERPA funding.) Contact: Mark Jones.
 - d. KEMA, INC. Possible approval of Amendment 2 to Contract 400-07-030 with Kema, Inc. for a no-cost time extension of 20 months to December 31, 2013 to complete current projects and to fulfill program obligations. The contract supports developing policies and protocols, analyzing the renewable industry and market context, and ensures the effectiveness of the overall Renewable Energy Program. (RRTF funding.) Contact: Otto Tang.

Item 1d was removed from the agenda.

 - e. COUNTY OF SAN DIEGO. Possible approval of Amendment 1 to Contract 400-09-031 with the County of San Diego to reallocate budget, add contingency language to reduce risk of under-expenditure, adjust ceiling rates for certain

classifications, add classifications, and other general administrative changes. (ARRA funding.) Contact: Devorah Eden.

- f. CITY OF SAN DIEGO. Possible approval of Amendment 1 to Agreement 003-09-ECA with the City of San Diego for a six-month no-cost time extension to June 30, 2012 to retrofit 5,700 streetlights from high pressure sodium lamps to energy efficient LED lamps. There is no change to the total project cost, loan amount, energy savings, or payback period. (ECAA funding.) Contact: Adel Suleiman.
- g. CITY OF WATSONVILLE. Possible approval of Amendment 1 to Agreement 011-09-ECA with the City of Watsonville to revise the scope of work and extend the term of the agreement one year to December 31, 2012. The city proposes to upgrade an aeration blower at its wastewater treatment facility in addition to planned lighting retrofits, using savings from lower than expected installation costs and higher utility rebates for the lighting project. The revised scope of work is technically justified and meets all loan program requirements. There is no change to the total loan amount. (ECAA funding.) Contact: Elizabeth Shirakh.
- h. NORTEC. Possible approval of Amendment 1 to Agreement CBG-09-198 with the Northern Rural Training & Employment Consortium (NoRTEC), a collaborative of six local jurisdictions, for an augmentation of \$14,456, budget revisions, and a change in scope. The Town of Paradise will expand its interior lighting energy efficiency project, adding \$14,456 to its original allocation of \$90,828. In addition, \$49,996 will be shifted from Sierra County, which is dropping out of the consortium, to Lassen County, which is increasing its interior lighting project. The total grant amount is increased from \$307,508 to \$321,964. The revised scope is technically justified and meets all program requirements. (ARRA funding.) Contact: Elizabeth Shirakh.
- i. CITY OF SIERRA MADRE. Possible approval of Amendment 1 to Agreement CBG-09-171 with the City of Sierra Madre to extend the term from December 30, 2011 to June 14, 2012 for heating, ventilating and air conditioning, and interior and exterior lighting projects that are expected to save the city approximately 95,700 kilowatt hours annually. There is no change to the total amount of the agreement. (ARRA funding.) Contact: Haile Bucaneg.

Vice Chair Boyd moved and Commissioner Douglas seconded approval of the Consent Calendar, with the exception of Item 1d. The vote was unanimous. (4-0)

- 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. SANTA CLARA SC-1 DATA CENTER (11-SPPE-01). Possible appointment of a committee to oversee the Santa Clara SC-1 Data Center. On November 21, 2011, Xeres Ventures, LLC submitted a Small Power Plant Exemption application for the Santa Clara SC-1 Data Center in the city of Santa Clara. Xeres proposes to install 16 additional diesel-fired backup generators and appurtenant equipment to the existing Data Center

electrical system for use during emergency conditions that disrupt power from the Silicon Valley power grid. Contact: Robert Worl. (10 minutes)

Vice Chair Boyd moved and Commissioner Peterman seconded approval of Item 3. 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-megawatt 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 project be found data adequate. The vote was unanimous. (4-0)

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

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

5. BLACK ROCK 1, 2, 3 GEOTHERMAL POWER PLANT PROJECT (02-AFC-2C).
Possible approval of a petition to amend the Energy Commission decision to extend the deadline for the start of construction of the Black Rock 1, 2, and 3 Geothermal Power Project from December 18, 2011 to December 18, 2014. Contact: Dale Rundquist. (10 minutes)

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

6. SUTTER ENERGY CENTER PROJECT (97-AFC-2C).
Contact: Christine Stora. (20 minutes)

- a. Possible approval of an ownership change for the Sutter Energy Center Project pipeline from Calpine Construction Finance Company, L.P. to CPN Pipeline Company.

Vice Chair Boyd moved and Commissioner Douglas seconded approval of the ownership change. The vote was unanimous. (4-0)

- b. Possible approval of a petition to amend the Sutter Energy Center project to allow construction of the Grimes Pipeline project, a 2.8-mile natural gas pipeline. This

will allow the project to use natural gas from the Grimes natural gas field in the Sacramento Basin north and west of the project site.

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

7. BLYTHE ENERGY PROJECT, PHASE II (02-AFC-1C). Possible approval of a petition to extend the deadline for the start of construction of the Blythe Energy Project, Phase II, for an additional five years, from December 14, 2011 to December 14, 2016.
Contact: Mary Dyas. (20 minutes)

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

8. CALIFORNIA EMPLOYMENT TRAINING PANEL. Possible approval of Amendment 1 to Contract 600-09-016 with California Employment Training Panel to add \$4.28 million and extend the term from February 29, 2013 to February 28, 2016. The contract provides workforce training related to the Alternative and Renewable Fuel and Vehicle Technology Program. (ARFVTF funding.) Contact: Linda Schrupp. (5 minutes)

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

9. UNIVERSITY OF CALIFORNIA DAVIS. Possible approval of Contract 500-11-010 for \$646,661 with the Regents of the University of California on behalf of the University of California Davis Campus for research to determine the most effective equipment for the California Independent System Operator to gather wind data for forecasting. (PIER electricity funding.) Contact: Jamie Patterson. (5 minutes)

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

10. BLUE CRANE SOLUTIONS. Possible approval of Purchase Order 11-409.00-004 for \$197,400 with Blue Crane Solutions to study the feasibility of modernizing and consolidating the Energy Commission's Appliance Efficiency Database into a single system on a shared, web-enabled platform. (ERPA funding.) Contact: Peter Strait. (5 minutes)

Commissioner Douglas moved and Vice Chair Boyd seconded approval of the purchase order. The vote was unanimous. (4-0)

11. AMERICAN RECOVERY AND REINVESTMENT ACT AGREEMENTS. Possible approval of an Energy Commission resolution authorizing the Executive Director to disencumber potentially unused funds from the Energy Commission's American Recovery and Reinvestment Act of 2009 (ARRA) agreements. This will allow the funds to be reallocated to other approved ARRA projects that can make use of them before the funds expire. Contact: Allan Ward. (5 minutes)

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

12. EMISSION PERFORMANCE STANDARDS RULEMAKING. Consideration of a Petition for a Rulemaking submitted by the Natural Resources Defense Council and Sierra Club that would amend SB 1368 Emission Performance Standards Section 2907, Title 20, California Code of Regulations. Contact: Melissa Jones. (10 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of the Petition. The vote was unanimous. (4-0)

Chair Weisenmiller appointed Commissioner Peterman Chair of the committee for the Rulemaking, and Commission Douglas Associate Member. Commissioner Douglas moved and Vice Chair Boyd seconded approval of the appointments. The vote was unanimous. (4-0)

13. GUIDELINES FOR CLEAN TECHNOLOGY AND RENEWABLE ENERGY PARTNERSHIP ACADEMIES. Possible approval of guidelines for Clean Technology and Renewable Energy Partnership Academies developed in conjunction with the Department of Education under Education Code sections 54698-99 1 (SBX1 1, Steinberg, Chapter 2, Statutes of 2011). The guidelines will ensure that school programs receiving Clean Energy Partnership Academy grants provide skills and education that are linked to the needs of relevant industries, as well as reflect current state energy policies and priorities. Contact: Chris Graillat. (10 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of the guidelines. The vote was unanimous. (4-0)

14. COMPLIANCE OPTION FOR OPEN CELL, LOW-DENSITY SPRAY POLYURETHANE FOAM INSULATION. Possible approval of the application by the Spray Polyurethane Foam Alliance for a Compliance Option to allow open cell, low-density spray polyurethane foam insulation to receive energy compliance credit for Quality Insulation Installation when installed in new residential buildings and verified by a Home Energy Rating System (HERS) rater. Contact: David W. Ware. (15 minutes)

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

15. RIDGECREST SOLAR POWER PROJECT (09-AFC-09): Discussion and possible decision on Applicant's Motion for Order Affirming Application of Jurisdictional Waiver pursuant to Section 25502.3 of the Public Resources Code. Contact: Kourtney Vaccaro. (45 minutes)

Item 15 was continued to the January 11, 2012 Business Meeting.

16. **Minutes:** Possible approval of the November 30, 2011, Business Meeting Minutes.

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

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

Vice Chair Boyd reported on his participation in a symposium at Scripps Institution of Oceanography in San Diego, yesterday's hearing on the Carlsbad Energy Center, and the work of the Bioenergy Interagency Working Group.

Chair Weisenmiller reported on the recent China/California energy efficiency event, the CFEE conference on distributed generation, and California Cogeneration Association conference.

Commissioner Douglas reported on a recent geothermal industry retreat, the Carlsbad hearing, and the upcoming DRECP meeting.

Commissioner Peterman reported on recent meetings with industry representatives, utilities, environmental justice groups and others on renewable energy issues.

18. **Chief Counsel's Report:** Chief Counsel Michael Levy requested a closed session as permitted by Government Code Section 11126(e) to determine whether facts and circumstances exist that warrant the initiation of litigation; or that constitute a significant exposure to litigation against the Commission.
19. **Executive Director's Report.** Executive Director Robert Oglesby gave the report.
20. **Public Adviser's Report.** Public Adviser Jennifer Jennings gave the report.
21. **Public Comment:** None.

Appearances:

Ms. Monica Schwebs, Bingham McCutcheon
Ms. Tiffany North, Riverside County (by telephone)
Mr. Joel Pagel, U.S. Fish and Wildlife Service (by telephone)
Ms. Amy Fesnock, Bureau of Land Management (by telephone)
Mr. Chris Ellison, Ellison, Schneider & Harris
Mr. Todd Stewart, BrightSource Energy
Mr. Peter H. Weiner, Paul Hastings
Mr. Doug Hackley, CE Obsidian
Mr. Gregory Wheatland, Ellison, Schneider & Harris, LLP
Mr. Scott Galati, Galati Blek LLP
Mr. James Blatchford, California Independent System Operator
Mr. C. P. "Case" Van Dam, University of California, Davis
Ms. C. Susie Berlin, McCarthy & Berlin, LLP
Mr. Noah Long, Natural Resources Defense Council
Mr. Michael Mancini, Meritage Homes (by telephone)
Mr. Stephen Easley, Easley and Associates (by telephone)
Mr. Richard Duncan, Spray Polyurethane Foam Alliance (by telephone)
Mr. Roger Morrison, Spray Polyurethane Foam Alliance
Mr. Bruce McLaughlin
Ms. Karen Shores, Department of Education

There being no further business, the meeting was adjourned to closed session.

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission