



Commissioners Present (\*Via Phone)

Robert B. Weisenmiller, Chair  
James D. Boyd, Vice Chair  
Karen Douglas  
Carla J. Peterman

Staff Present:

Susanne Garfield-Jones, Assistant Deputy Director  
Allan Ward, Assistant Chief Counsel  
Jennifer Jennings, Public Advisor  
Harriet Kallemeyn, Secretariat

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Interested Parties:

Richard Schorske, ABAG

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P R O C E E D I N G S

MARCH 9, 2011 10:05 a.m.

CHAIRMAN WEISENMILLER: Hello. We'd like to start today's Business Meeting with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: Good morning. We'd all like to welcome our newest Commissioner, Carla Peterman. Thank you. It's a privilege to have you on the Commission and we're looking forward to your contribution in State service for the next few years.

COMMISSIONER PETERMAN: Good morning, everyone. Thank you, Chair Weisenmiller, for that warm introduction. I just want to relay that I'm honored and excited to serve on this Commission. I plan to draw upon my energy and environmental experience in a variety of sectors to promote the CEC's initiatives and to further the State's goals of a sustainable and reliable energy system. I'm especially looking forward to working with my fellow Commissioners, agency staff, the public, other agencies, and the various stakeholders that participate in our forums. And with that, let's start.

1 CHAIR WEISENMILLER: Great. So the first  
2 item I'm going to mention is that we had put a  
3 potential item on the agenda involving a suspension of  
4 the Emerging Renewables Program, that item will not be  
5 addressed today, but will be dealt with in the next  
6 Commission meeting on the 17<sup>th</sup>.

7 So, with that, let's go to the Consent  
8 Calendar.

9 VICE CHAIR BOYD: I move consent.

10 COMMISSIONER DOUGLAS: Second.

11 CHAIR WEISENMILLER: Wait, wait, wait, we've  
12 got to step back. So, okay, well, I guess first of  
13 all let me also note for the record that Item 9 is off  
14 the agenda and, before we deal with the Consent  
15 Calendar, I think Commissioner Peterman has a comment?

16 COMMISSIONER PETERMAN: Yes. Good morning,  
17 Chair, I'll need to recues myself from Consent Item A  
18 with the Lawrence Berkeley National Laboratory. I was  
19 employed as a graduate student there through August  
20 2010, and so I'll step out now, thank you.

21 VICE CHAIR BOYD: Well, perhaps I should  
22 withdraw my motion and we break this into pieces so  
23 that she doesn't have to leave for the whole Consent  
24 Calendar.

25 COMMISSIONER WEISENMILLER: Actually, I

1 think the conclusion was it was short enough - she was  
2 going to step out for this item, but let's withdraw  
3 your motion -

4 COMMISSIONER DOUGLAS: Withdraw my second.

5 And Commissioner Boyd, would you like to move Item 1A?

6 VICE CHAIR BOYD: I will move Item 1A.

7 COMMISSIONER WEISENMILLER: Or, actually, at  
8 this point, let's move the whole Consent Calendar.

9 VICE CHAIR BOYD: All right, well, I was  
10 trying to give our new Commissioner a piece of the  
11 action, but I'll move Consent Calendar.

12 COMMISSIONER DOUGLAS: Second.

13 COMMISSIONER WEISENMILLER: All in favor?

14 (Ayes.)

15 This item is moved. Commissioner Peterman,  
16 do you want to come back?

17 Now, going to Item 2, which is the Aspen  
18 Environmental Group. I am going to recues myself on  
19 this item. I wouldnote that MRW is a subcontractor  
20 to Aspen and I would note that, as of tomorrow, it  
21 will be my third anniversary from resigning as an  
22 officer and from the Board of MRW, but I was certainly  
23 an employee, and there were other restrictions, so I  
24 am going to turn the dais over from the Chair over the  
25 Vice Chair. Be back.

1 VICE CHAIR BOYD: Interesting morning.

2 COMMISSIONER DOUGLAS: See, I'm looking for  
3 an excuse to walk out myself, I haven't found one yet.

4 VICE CHAIR BOYD: Well, we need a quorum,  
5 so, please. All right, thank you, Chairman  
6 Weisenmiller.

7 Item 2. Aspen Environmental Group.  
8 Possible approval of Amendment 1 to Contract 700-08-  
9 001 with Aspen Environmental Group to add \$5,590,800  
10 to address peak workload in the Siting, Transmission  
11 and Environmental Protection Division. And we have to  
12 speak to us today -

13 MR. MERRILL: Hello, I'm Joseph Merrill,  
14 with the Siting Division. Good morning,  
15 Commissioners, welcome, Commissioner Peterman. So,  
16 the augmentation requested would be funded by STEP  
17 Division ERPA dollars over two fiscal years, as much  
18 as \$3.4 million in fiscal year 2010-2011, and the  
19 remainder in fiscal year '11-'12. The contract scope  
20 of work will remain unchanged. The contract is a  
21 three-year \$18.6 million as needed consultant services  
22 contract to support mission critical power plant  
23 siting and compliance monitoring, transmission  
24 planning, reviewing and preparing transmission  
25 corridor designation applications, planning activities

1 like the Desert Renewable Energy Conservation Plan, or  
2 DRECP, and other workloads in excess of the workload  
3 that can be handled on schedule by staff. Seventy-  
4 five percent of the contract budget has been committed  
5 in the first half of the contract, primarily to handle  
6 permitting and compliance monitoring of the solar  
7 projects seeking American Recovery and Reinvestment  
8 Act Funding, and the DRECP. While licensing activity  
9 has declined in recent months, and the completion of  
10 the ARRA project reviews, staff needs to be prepared  
11 for new applications, increase compliance monitoring,  
12 and DRECP activity, and the potential for new planning  
13 activities. If the contract budget is not augmented,  
14 approximately 25 percent of the original budget  
15 remains to cover new activities during the second half  
16 of the contract. The augmentation is needed to ensure  
17 that resources are in place to handle potential STEP  
18 Division peak workloads in the next 15 months.

19 VICE CHAIR BOYD: Thank you. Any questions  
20 from my fellow Commissioners.

21 COMMISSIONER DOUGLAS: No question, but just  
22 as a comment, the Siting Committee recommends this to  
23 the Commission, this is an important amendment, this  
24 is very important work that we're doing particularly  
25 with compliance on the ARRA projects, the DRECP, and

1 also potentially doing some environmental review of  
2 other projects going for Recovery Act Funding this  
3 year. So, the workload is still quite high and I  
4 think this contract will be very valuable.

5 VICE CHAIR BOYD: Thank you. You  
6 anticipated my next question, which would have been  
7 comments from the Siting Committee, so that's very  
8 appropriate, thank you. And I would just say in my  
9 role, I guess, as Vice Chairman, just yesterday I went  
10 through the workload of the organization relative to  
11 another item, and we talked about the workload for the  
12 Siting Committee, so I am very understanding of this  
13 issue based on several years here and of the current  
14 potential for workload, so I, too, am in the position  
15 to support this. So if we have no other comments, I  
16 will entertain a motion.

17 COMMISSIONER PETERMAN: I move.

18 COMMISSIONER DOUGLAS: Second.

19 VICE CHAIR BOYD: There's a motion and  
20 second, all in favor?

21 (Ayes.)

22 MR. MERRILL: Thank you.

23 The item is approved. Thank you very much.  
24 Mr. Chairman, you may return to the room.

25 CHAIRMAN WEISENMILLER: I should just make

1 sure for the record that it's also clear that when the  
2 Siting Committee dealt with this issue, I recues  
3 myself there also. I think it's important for all of  
4 us in these budget times to really emphasize that we  
5 take the Ethics Rules very seriously here and I think  
6 we'll have another item, but I think it's appropriate,  
7 particularly in this day, to do what we've just done.

8           So, let's go on to Item 3, which is the San  
9 Francisco Public Utilities Commission, possible  
10 approval of Agreement 002-10-ECC for a \$3 million loan  
11 to the San Francisco Public Utilities Commission to  
12 upgrade 8,112 high pressure sodium streetlights to  
13 LEDs. This will annually save the San Francisco  
14 Public Utilities Commission 3.1 million kilowatt  
15 hours, or \$286,088 in energy costs. The load amount,  
16 the simple payback, is approximately 10.5 years. Good  
17 day, Joji, do you want to just explain this?

18           MS. CASTILLO: Good morning. My name is  
19 Joji Castillo and I am with the Fuels and  
20 Transportation Division, Special Projects Office.  
21 This is a loan request from the San Francisco Public  
22 Utilities Commission for \$3 million. The SFPUC is a  
23 department of the City and County of San Francisco  
24 that provides water, wastewater, and municipal power  
25 services to the City and County of San Francisco.

1 This loan will allow SFPUC to upgrade over 8,100  
2 streetlights throughout the City and County of San  
3 Francisco with LEDs. This loan will be funded with  
4 ECCA bond funds and ECCA State Funds at the interest  
5 rate of 3 percent. These projects will save the SFPUC  
6 over 3.1 million kilowatt hours, or over \$286,000 per  
7 year. The total project cost is projected to be over  
8 \$5.5 million and, as I mentioned, \$3 million will come  
9 from the loan, and the rest will be funded by the  
10 SFPUC's own General Funds and Bond Funds.

11 Based on the loan amount, payback is  
12 estimated at 10.5 years, annual greenhouse gasses  
13 reduced per year would be approximately 1,100 tons of  
14 carbon dioxide. The SFPUC has complied with all  
15 program requirements and I am seeking your approval  
16 for this loan request. Thank you.

17 CHAIRMAN WEISENMILLER: Commissioners, any  
18 comments or questions?

19 VICE CHAIR BOYD: No question.

20 CHAIRMAN WEISENMILLER: Do I have a motion?

21 COMMISSIONER DOUGLAS: Move approval.

22 VICE CHAIR BOYD: Second.

23 CHAIRMAN WEISENMILLER: All in favor?

24 (Ayes.)

25 All right, this item carries unanimously.

1                   Item 4. Association of Bay Area  
2 Governments. Possible approval of Agreement ARV-10-  
3 32, for a grant of \$1,493,165 to the Association of  
4 Bay Area Governments to install electric vehicle  
5 charging stations at several locations throughout the  
6 nine-county Bay Area. Leslie.

7                   MS. BAROODY: Good morning, Commissioners.  
8 I'm Leslie Baroody, I'm the EV Team Leader for  
9 Emerging Fuels and Technologies Office. I'm  
10 presenting for your approval today the Association of  
11 Bay Area Governments, or ABAG project, which was  
12 proposed for award under PON 9006. As part of the Bay  
13 Area Electric Vehicle Corridor Project, ABAG plans to  
14 establish the greater San Francisco Bay Area as the EV  
15 Capitol of the world by accelerating the deployment of  
16 EV ready infrastructure. ABAG proposes to deploy  
17 charging infrastructure throughout the nine county Bay  
18 Area with an emphasis on addressing the needs of the  
19 garageless EV driver, especially in densely populated  
20 areas such as San Francisco. This project will  
21 install up to 423 charge points for the region,  
22 including 19 DC fast chargers, 176 Level 1, and 228  
23 Level 2 charge points. The charging installations  
24 will serve neighborhood electric vehicles, legacy EVs  
25 that take one 10-volt connections, and new EVs that

1 require 240-volt connections. The DC fast chargers  
2 installed in high use, centrally located areas will be  
3 able to serve up to eight vehicles at a time.

4 The project participants include EV  
5 Communities Alliance, Clean Fuel Connections, Regional  
6 Agencies, Utilities, and Bay Area Counties and Cities.  
7 Not only will this project reduce petroleum use and  
8 greenhouse gas emissions, but it will provide  
9 immediate jobs for the contracted California firms.  
10 The entire California-based EV-related industry will  
11 benefit, as well, by the development of a robust Bay  
12 Area charging infrastructure.

13 Finally, this project will help to position  
14 the Bay Area for potential Federal EV Readiness funds  
15 of up to \$10 million. So, I'm requesting \$1,493,165  
16 in Alternative and Renewable Fuel and Vehicle  
17 Technology funds. This project will leverage match  
18 funds of over \$2.7 million.

19 CHAIRMAN WEISENMILLER: Kristin?

20 MS. DRISKELL: Thank you, Mr. Chair. The  
21 Energy Commission's Chief Counsel's Office reviews all  
22 the projects under AB 118 for compliance with the  
23 California Environmental Quality Act. Based on my  
24 review of this project, as well as Items 5, 6 and 7,  
25 and further due diligence, I recommend that the

1 Commission include a finding that the project is  
2 categorically exempt from further environmental  
3 review.

4 MS. BAROODY: Staff recommends this project  
5 for your approval.

6 CHAIRMAN WEISENMILLER: Thank you. I  
7 believe we have a gentleman from ABAG here to discuss  
8 this.

9 MR. SCHORSKE: Yes, thank you very much,  
10 Commissioners, and thank you to the staff. My name is  
11 Richard Schorske, I'm the Executive Director of the  
12 Electric Vehicle Communities Alliance and Facilitator  
13 of the EV Corridor Project on behalf of the  
14 Association of Bay Area Governments and our EV  
15 Corridor Project Coalition. I'd like to take this  
16 opportunity to thank the Commission for this proposed  
17 award and especially to thank Leslie Baroody and other  
18 members of the staff for advising us at each step of  
19 the process. Kristin Driscoll was particularly  
20 helpful for the CEQA review, and I also want to thank  
21 Peter, Tim, Jennifer, and others who provided feedback  
22 during the process. I also want to acknowledge our  
23 project Steering Committee, including Ezra Rapport,  
24 the Executive Director of ABAG, Bob Hayden of the City  
25 of San Francisco, Doug Bond and Aleka Seville from

1 Alameda County, Sharon Sarris from the Monterey Bay EV  
2 Alliance, Enid Joffe of Clean Fuel Connection, Laura  
3 Stuchinsky of the City of San Jose, Richard Lowenthal,  
4 and Colleen Quinn from Coulomb Technologies, and Jason  
5 Wolf and Sven Thesen of Better Place. We also want to  
6 acknowledge the significant private investment brought  
7 by all of our business partners, including Tim Mason  
8 and Mariana Gerzanych of 350 Green, and contributions  
9 to the Alliance effort by the Transportation Authority  
10 of Marin, and most especially by the Bay Area Air  
11 Quality Management District, which is providing  
12 substantial matching funds and through the support of  
13 Karen Schkolnick and Damian Breen.

14           As Leslie described, the CEC award is  
15 instrumental in providing significant funding  
16 leverage, over \$2.7 million in local, public, and  
17 private funds, for the 400 plus charge points,  
18 including the nearly 20 fast chargers. Also,  
19 significantly, the CEC investment here dovetails with  
20 the Charge Point America investment that you've made  
21 previously and was catalytic in developing the MTC and  
22 AQMD investments in the region, which now are over \$20  
23 million.

24           Two components of this initiative directly  
25 relate to your previous investments, the first is

1 development of an information system to link these  
2 chargers from multiple vendors and provide information  
3 to drivers on their charge status and location. In  
4 addition, a pilot reservation system is planned to  
5 assist drivers in finding a open charge slot at a time  
6 and date certain, and we're looking forward to that  
7 project. In addition, a separate but related  
8 initiative is developing now by the Vehicle to Grid  
9 Consortium, which was recently launched by the EV  
10 Alliance, whereby we hope to demonstrate to a power  
11 flow through the charging network with V2G enabled  
12 fleet vehicles that we expect to deploy in partnership  
13 with Rapid Electric Vehicles of Vancouver, which  
14 manufacturers the Ford Escape and the Ford F150. As a  
15 region, we look forward to working further with the  
16 CEC to extend this initial network of chargers  
17 throughout the region, and to enable our regional EV  
18 Ecosystem to provide valuable services back to the  
19 grid, in addition to serving its primary function of  
20 EV charging. I'll just note that, on April 4<sup>th</sup>, the EV  
21 Communities Alliance, in partnership with ABAG, and  
22 the Bay Area Climate Collaborative, will be bringing  
23 together the three big City Mayors of our Region,  
24 along with the CEOs of our primary business  
25 associations and our Regional Public Agencies to take

1 additional bold steps to accelerate EV adoption, and  
2 begin to re-localize and reduce the \$12 billion a year  
3 that we're currently spending on gasoline in the  
4 region. We believe we can reinvest this and electrify  
5 transportation, renewable energy, and the Smart Grid  
6 infrastructure, to dramatically reduce our carbon  
7 footprint. With the ongoing help of the CEC and our  
8 local partners, we hope to become a globally  
9 significant region in leading the transition to the EV  
10 era. And thank you all for your support.

11 CHAIRMAN WEISENMILLER: Commissioners, any  
12 questions or comments?

13 VICE CHAIR BOYD: A comment if there are no  
14 questions. I would just say that, as indicated by Mr.  
15 Schorske, this is an extremely extensive, broadly  
16 reaching collaborative of people involved in this  
17 activity, which is a very positive sign for us, and a  
18 very positive sign to the people of the area with  
19 regard to the interest in electric vehicles and  
20 providing adequate infrastructure for the influx, we  
21 hope, of electric vehicles to this area. This item  
22 has been discussed in the Transportation Committee at  
23 length over a period of time, and we are very pleased  
24 to see that this has all come together and is now  
25 before the Commission and certainly is recommended to

1 the Commission by the Transportation Committee. I  
2 would like to thank the staff, all who have been  
3 referenced, and Ms. Baroody, in particular, for the  
4 hard work they've done in putting this together, and  
5 the Bay Area folks have done a marvelous job of  
6 pulling all the people together, and it did serve as  
7 kind of a model for other areas of the state to try to  
8 replicate the same kind of an approach, and we've seen  
9 activity there. So, this is a very positive step and,  
10 suffice it to say, electric vehicles are talked about  
11 on a daily basis, even more so the past few weeks  
12 based upon the price spike of the conventional  
13 petroleum fuel, and now by various meetings involving  
14 any utility in the state and the potential load on  
15 their systems. So, this is a very positive move and,  
16 again, as I say, highly recommended by the  
17 Transportation Committee. If there are no comments, I  
18 will move the item.

19 COMMISSIONER DOUGLAS: Just a brief comment  
20 that I see a lot of potential in this and I'm really  
21 pleased to see ABAG's leadership, as well as the broad  
22 coalition that ABAG is working with, so I'm also in  
23 strong support of the item. But I'll let the  
24 Transportation Committee member move it if he would  
25 like.

1           VICE CHAIR BOYD: I did move it and we're  
2 just looking for a second.

3           COMMISSIONER PETERMAN: Well, I support  
4 this, as well, so I second it.

5           CHAIRMAN WEISENMILLER: Okay, all in favor?

6           (Ayes.) Any opposed? This is adopted  
7 unanimously.

8           MS. BAROODY: Thank you.

9           Item 5. Sacramento Municipal Utility  
10 District. Possible approval of Agreement ARV-10-034,  
11 for a grant of \$553,000 to Sacramento Municipal  
12 Utility District to conduct a demonstration test of  
13 the Chevrolet Volt under real-world conditions and  
14 install electric vehicle charging infrastructure in  
15 the Sacramento area. Linda.

16           MS. SCHRUPP: Yes, good morning. I'm Linda  
17 Schrupp and I'm with the Emerging Fuels and Technology  
18 Office, and I'm presenting to you today for possible  
19 approval a grant to the Sacramento Municipal Utility  
20 District in the amount of \$553,000, and this is to  
21 supplement their demonstration of plug-in electric  
22 vehicles and the supporting infrastructure. This is  
23 actually one of the last grants leveraging the  
24 alternative and renewable fuels and vehicle technology  
25 Program funds with the ARRA Transportation and

1 Electrification solicitation funds, Opportunity Notice  
2 08010. And the intent of the SMUD GM project is to  
3 gain experience and specific knowledge of these  
4 emerging vehicles, and our funds will enable the usage  
5 data to be collected on the vehicles and the charging  
6 stations through the year 2012.

7           Some of the challenges facing the impending  
8 roll-out of electric vehicles include a lack of  
9 compatible charging infrastructure and the fact that  
10 installers have little or no knowledge or experience  
11 working with customers who want to install this  
12 equipment. Project partners, who include DGS, City of  
13 Sacramento, and Sacramento Air Quality Management  
14 District, are matching with \$564,867; GM is providing  
15 29 Chevy Volt passenger cars into the partner fleets;  
16 and the Federal award amounts to \$1,117,867. If you  
17 have any questions, I'll answer them. And staff  
18 requests your approval.

19           CHAIRMAN WEISENMILLER: Okay.

20           VICE CHAIR BOYD: If no questions, I'll  
21 again comment that this item was approved, reviewed  
22 and approved, by the Transportation Committee and, as  
23 indicated, we've been waiting patiently and anxiously  
24 for this project. SMUD has worked very hard to bring  
25 it to fruition, and had a lot of issues to resolve, so

1 it is among the last of our projects that leverage  
2 significant amounts of economic stimulus money and we  
3 certainly look forward to the demonstration in this,  
4 the capitol city of this vehicle. And I'm  
5 particularly pleased that the people who crushed the  
6 Impact are no preaching the Volt big time. So, the  
7 Transportation Committee strongly recommends approval  
8 of this item.

9 CHAIRMAN DOUGLAS: Second.

10 CHAIRMAN WEISENMILLER: All in favor?

11 (Ayes.) Once more, this carries  
12 unanimously, thank you.

13 VICE CHAIR BOYD: You'll notice I still  
14 refer to it as the "Impact," even though they changed  
15 the name to the EV1. "Impact" was not exactly a  
16 marketable subject name, but it was the first of the  
17 significant electric vehicles a decade ago, and I  
18 salute the new General Motors for the Volt.

19 CHAIRMAN WEISENMILLER: So, Item 6. South  
20 Coast Air Quality Management District. Possible  
21 approval of Agreement ARV-10-035, for a grant of  
22 \$300,000 to the South Coast Air Quality Management  
23 District to install four publicly-accessible  
24 compressed natural gas (CNG) fueling pumps next to an  
25 existing retail gas facility. Pilar.

1 MS. MAGANA: Good morning, Commissioners.  
2 My name is Pilar Magana and I'm with the Emerging  
3 Fuels and Technologies Office. This morning, I am  
4 presenting to you for possible approval a grant to the  
5 South Coast Air Quality Management District selected  
6 under PON 09006 for Alternative Fuel Infrastructure.  
7 The South Coast Air Quality Management District is  
8 partnering with Earth Energy Fuels to install a CNG  
9 fueling station at an existing gas station in Ontario.  
10 Approximately 2,100 CNG vehicles already run in the  
11 Ontario area, and the installation of this station  
12 will support increasing demand in an area where fuel  
13 demand already exceeds availability. The CNG station  
14 will be installed directly next to the entrance of the  
15 Ontario Airport and will serve several existing  
16 fleets, including garbage trucks, transit buses, and  
17 school buses. Several other fleets have expressed  
18 their support of the installation of this station,  
19 including Yellow Cab, Bell Cab, Clean Street, and  
20 Super Shuttle. The station will have four dispensers  
21 initially, but an additional 10 dispensers can be  
22 easily installed to meet the future increased demand.

23 South Coast Air Quality Management District  
24 anticipates that the installation of this station will  
25 displace approximately 375,000 gallons of petroleum in

1 the first year, alone. And by 2014, South Coast AQMD  
2 and Earth Energy Fuels anticipate the early sales will  
3 reach approximately 869,000 gasoline gallon  
4 equivalence per year. Additionally, the project will  
5 generate approximately 24 jobs within the first two  
6 years, including operation and maintenance, station  
7 construction, and station equipment manufacturing.  
8 The project is also expected to generate additional  
9 jobs in the future for maintenance, repair, and safety  
10 inspection. The project includes over \$1.4 million in  
11 match funding and staff is requesting \$300,000 in  
12 Alternative and Renewable Fuels and Vehicle Technology  
13 funding. I would be happy to take any questions.

14 CHAIRMAN WEISENMILLER: Commissioners, any  
15 questions or comments?

16 VICE CHAIR BOYD: By way of comment, again,  
17 this project was reviewed and approved by the  
18 Transportation Committee and recommended to the  
19 Commission for consideration and for approval. This  
20 is yet another one of the many projects that you've  
21 heard about relative to implementing our AB 118  
22 Alternative Fuels and Vehicle Technology Program. I  
23 am very pleased that we have developed a working  
24 relationship with the South Coast Air Quality  
25 Management District in this area and that they are a

1 partner on this, and I hope the good will flows over  
2 to other areas that we're engaged in at the present  
3 time. And therefore, I would recommend approval of  
4 this item, but I would note, as I neglected to do, to  
5 take note of our legal counsel's proviso in presenting  
6 Item 5 that this item, too, has been subjected to the  
7 CEQA review and was referenced as approved by our  
8 legal counsel. So, I will make a motion to approve  
9 the item.

10 CHAIRMAN WEISENMILLER: Do we have a second?

11 COMMISSIONER PETERMAN: I second.

12 CHAIRMAN WEISENMILLER: All in favor?

13 (Ayes.) It's unanimous again. Thank you.

14 Item 7. Airport Commission of the City and  
15 County of San Francisco. Possible approval of  
16 Agreement ARV-10-036, for a grant of \$567,003, to  
17 complete a new hydrogen fuel station at the San  
18 Francisco International Airport by adding a stand-  
19 alone dispenser, a canopy, and increased compression  
20 capability [sic]. Tobias.

21 MR. MUENCH: Good morning, Chairman, good  
22 morning, Commissioners. I am Tobias Muench, Hydrogen  
23 Fuel Lead of the Emerging Fuels and Technologies  
24 Office of the AB 118 program. I present to you this  
25 morning for possible approval a proposal for a grant

1 agreement with the City and County of San Francisco  
2 Airport Commission. This is one of the - this is the  
3 first station project out of PON 09068 that is brought  
4 to you. It would build a new station right by San  
5 Francisco International Airport that would provide 240  
6 kilograms of hydrogen, which is equivalent to fueling  
7 up to 240 vehicles per day with hydrogen fuel cell  
8 vehicles. Over 250 fuel cell vehicles are expected in  
9 the Bay Area by 2014. Hurdles of station building  
10 have been in the past, or are currently high station  
11 costs and large foot-print, both of these are  
12 addressed by the system here. Linde is the main  
13 contractor of this project. They propose a modular  
14 approach with central production and liquid delivery  
15 of the fuel to the station for dispensing in a gaseous  
16 form.

17           This project has previous funding from ARB  
18 that was approved in '09, and the CEC funds will be  
19 used to upgrade the project and allow for greater  
20 capacity of the project. The project would spend  
21 \$567,003, the total project cost is about \$3 million,  
22 so this is a great leverage. And it would help create  
23 a hydrogen fueling station at work in the Bay Area and  
24 elsewhere to enable and accelerate fuel cell vehicle  
25 deployment. It also would serve as a back-up station

1 for the 12 bus programs in the Bay Area, which is led  
2 by AC Transit, and four other transit agencies are  
3 part of that, they already have seven buses, there  
4 will be 12 by May, and so this will serve as a back-up  
5 fueling station. There are two other transit fueling  
6 stations for hydrogen being built in the East Bay  
7 currently, Emeryville and Oakland.

8 Other benefits include that fuel cell  
9 vehicles have zero tailpipe emissions. The project  
10 would decrease greenhouse gas emissions by 44 percent,  
11 compared to conventional gasoline vehicles. The  
12 project would increase the use of alternate fuels, it  
13 would decrease petroleum use, and a third of the fuel  
14 will be renewable, according to the 1505 mandate in  
15 California. The project would also generate 62 jobs  
16 in the state.

17 The City and County of San Francisco Airport  
18 Commission owns and operates the International Airport  
19 and the main contractor, Linde, is a global leader in  
20 hydrogen production distribution and supply, with more  
21 than 100 years of experience in that field. The  
22 completion of the project would be expected in late  
23 2012 pending your approval. I'm happy to answer any  
24 questions.

25 CHAIRMAN WEISENMILLER: Okay, Commissioners,

1 any questions or comments?

2 VICE CHAIR BOYD: No questions. A comment,  
3 again, this project has been considered and  
4 recommended for your approval by the Transportation  
5 Committee. I would note that we'd like to point out  
6 that we are now getting the gaseous fuel industry into  
7 the energy providing business for our future endeavors  
8 in hydrogen transportation and a very welcome  
9 addition, as we waited patiently for other type energy  
10 companies in the past to provide these fuels, so this  
11 is a major step in the development of demonstration  
12 projects of hydrogen fuel cell vehicles and the  
13 application there to both light duty and, as you  
14 heard, heavy duty, in the form of transit buses, so  
15 this is, again, another major step down the long  
16 pathway to a diversified transportation fuel portfolio  
17 and one that will depend very heavily on both  
18 electricity and hydrogen in our future. So, I will  
19 move to approve this item.

20 CHAIRMAN WEISENMILLER: Second?

21 CHAIRMAN DOUGLAS: Second. And I'll just  
22 comment that I'm very pleased to see these AB 118  
23 items on the agenda today, pleased to see the progress  
24 here.

25 CHAIRMAN WEISENMILLER: All in favor?

1                   (Ayes.) This is approved unanimously again,  
2 thank you.

3                   MR. MUENCH: Thank you.

4                   CHAIRMAN WEISENMILLER: Item 8. American  
5 Biodiesel Inc., dba Community Fuels. Possible  
6 approval of Agreement ARV-10-037, for a grant of  
7 \$1,999,379 to American Biodiesel, Inc., dba Community  
8 Fuels to build a biodiesel fuel terminal at the Port  
9 of Stockton. The facility will provide greater access  
10 to large volumes of high quality renewable fuel in  
11 California. Gary.

12                   MR. YOWELL: Good morning. I'm Gary Yowell  
13 from the Emerging Fuels Office. Originally, this was  
14 noticed as an existing biodiesel plant and build a  
15 biodiesel terminal, it's actually just building a  
16 biodiesel terminal, so I think you've announced it  
17 correctly, I appreciate that. This prospective grant  
18 is from the Biofuel Infrastructure Program Opportunity  
19 Notice 9-6.

20                   Now, Community Fuels proposes to construct a  
21 biodiesel terminal at the Port of Stockton and this  
22 terminal will benefit from the port's existing rail,  
23 ship, and truck facilities, and will also benefit from  
24 the Community Fuels Biodiesel Laboratory that ensures  
25 fuel quality. Community Fuels operates in an existing

1 biodiesel plant at 10 million gallons at the Port of  
2 Stockton and they anticipate, when capacity or demand  
3 exceeds their capacity that they will import other  
4 suppliers of biodiesel and, with their adjacent  
5 laboratory, will verify the fuel quality and approve  
6 it, polish it off, and send it downstream to the  
7 customers. This project addresses California's key  
8 issues of our lack of infrastructure, bulk terminal,  
9 and rack infrastructure in California that is  
10 prohibiting or limiting biodiesel sales in California.  
11 Last year, we sold about 7 million gallons of  
12 biodiesel, so that's a pretty small quantity. In  
13 states where they have added a terminal, they've  
14 tripled the volume of fuel through the plant sales.

15           Now, at capacity, this terminal is  
16 anticipated to sell up to 73 million gallons of  
17 biodiesel fuel and that would represent about 400,000  
18 metric tons of greenhouse gas reduction and over 200  
19 metric tons of air quality improvement. The Community  
20 Fuels has committed to spend over \$5 million in match  
21 and this project will support 20 permanent jobs and up  
22 to 50 temporary construction jobs. Construction is  
23 anticipated to start this summer - I mean, this fall -  
24 and completed by 2012. And I believe Legal has some  
25 CEQA.

1 MS. DRISCOLL: Thank you, Gary. The Port of  
2 Stockton prepared an Addendum to the existing  
3 Programmatic Environmental Impact Report and certified  
4 it on January 24<sup>th</sup> of this year. The Addendum includes  
5 mitigation measures that would reduce any impacts to  
6 less than significant levels. Therefore, after  
7 reviewing this project and the Addendum, we recommend  
8 that the Commission include a finding that, although  
9 there are potentially significant impacts with this  
10 project, those impacts are reduced by the mitigation  
11 measures to insignificant levels.

12 CHAIRMAN WEISENMILLER: Commissioners, any  
13 questions or comments?

14 VICE CHAIR BOYD: No question, again a  
15 comment. This is another example you're seeing today  
16 of one of the Commission's efforts under AB 118 to  
17 facilitate a diversified fuel portfolio in California,  
18 and this is the - we don't hear too many references to  
19 biodiesel and biofuels, and I'm therefore pleased to  
20 see this. Biodiesel is something that has been  
21 fraught with issues, as well as being a positive  
22 contribution. Mr. Yowell's reference to lab  
23 facilities is particularly important here in that, for  
24 several years, we've wrestled with the issue of the  
25 bathtub biodiesel fuel industry and incredible

1 differences in swings in quality of fuels, which has  
2 been a concern of engine manufacturers and vehicle  
3 sales folks. With this more internalized system with  
4 laboratory ability to fix and identify the quality of  
5 fuel before putting it into the system is important  
6 and significant, so I just wanted to point to that.  
7 And the Transportation Committee reviewed and  
8 recommends approval of this item to the full  
9 Commission. And I will move its approval.

10 COMMISSIONER DOUGLAS: Second.

11 CHAIRMAN WEISENMILLER: All in favor?

12 (Ayes.)

13 Again, this is approved unanimously. Thank  
14 you.

15 Item 10. University Of California, Davis,  
16 and all other contracts awarded under RFP 500-08-503.  
17 Possible re-approval of contract 500-10-028 with  
18 University of California, Davis to disclose on the  
19 record a financial relationship deemed a "non-  
20 interest" pursuant to Government Code section  
21 1091.5(a)(9), as well as re-approval of all other  
22 contracts awarded under Request for Proposal (RFP)  
23 500-08-503. Allan?

24 MR. WARD: Good morning, Commissioners. My  
25 name is Allan Ward, I'm the Assistant Chief Counsel

1 for Transactions in the Office of the Chief Counsel  
2 here at the Commission. I'm here today to seek re-  
3 approval of the U.C. Davis contract, as well as all  
4 other awards under this RFP. The reason for that is,  
5 after the Commission approved this proposed contract  
6 with U.C. Davis back in December 1<sup>st</sup>, 2010, but before  
7 the Commission actually executed the Agreement, the  
8 Energy Commission's new protocol for conflicts of  
9 interest revealed a situation that needs to be  
10 disclosed on the record, before the contract is  
11 executed, in order to prevent a conflict of interest  
12 from occurring.

13           An employee here at the Commission who was  
14 on the scoring team for this solicitation annually at  
15 the University of Davis Extension taught a one-day  
16 course over the past several years, and for that one-  
17 day course, he received income ranging from \$500 to  
18 \$1,000. The law recognizes that a financial interest  
19 in one department of a government entity such as U.C.  
20 does not create a conflict of interest from another  
21 department if the interest is known to the body  
22 approving the award. So, in other words, U.C. Davis  
23 Extension is the one that he was employed by, but a  
24 separate and distinct department applied for funding  
25 under the solicitation. The law recognizes that there

1 is no conflict of interest in that situation if the  
2 financial interest is disclosed on the record. So,  
3 the purpose of my being here today and seeking re-  
4 approval is to comply with this law, disclose the  
5 arrangement on the record, and then move forward with  
6 both the U.C. Davis contract, as well as all other  
7 awards under the solicitation. I'm here to answer any  
8 questions if you have any, but otherwise, I'd just  
9 like to point out that this protocol that was recently  
10 implemented goes beyond what the law requires and, in  
11 this matter, and in other matters, has already paid  
12 dividends in terms of protecting the Commission.  
13 Thank you.

14 COMMISSIONER WEISENMILLER: Thank you. Any  
15 questions or comments?

16 VICE CHAIR BOYD: By way of comment, I would  
17 just thank the Counsel's Office and the staff for  
18 bringing this to our attention and routing this  
19 through the process. I learned of this issue and  
20 received a briefing on this issue some time ago, and I  
21 am satisfied that the staff has appropriately handled  
22 this, so I would move approval based on the  
23 recommendation of our Legal Counsel.

24 COMMISSIONER PETERMAN: I second.

25 CHAIRMAN WEISENMILLER: All in favor?

1 (Ayes.) Again, it has passed unanimously.

2 Thank you.

3 Item 11. Revised Short-Term (2011-2012)  
4 Peak Demand Report. Possible adoption of the Revised  
5 Short-Term (2011-2012) Peak Demand Report. Adopted  
6 Short-Term Peak Demand Forecasts are used in the  
7 California Independent System Operator Local Area  
8 Capacity Requirements Analysis and process. And our  
9 contact is Chris. Go ahead.

10 MR. KAVALEC: Kavalec. Yes, I'm Chris  
11 Kavalec from the Demand Analysis Office and I am  
12 submitting for consideration of adoption our Revised  
13 Short-Term Peak Demand Forecast Report. As  
14 Commissioner Weisenmiller mentioned, this work we do  
15 for the California ISO for their Local Area Capacity  
16 requirements for LCR Analysis, and this analysis  
17 determines the minimum need in terms of capacity for  
18 so-called Local Areas within the California ISO, areas  
19 defined as having reliability issues, and we do this  
20 forecast for the three IOU TAC, or Transmission Access  
21 Charge Areas within the ISO Control Area. And we  
22 distribute these peak results for those TAC Areas into  
23 individual load serving entities within each TAC area  
24 based on our estimates of their contribution to the  
25 peak. And to do this, we estimate the relationship

1 between temperatures and hourly loads in the latest  
2 historical year, 2010 in this case. Then, we apply  
3 these coefficients to historical weather data to  
4 develop a distribution, and the median of this  
5 distribution, we call the average, or 1 in 2 peak, and  
6 then temperatures that have roughly a 10 percent  
7 chance of occurring, the peak corresponding to those  
8 temperatures we call the one in 10, or extreme weather  
9 peak. And the one in 10 is what the California ISO is  
10 most interested in for this LCR Study.

11           So, we take these numbers for 2010, we grow  
12 them to 2011 and 2012, based on the latest economic  
13 projections. And, not surprisingly, given the  
14 worsening economic outlook, since the 2009 IEPR our  
15 peak demand projections for each of the TAC areas are  
16 significantly lower than they were in the 2009 IEPR.  
17 At the rightmost column there, the TAC Area Peak  
18 Demand Projections are down 3-5 percent in 2012, and  
19 that roughly corresponds to what we've seen in sales,  
20 sales were down in 2010 by around 3 percent, compared  
21 to 2009.

22           In terms of substantial comments, Southern  
23 California Edison did their own forecast and they  
24 found a significantly higher peak demand projection  
25 for 2012, so, after consultation with the Edison staff

1 | and discovering that there was a problem with some of  
2 | ~~our data, we revised the~~  
3 | our data, we revised the Edison peak demand upward.  
4 | We're still a little bit below them, but not by very  
5 | much and Edison is happy with this forecast, they tell  
6 | us. There was also an issue with the California  
7 | Department of Water Resources. They have potential  
8 | operational constraints on their banks water pumping  
9 | plant down in the Delta. Basically, the upshot is  
10 | that, because of these environmental restrictions,  
11 | they may have to pump at full capacity during peak  
12 | hours, which they typically don't do. So, to  
13 | accommodate this, we changed the allotment for the  
14 | Department of Water Resources in the Bay Area to be  
15 | consistent with the capacity of the banks pumping  
16 | plant and that meant increasing the forecast in the  
17 | PG&E TAC Area by about 100 megawatts. And something I  
18 | always like to point out, we're in very uncertain  
19 | economic times, and the economy is always hard to  
20 | predict, and it's even harder to predict when we're in  
21 | so-called "turning point," when we're going from a  
22 | recession to a recovery, and most economic forecasts  
23 | are predicting a very slow recovery, but as we have  
24 | seen in the past, that after a recession, the economy  
25 | can grow at a very fast rate, we saw that in the '90s.

1 So, just a caveat, if that were to happen, this peak  
2 demand for 2012 would be underestimated. So, question  
3 or comments?

4 CHAIRMAN WEISENMILLER: I was going to say  
5 staff has worked with the Electricity and Natural Gas  
6 Committee on this issue. As Chris has indicated,  
7 we're in the process of updating our Demand Forecast,  
8 we've provided this sort of preview of coming  
9 attractions to fit in with the ISO's schedule and its  
10 needs, and Dennis is here and I was going to ask him  
11 to say a few words, and probably one of the major  
12 changes was to accommodate DWR's request that we  
13 reflect the operational constraints. But certainly I  
14 want to congratulate the staff for getting this done  
15 in a timely fashion, I think it's a good product.  
16 Dennis, do you have anything you want to say?

17 COMMISSIONER DOUGLAS: I'll just say briefly  
18 that I got a briefing on this item and I appreciate  
19 the briefing and I thank staff for their good work on  
20 this item.

21 VICE CHAIR BOYD: I would just comment that  
22 it was interesting to note the needs of the Department  
23 of Water Resources and the staff and the committee's  
24 adjustment of things to meet their need. I was  
25 suddenly reminded of, of course, the electricity

1 crisis and hammering on the Department of Water  
2 Resources, who did a marvelous job of restaging their  
3 pumping to help us assure there were no brownouts or  
4 blackouts. But we really hammered the system hard  
5 because flipping them on and off is not the best thing  
6 in the world for those big machines. And we got them  
7 in to off-peak as much as possible. It's  
8 understandable, but a change to see them having to go  
9 back to probably having to pump on-peak for the  
10 obvious positive reasons of dealing with the  
11 environment, I presume, environmental issues in the  
12 Delta. So, I'm glad we have the capacity in our  
13 system to facilitate that now because, frankly,  
14 they're one of the four or five things I would have  
15 referenced to help keep the lights on almost all the  
16 time during the electricity crisis, their adjustment  
17 of their needs, and their rerouting of their power  
18 system. So, it's interesting how times change. In  
19 any event, a very good report. I guess I would move  
20 approval since no other representatives of the  
21 Committee are here and the Chairman doesn't  
22 customarily make motions.

23 COMMISSIONER DOUGLAS: Second.

24 CHAIRMAN WEISENMILLER: All in favor?

25 (Ayes.)

1           Approved unanimously, thanks.

2           Item 12. Minutes: Possible approval of the  
3 February 23, 2011, Business Meeting Minutes.

4           COMMISSIONER DOUGLAS: Move approval.

5           COMMISSIONER PETERMAN: I will abstain since  
6 this is my first business meeting with the Commission.

7           COMMISSIONER WEISENMILLER: Okay. All in  
8 favor?

9           (Ayes.) It's approved three to zero. One  
10 abstention.

11           Item 13. Commission Committee Presentations  
12 and Discussions.

13           VICE CHAIR BOYD: Mr. Chairman and fellow  
14 Commissioners, two quick items. This past Monday in  
15 this very room, the AB 118 Investment Plan Advisory  
16 Committee held what turned out to be an all-day  
17 lengthy meeting, and I would say a very good  
18 productive meeting, and a spirited meeting, the  
19 subject being the Staff Draft of the 2011-2012  
20 Investment Plan that is required by the original  
21 legislation. As you may recall, the Legislature's  
22 interest in this program has been heightened in the  
23 last couple of years and they requested that, for this  
24 forthcoming plan, we submit a draft of the plan in the  
25 month of April, which we actually submitted it early

1 the other day, and that we submit a final plan to the  
2 Legislature in June, and in subsequent years, the  
3 Investment Plan be submitted more or less concurrent  
4 with the Governor's Budget. So, staff who was still  
5 working on, if not recovering from the huge effort  
6 under the AB 118 Program Opportunity Notices process  
7 also, did a marvelous job in producing a Draft  
8 Investment Plan that was very well received by the  
9 Advisory Committee. There are a couple of areas that  
10 the Transportation Committee needs to look into, but  
11 there were almost unanimous and day-long compliments  
12 to the staff for a job well done, which as  
13 Commissioner Douglas, in particular, will remember as  
14 the two of us sat on the very first Investment Plan,  
15 it - well, we've come a long way in terms of our  
16 working relationship with these folks and their  
17 understanding of our needs and processes, and our  
18 understanding of the areas of interest that they  
19 recommend to us. We still have process to go and we  
20 will be bringing you that plan before the full  
21 Commission before submitting it to the Legislature in  
22 June, which is just a couple of areas to review it a  
23 little bit more thoroughly as a result of the inputs  
24 we received.

25 The second item I would mention is,

1 yesterday I, as the Chairman knows, I represented the  
2 Commission at a meeting hosted by the Public Utilities  
3 Commission with representatives, the Chief Executives  
4 of all the major investor-owned utilities in  
5 California, and representatives of Lawrence Livermore  
6 Laboratory and U.S. Department of Energy to discuss  
7 the possible creation of a collaborative to address, I  
8 would say, Smart Grid issues, a collaborative to  
9 potentially utilize the incredible computing  
10 horsepower available at the Lawrence Livermore  
11 Laboratory that heretofore has been used predominantly  
12 in the Defense issues and a little bit more in  
13 civilian areas, of late. It was an extremely  
14 interesting meeting, it was an opportunity to talk  
15 about all that this agency is doing on Smart Grid  
16 activities, but Smart Grid is a broad term, as you  
17 know, incorporating all forms of threats to the  
18 security of the electric system and the Grid, of the  
19 integration of all forms of renewables, the  
20 facilitation of distributed generation, and getting  
21 value out of Smart Meters, and so on and so forth. It  
22 was very interesting. I think there was a fairly  
23 general interest in the project, and I think the  
24 proponents of the project will continue to dialogue  
25 with the various member agencies who were part of the

1 meeting yesterday, and I forgot to reference the  
2 CAISO, but they were represented by their - I guess I  
3 would call it their Chairman since he is the only  
4 member of the Board that exists. But, anyway, Michael  
5 Gravely of our Research Division participated,  
6 attended the meeting, and we shall follow with  
7 interest the development of this potential project  
8 into the future. It seems that it has possibilities,  
9 particularly in - maybe one of the first things might  
10 be just Grid security and defenses against possible  
11 assaults on the Grid. Anyway, it was quite  
12 interesting to this Commissioner and something, as I  
13 indicated, we will be following. That's all I have,  
14 thank you.

15 COMMISSIONER WEISENMILLER: I wanted to make  
16 sure everyone was focusing on, in terms of the San  
17 Bruno context, that obviously NTSB had its hearings  
18 last week, but I think one of the key things coming up  
19 is on the 15<sup>th</sup>, PG&E is going to make a filing at the  
20 PUC on its efforts to go through its records, identify  
21 what it knows about pipelines, what it doesn't know,  
22 and some of the vulnerabilities. I think there was an  
23 article in one of the San Francisco papers indicating  
24 that the PUC, I guess Clanton was very clear that PG&E  
25 has to make that filing, and everyone is looking

1 forward to seeing what that means. We could have  
2 substantial reductions in operating pressure on  
3 segments of the pipeline system coming out of that. I  
4 think, prior to - PG&E has had a massive effort to try  
5 to enhance its records, but at this point, I think -  
6 because they've certainly been quoted as potentially  
7 30 percent of the pipe, high consequence areas, may  
8 have unknown characteristics. So, again, it could  
9 have pretty significant operational impacts, so  
10 certainly when that comes in on the 15<sup>th</sup>, I think the  
11 staff has to really be prepared to dig into that and  
12 figure out what it means for the State of California.  
13 Obviously, our digging in is in support of or helping  
14 the PUC, which is really on the front lines on this.

15 VICE CHAIR BOYD: Mr. Chairman, since you  
16 broached the subject of where the Siting Committee has  
17 spent some time looking at this issue, and I'm  
18 wondering if the Siting Committee has any policy  
19 recommendations to the full Commission as it relates  
20 to our review of power plant siting in the future, or  
21 whether the Committee would hold back any  
22 recommendations to the full Commission until the 15<sup>th</sup>  
23 event.

24 CHAIRMAN WEISENMILLER: I committed to  
25 Senator Alquist that we would look at these issues in

1 the siting case, you know, in terms of the public  
2 safety part. Now, obviously, so I think we have to be  
3 prepared on the siting cases, particularly if some of  
4 the unknown pipe, or unknown quality pipe is something  
5 that is affecting some of the service of either plants  
6 before us, or potentially other power plants because,  
7 again, we could be looking at a summer where,  
8 depending on how much pipe and where, and the type of  
9 testing requirements, we could have some operational  
10 challenges. So, I think starting to look at that in  
11 the siting cases is important and I think, actually,  
12 it's happened in Mariposa - do you want to talk about  
13 that?

14           COMMISSIONER DOUGLAS: I'll just say briefly  
15 that in the Mariposa Energy Project siting process, we  
16 did take evidence on pipeline, particularly the  
17 interconnection between the plant, the proposed  
18 project, and the pipeline, any physical impacts that  
19 the project could have on the pipeline. And to some  
20 degree, evidence was brought in on the pipeline  
21 itself, and so we're still reviewing the evidence and  
22 considering what of all of that we would think is  
23 relevant in the project review, but we did let it in,  
24 and we did have some hearings on the topic - or a  
25 hearing which covered the topic.

1           CHAIRMAN WEISENMILLER: Yeah. I would hope,  
2 at least in the cases that we have pending, that we  
3 get something in the record on whether there is  
4 anything from the 15<sup>th</sup> filing that indicates there  
5 might be issues here or, in fact, if everything is  
6 clean, that makes everything a lot better, but at  
7 least have something in the record to reflect that  
8 tidal wave. I think Senator Alquist certainly pushed  
9 me, just every public official in California has to  
10 think about what San Bruno means for the operation of  
11 their public body.

12           VICE CHAIR BOYD: So, is this Commission by  
13 virtue of this discussion giving guidance to the staff  
14 to include this subject in their review of siting  
15 cases and as they make recommendations to the Siting  
16 Committees? I think it would be good - I'm aware that  
17 our Policy Siting Committee has looked at this and  
18 traditionally makes recommendations to this Commission  
19 and the Commission, in turn, gives guidance to the  
20 staff, and it sounds to me like this is an issue that  
21 at least the Siting Committee, since it constitutes  
22 the two of you, is on top of this issue and is  
23 incorporating it into at least one siting case that  
24 you're involved in. Others of us are involved in  
25 other cases and it might be wise to give policy

1 direction now to the staff to include this as a  
2 consideration in the materials they prepare, as we go  
3 on and hold hearings certainly in advance of any  
4 evidentiary hearing.

5           CHAIRMAN WEISENMILLER: Yeah, exactly. I  
6 think at this point, particularly, I think, with the  
7 four of us, I guess, this actually let's everyone  
8 speak, that I think one of the most fundamental  
9 aspects of regulation is dealing with public safety  
10 and reliability, I mean, those really go to the heart  
11 of regulation. A lot of times we look at the  
12 environment, we look at economic issues, but certainly  
13 safety and reliability are really key parts of what  
14 regulators have to deal with, so certainly I would  
15 personally be encouraging the staff and would  
16 certainly appreciate the opportunity for more of a  
17 dialogue among the four of us now, to really make sure  
18 that we've addressed the safety implications of all of  
19 our plants, but particularly now that we need to  
20 assure the public we've looked at it in the context of  
21 the gas plants we're siting.

22           VICE CHAIR BOYD: Mr. Ward, do you find it  
23 appropriate for us in this dialogue to have given  
24 enough direction to the staff of the Commission for  
25 them to follow those guidelines with regard to future

1 and current siting cases and to bring to the  
2 individual Siting Committees the information on this  
3 subject?

4 MR. WARD: I do, but it still might be  
5 useful in the individual siting hearings to bring it  
6 up again, as well, to reinforce it.

7 VICE CHAIR BOYD: Thank you.

8 COMMISSIONER PETERMAN: Just echo the  
9 sentiment that gas pipeline safety is a very important  
10 issue, and I do appreciate the additional guidance  
11 that's been offered today in this meeting for those of  
12 us involved in various cases. Thank you.

13 CHAIRMAN WEISENMILLER: Item 14. So, any  
14 Chief Counsel's Report?

15 MR. WARD: None today, thank you.

16 CHAIRMAN WEISENMILLER: Item 15. Executive  
17 Director's Report?

18 MS. GARFIELD-JONES: None today,  
19 Commissioners, thank you.

20 CHAIRMAN WEISENMILLER: Item 16. Public  
21 Advisor's Report?

22 MS. JENNINGS: Yes, just on that last topic  
23 with regard to the pipeline safety, there is pending  
24 before the Mariposa Committee a request, a motion by  
25 an Intervener to subpoena a PG&E representative. I

1 think that we found at the hearing that our staff  
2 really has to rely on the CPUC Regulations and the  
3 PG&E representations that they followed the  
4 Regulations with regard to pipeline safety, so I think  
5 that this is an issue that certainly is a major  
6 concern on the Mariposa case and I think it would be  
7 much appreciated if the Commission would have some  
8 standard response in not just that case, but in the  
9 other cases that are coming before it.

10 CHAIRMAN WEISENMILLER: That's very good. I  
11 must say, I'm disappointed. I had talked very early  
12 on after San Bruno to, actually, Tom Bottorff at PG&E  
13 to express the concern that these issues were going to  
14 come up in our siting cases and offer PG&E the  
15 opportunity to use our forums to reassure the public  
16 on these questions. And as I know these issues have  
17 come up, I think PG&E has had more hesitation.  
18 Obviously, they are sort of involved in a number of  
19 different forums that impact these issues, and  
20 certainly encourage them to try to find a way to  
21 participate in our process, again, to help us get a  
22 better record, but also help really reassure the  
23 public that, in fact, these projects are safe.

24 MS. JENNINGS: Thank you.

25 CHAIRMAN WEISENMILLER: Item 17. Any public

1 comment? Hearing none, the meeting is adjourned.

2 (Whereupon, at 11:09 a.m., the business meeting was

3 adjourned.)

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