

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of:                    )  
  )  
Business Meeting                    )  
\_\_\_\_\_                                  )

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

WEDNESDAY, AUGUST 10, 2011  
10:00 A.M.

Reported by:  
Peter Petty

Commissioners Present

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

Staff Present:

Rob Oglesby, Executive Director  
Reneé, Webster-Hawkins, Chief Counsel  
Jennifer Jennings, Public Advisor  
Lynn Sadler, Public Advisor's Office  
Harriet Kallemeyn, Secretariat

(\*Via WebEx)

|                          | Agenda Item |
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| Kevin Barker             | 2           |
| Jennifer Martin-Gallardo | 3           |
| Jonathan Knabb           | 3           |
| Kyle Emigh               | 4           |
| Mark Hutchison           | 5           |
| Al Estrada               | 6           |
| Bryan Neff               | 7           |
| Paul Roggensack          | 8           |
| *Ken Celli               | 9           |
| Lisa DeCarlo             | 9           |
| Matthew Layton           | 10, 11      |

**Also Present**

Interested Parties

Michael J. Carroll, Latham Watkins, LLP for Palmdale  
Hybrid Power Project  
Laurie Lile, City of Palmdale  
Thomas M. Barnett, Exec Vice Pres., Inland Energy, Inc  
\*Lisa Belenky, Center for Biological Diversity

Public Comment

Jane Luckhardt, Downey Brand for DyoCore  
\*David Raine, DyoCore  
\*Chad Gerifield, Energy Pros  
\*Steve DeYoung, BrightSource Energy

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| c. EAST ALTAMONT CENTER POWER PLANT PROJECT (01-AFC-4C). Possible approval of a petition to cancel the Energy Commission license for the East Altamont Center Power Plant Project as of March 23, 2011 (the date of the petition).  |      |
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| e. CITY OF BLYTHE: Possible approval of Amendment 1 to Agreement CBG-09-110 with the City of Blythe which provided funding for interior lighting, occupancy sensors, and LED exit sign retrofits within various city-owned facilities.                                      |      |
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- i. VOLVO TECHNOLOGY OF AMERICA. Possible approval of Amendment 1 to Agreement PIR-08-046 with Volvo Technology of America for a no-cost time extension to June 30, 2012, due to a modification in the scope of work that will result in a more comprehensive analysis of the tail pipe emissions from the natural gas engine being developed.
- j. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Amendment 1 to Contract 500-07-046 with Lawrence Berkeley National Laboratory (LBNL) for a no-cost time extension to allow the contractor to collect additional data on school ventilation and its affect on absenteeism.
- k. CITY OF MALIBU. Possible approval of the City of Malibu's locally adopted building energy standards to require greater energy efficiency than the 2008 Building Energy Efficiency Standards.
- 2. ~~ENERGY COMMISSION COMMITTEE APPOINTMENTS. Possible approval of appointments to the Energy Commission's Standing Committees and Siting Case Committees.~~ Postponed

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P R O C E E D I N G S

AUGUST 10, 2011 10:05 a.m.

CHAIRMAN WEISENMILLER: We'll start the business meeting with the Pledge of Allegiance.

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

CHAIRMAN WEISENMILLER: Good morning. In terms of today's business meeting, we're going to hold Item 2 and we're also going to flip the order of 10 and 11 with 9, so we'll go 8, 10, 11, and then 9. Ten and 11 are both informational items that we want to start bringing more information like this into the business meeting context, but I think it would probably be better to have those brief discussions occur before the Palmdale decision. So, with that, let's turn to the Consent Calendar - oh, actually, excuse me, on the Consent Calendar, we're going to split the Consent Calendar on Item J, which we will take up as a second Consent Calendar item after we deal with the first items. So, with that caveat, then, let's talk about the Consent Calendar, except for Item J.

VICE CHAIR BOYD: Move Consent Calendar, except for Item J.

COMMISSIONER PETERMAN: I second.

CHAIRMAN WEISENMILLER: All those in favor?

1 (Ayes.) These items have been passed.

2 Let's now turn to the Consent Calendar, Item  
3 J.

4 COMMISSIONER PETERMAN: I have to recues  
5 myself because I was working with Lawrence Berkeley  
6 National Lab within the last year. Thank you.

7 CHAIRMAN WEISENMILLER: Thank you.

8 COMMISSIONER DOUGLAS: I move Item 1J.

9 VICE CHAIR BOYD: Second.

10 CHAIRMAN WEISENMILLER: All those in favor?

11 (Ayes.) Item 1J passes. Ms. Peterman.

12 Okay, so Item 2 has been held. Item 3.

13 MS. MARTIN-GALLARDO: Good morning,  
14 Commissioners. I am Jennifer Martin-Gallardo from the  
15 Chief Counsel's Office, and this is about appointing  
16 committees for the recent complaints that were filed,  
17 one filed by CURE, requesting a jurisdictional  
18 determination on two geothermal developments in North  
19 and East Brawley owned by Ormat, and the second  
20 committee would be regarding the complaint against  
21 DyoCore filed by the California Energy Commission's  
22 Executive Director, Mr. Oglesby.

23 CHAIR WEISENMILLER: Thank you. So, at this  
24 point, let's move forward with the Committees, each of  
25 these separately. So, for Item 3A which is the

1 Complaint and Investigation, that will be referred to a  
2 committee chaired by Presiding Member Douglas and I will  
3 be the second member.

4 VICE CHAIR BOYD: Move approval of the  
5 recommendation.

6 COMMISSIONER PETERMAN: I will second.

7 CHAIR WEISENMILLER: All those in favor?

8 (Ayes.) This committee assignment passes  
9 unanimously.

10 The second Item B is a complaint against  
11 DyoCore and the committee will be Presiding Member  
12 Commissioner Peterman, second member, Commissioner Boyd.  
13 We have two parties on the phone who would like to speak  
14 on this issue.

15 VICE CHAIR BOYD: Do you want to move the  
16 committee first?

17 COMMISSIONER DOUGLAS: I will move approval of  
18 having this committee led by Commissioner Peterman and  
19 with Commissioner Boyd.

20 VICE CHAIR BOYD: I guess I'll second it.

21 MS. WEBSTER-HAWKINS: Chairman, before the  
22 vote is taken, would you like to take the public  
23 comment?

24 CHAIRMAN WEISENMILLER: Yes. So I believe the  
25 first one is Jane Luckhardt.

1 MS. LUCKHARDT: Good morning, Commissioners.  
2 I, along with my partner, Steven Meyer, who is also in  
3 the audience today, represent two of the distributors of  
4 the DyoCore turbines. Those distributors are Solar  
5 Point Resources and Desert Power. And they are  
6 concerned about the circumstances of the complaints and  
7 this proceeding, as you could well imagine. As of the  
8 March 4<sup>th</sup> temporary suspension, Solar Point Resources has  
9 266 R1s, those are complete reservation request forms,  
10 and 110 R2s which are the CEC staff issued payment claim  
11 forms, pending. And based upon the comments that were  
12 made both in the Notice of a Temporary Suspension, the  
13 presentation that was made to this Commission at the  
14 Business Meeting on March 17<sup>th</sup>, as well as the statements  
15 made at the April 14<sup>th</sup> Workshop on the Emerging  
16 Renewables Program and changes to the Guidebook, they  
17 continued to purchase turbines, they continued to  
18 develop engineering designs, they continued to have --  
19 to proceed with a development of a master permit for San  
20 Joaquin County that included independent outside testing  
21 by an independent lab for the electrical  
22 interconnections, this was from a safety perspective,  
23 from an installer's concern; and at the request of San  
24 Joaquin County, they purchased steel, they purchased  
25 inverters, they continued to proceed with those

1 installations. And therefore, they have a considerable  
2 amount of financial investment and exposure at this  
3 point in time, based upon the suspension of the program  
4 and how the complaint is resolved.

5           We are here today primarily to notify you of  
6 the issues that are faced by the distributors to express  
7 our concerns. We have had an opportunity to talk  
8 initially with Commission staff and express our  
9 concerns. We appreciate their willingness to explain  
10 their concerns and their knowledge of the circumstances  
11 leading up to the complaint, and we look forward to  
12 working with the committee, as well as Commission staff,  
13 to try and find a reasonable resolution to the issue  
14 faced by both the distributors and their customers, many  
15 of whom are also facing the same situation. We are also  
16 looking for hopefully in the very near future some  
17 guidance on how we will proceed and how quickly this  
18 will be resolved. At this point in time, they have  
19 stopped all installations that have not already  
20 proceeded to the point of installing turbines; if  
21 they've installed turbines, they're going ahead and  
22 completing the interconnections, the final inspections,  
23 but they are not installing any new turbines at this  
24 time, although I will say they have a large number of  
25 turbines which they have ordered and completely paid

1 for, and a large number that are sitting in warehouses.  
2 So, again, we look forward to working with all of you  
3 and I can answer any questions you may have at this  
4 point.

5 CHAIRMAN WEISENMILLER: Commissioners, any  
6 questions or comments? Thank you. The second caller is  
7 David Raine from DyoCore. Hello?

8 MR. RAINE: Yes, thank you. David Raine with  
9 DyoCore. Basically, I would just like to ask a little  
10 bit, inquire pertaining to the next steps. We had  
11 requested a meeting with the CEC, we still yet have not  
12 had no direct correspondence or conversation with  
13 anybody pertaining to these allegations, or our data, or  
14 the process. In fact, I'm really surprised at this  
15 point that we've gotten to this stage and not a single  
16 person has picked up the phone and called us, including  
17 direct representatives from the CEC, saying that there  
18 was even a problem; all we've gotten are these letters  
19 to date, or this one draft that keeps going back and  
20 forth. So we're a little bit in the dark as to how we  
21 participate, at what point are we going to be allowed to  
22 actually talk about the process, what had happened, our  
23 expectations, and where we are, and our investment in  
24 the state, in businesses, our losses, and everything  
25 that affects us, as well as our distributors and

1 hundreds, if not upwards of 1,000 California clients.  
2 It seems pretty much that we've been almost thrown into  
3 a closet and said, "Okay, sit here until we let you come  
4 out." We're getting a little bit anxious sitting in  
5 that closet. We'd like to participate. It is my formal  
6 request to basically have a meeting with somebody, to  
7 actually physically talk to somebody, you know, person  
8 to person, and I think this is a really quick, simple  
9 resolution for everybody, and it appears that there's  
10 contention here, or possibly even intention of drawing  
11 this out to cause more damage to us, more damage to our  
12 distributors, and substantial damage to the actual  
13 program itself. So I would hope that that's not the  
14 intention and I would think that it would be a courtesy  
15 and a procedure to actually reach out to us and say,  
16 "Okay, guys, what happened?" Is somebody willing to do  
17 this? Or how do we participate? How do we make that  
18 request?

19 CHAIRMAN WEISENMILLER: Let me first say,  
20 obviously, we're moving today on setting up the  
21 Committee to expeditiously address these issues, and let  
22 me refer to our Acting Chief Counsel to describe the  
23 process. But certainly, this is the time to resolve  
24 these issues and through the complaint process. Renee?

25 MS. WEBSTER-HAWKINS: Yes, Chairman. The

1 process that has been initiated as a result of the  
2 complaint that was filed on July 26<sup>th</sup>, as stakeholders  
3 may know, the Commission under the Chair's signature  
4 issued the first procedural Order on July 29<sup>th</sup> that set  
5 forth the service of the Complaint and the deadlines by  
6 which the Respondent and the staff can submit their  
7 response and assessments. And now that the Committee  
8 has been set up, assuming the Commission adopts the  
9 recommendation to appoint this committee, it would be in  
10 the Committee's purview to set further proceedings and  
11 notice of hearings in this matter.

12           Obviously, when the complaint was filed, it  
13 initiated a formal adjudicative proceeding which does  
14 invoke the Administrative Procedures Act and the ex  
15 parte communication rules, which does prevent individual  
16 parties from speaking with the decision maker outside of  
17 noticed hearings, except in very limited circumstances.  
18 That does not necessarily prevent staff, as one party  
19 speaking with another, but that would be outside the  
20 purview of the Committee's direction.

21           MR. RAINE: I'm trying to understand that  
22 statement, but it would seem the best course to  
23 resolution would be actually speaking to the company  
24 that you're claiming committed fraud, wouldn't it? But  
25 maybe I'm wrong, and I apologize for not understanding

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1 the procedures, but I would hope that this committee  
2 sees in some knowledgeable fashion that the best course  
3 of action would actually be to talk to us.

4 CHAIRMAN WEISENMILLER: Well, again, the  
5 Committee cannot talk to you outside of a public notice  
6 process; however, certainly we would encourage you and  
7 the staff who have filed the complaint to have  
8 conversations about ways to settle it. So, with that,  
9 also we have Chad Gerifield, who also wants to speak on  
10 this topic.

11 MR. GERIFIELD: Yes, hello, this is Chad  
12 Gerifield, Energy Pro, an energy saving company. We are  
13 also a DyoCore distributor that has been financially  
14 hurt over this recent decision by the CEC and we just  
15 want to concur with Jane Luckhardt -- communication  
16 earlier to the Commission, however, we do have our  
17 separate legal representation and just want to make it  
18 clear that we have sustained great financial constraints  
19 due to this action and hope that this gets resolved very  
20 quickly. Thank you.

21 MR. KNABB: Mr. Raine, this is Jonathan Knabb,  
22 staff counsel at the Energy Commission. I guess I just  
23 wanted to say that I can certainly give you a call after  
24 the Business Meeting to arrange a meeting with you. We  
25 haven't to date understood that we had received a

1 request from you to meet, so I apologize for any  
2 misunderstanding in that regard and look forward to  
3 speaking with you soon.

4 MR. RAINE: I would appreciate that. That  
5 would be a step in the right direction. Thank you.

6 MR. KNABB: Of course.

7 CHAIRMAN WEISENMILLER: Thank you. Any  
8 questions or comments from the other Commissioners?  
9 Then let's take the roll on the pending motion.

10 COMMISSIONER DOUGLAS: Second.

11 CHAIRMAN WEISENMILLER: All those in favor?

12 (Ayes.) This item passes unanimously.

13 Item 4. Department of Finance. And this is  
14 an Agreement for \$200,000 with Department of Finance,  
15 this is ERPA funding. Kyle, do you want to explain it?

16 MR. EMIGH: Good morning, Chairman,  
17 Commissioners. Kyle Emigh, Budget Officer. I'm here  
18 before you this morning requesting a 200K contract  
19 approval with the Department of Finance. The funding of  
20 this award was called out in the FY '11-'12 Budget Act  
21 and the objective of this contract is to determine how  
22 the Energy Commission sets its funding priorities based  
23 on statute if duplication exists between existing  
24 programs, and how the Energy Commission adjusts revenue  
25 streams to satisfy requirements for the ERPA and

1 Renewable Fund. A DOS analysis will likely include  
2 testing of some fiscal data and interviewing of policy  
3 and executive level staff. The period that is requested  
4 to be under review is the previous two fiscal years,  
5 with a report due to the Legislature in April of 2012.  
6 So I am requesting your approval for this contract and I  
7 am available to address any questions you may have.

8 CHAIRMAN WEISENMILLER: Commissioners, any  
9 questions or comments?

10 COMMISSIONER DOUGLAS: No questions.

11 VICE CHAIR BOYD: No questions. I'll move  
12 approval of the item.

13 COMMISSIONER DOUGLAS: Second.

14 CHAIRMAN WEISENMILLER: All those in favor?

15 (Ayes.)

16 Item 5. Department of Finance. Approval of a  
17 contract for a \$74,999 Interagency Agreement. This is  
18 again using ERPA funding. And this is Mark.

19 MR. HUTCHISON: Thank you. Good morning,  
20 Commissioners. Mark Hutchison, Deputy Director of  
21 Administration. This item before you is an interagency  
22 agreement, as you mentioned, with Department of Finance,  
23 to provide an independent verification of progress made  
24 and planned for Federal Economic Stimulus, State Energy  
25 Program funded projects.

1           The Energy Commission has completed all its  
2 work in executing State Energy Program funded projects,  
3 and now the remaining work to be done is monitoring  
4 project progress, verifying that work will be completed  
5 on time, and making any necessary adjustments and  
6 reallocations between projects to ensure that the  
7 Federal spending deadline is met.

8           Department of Finance Auditors will provide  
9 the Energy Commission with its assessment of the project  
10 spending plans by August 31<sup>st</sup>, 2011. I'm requesting your  
11 approval of this agreement and I'm available for any  
12 questions.

13           MR. OGLESBY: If I could, Mr. Chairman and  
14 Commissioners? I'd like to provide a little additional  
15 context for this request. The Bureau of State Audits  
16 did an audit of the program and correctly determined  
17 there is a great deal of ARRA funds that remained  
18 undisbursed to the project recipients. As Mr. Hutchison  
19 reported, the Energy Commission's assignment of awarding  
20 of the funds to the projects has been accomplished, but  
21 there's a great deal of active monitoring of the  
22 progress on the projects. The funds are disbursed in  
23 arrears after the work is completed, that is why there  
24 is a great balance remaining in our account, and we have  
25 an obligation to ensure that progress is proceeding on

1 time in order to complete the projects by the Federal  
2 deadlines next year. In response to the Bureau of State  
3 Audits and our own concerns about being actively engaged  
4 in the monitoring of the program, and being responsible  
5 for completion of the projects in full use of the funds,  
6 we are contracting with the Department of Finance,  
7 Office of State Audits, to provide an independent review  
8 in the field of the documentation and progress on the  
9 projects. We are also committed to provide monthly  
10 reports to the State Auditor as we go along, so there  
11 are no surprises. That's the fuller explanation of why  
12 we find ourselves in this place at this point in time,  
13 but I think we're on our way to make sure that all the  
14 funds get expended in time, and that we're responsibly  
15 overseen the progress on the projects.

16 VICE CHAIR BOYD: Mr. Chairman, a question?  
17 Mr. Oglesby, this item you reference, the audit, got a  
18 lot of press, got a lot of comments just from fellow  
19 citizens. And what we talk about here today will  
20 probably not get any press, but nonetheless, can you  
21 give us an idea of how comfortable you feel with the  
22 fact that the fund will be totally expended or primarily  
23 expended, that indeed it is what you just said, it is  
24 the lag caused by the fact that we have done all we can  
25 do, but people have to process paper to us to get paid,

20

1 and that's lagging? Do you have any feeling that  
2 there's a dilemma there, and will the Finance team  
3 contribute at all to speeding that up?

4 MR. OGLESBY: Let me clarify that a little  
5 bit. To a certain degree, there is a paperwork lag.  
6 Projects have to be completed, there's a very extensive  
7 recordkeeping project that results in basically reams of  
8 paper to document the work that's been done in  
9 accordance with State and Federal law. However, there's  
10 a great deal of work that remains to be done on the  
11 projects between now and April, so it's not just a  
12 matter of accelerating the paperwork, which is true to a  
13 certain degree, but it also means that there's a great  
14 deal of work that still remains to be done and is  
15 actively being done now.

16 The Department of Finance Audits contribution  
17 to the process is to do an independent assessment and  
18 actually a confirmation in the field of the  
19 documentation that will give us greater confidence that  
20 the work has been ordered, that the procurement has been  
21 lined up, suppliers have been lined up, and people are  
22 under contract to verify the documentation.

23 By the end of this month, in just a couple of  
24 weeks, we'll have a report in from the Department of  
25 Finance and our own staff that's accompanying them, to

1 make sure that we've realized and looking at real  
2 documentation, we get an accurate assessment of where  
3 they are. To date, staff has been monitoring weekly  
4 basically with the projects, but most of that has been  
5 consultation over the phone, and with some site visits.  
6 This is a much more aggressive verification of where we  
7 stand on these projects.

8           At this point in time, I think there will be  
9 some reallocations that will probably be necessary  
10 before we complete the term of the project. The  
11 dimension of that kind of action that will be taken will  
12 be easier to assess by the end of this month.

13           VICE CHAIR BOYD: Thank you. So I infer from  
14 your comment that the locust of concern, activity, and  
15 what have you, is with the project recipients --

16           MR. OGLESBY: That's exactly --

17           VICE CHAIR BOYD: -- not necessarily with the  
18 inability of this agency to get the money out the door,  
19 so to speak, that never gets reported, but... Thank you.

20           MR. OGLESBY: Thank you, Commissioner.

21           COMMISSIONER DOUGLAS: Just a brief comment.  
22 I think this is very important work. As we approach the  
23 finish line on Recovery Act projects, it's essential  
24 that we really dig in on the status of projects, the  
25 increasing rates of draw-down, get as close as we can to

1 complete confidence that deadlines are going to be met  
2 and reallocate as necessary if we don't have that  
3 complete confidence. So this expenditure will help us  
4 do that job, it's a very intensive effort for many of  
5 us, and it's very important that we get to the finish  
6 line and we help our recipients get to the finish line,  
7 or we reallocate money to those who can. So I'm in  
8 strong support of this item and, if there are no more  
9 comments or --

10 CHAIRMAN WEISENMILLER: I was going to make a  
11 brief comment, which is that when I was going through my  
12 confirmation hearing, it's pretty clear this is very  
13 important to the Legislature that the funding, you know,  
14 that we basically execute the funding and that occur,  
15 and as most of your are aware, I've had since February  
16 basically getting monthly reports on the contracting  
17 process. I guess the good news is the contracts are now  
18 done. At this point, it's time to shift focus from  
19 contracting being done to actual implementation being  
20 done and invoicing occurring. And so we now have at  
21 least moved the process to this phase, but it's  
22 important to continue with a very high priority on  
23 completion here.

24 COMMISSIONER DOUGLAS: Move approval of Item  
25 4.

1 VICE CHAIR BOYD: Second.

2 CHAIRMAN WEISENMILLER: All those in favor?

3 (Ayes.)

4 COMMISSIONER DOUGLAS: I read the wrong item  
5 number in my motion. I'll try that again, I move  
6 approval of Item 5.

7 CHAIRMAN WEISENMILLER: All those in favor --

8 VICE CHAIR BOYD: Second.

9 CHAIRMAN WEISENMILLER: Second. All those in  
10 favor?

11 (Ayes.) Item 5 is now passed, also  
12 unanimously.

13 COMMISSIONER DOUGLAS: It's nice to know that  
14 we approved Item 4 twice, but...

15 VICE CHAIR BOYD: Well, we love the Department  
16 of Finance.

17 CHAIRMAN WEISENMILLER: Item 6. Lamont  
18 Financial Services Corp. This is a contract for  
19 \$110,000 for Bond Administration funding. Chris.

20 MR. ESTRADA: Good morning, Commissioners.  
21 Chris was unable to attend the meeting today. I am Al  
22 Estrada, Chris' supervisor, so I'll be making this  
23 presentation.

24 We're requesting approval of a \$110,000  
25 contract with Lamont Financial Services Corporation to

24

1 provide financial advisory services to Energy Commission  
2 staff in relation to the tax exempt revenue bond  
3 program. The contractor will provide investment  
4 monitoring and programmatic advice, as well as counsel  
5 Commission staff and their administrative interactions  
6 with various bond program participants. They will also  
7 provide assistance in dealing with outside participants  
8 in the revenue bond program.

9           Additionally, this program's contract has a  
10 clause in it that allows the Lamont Financial Services  
11 Corporation to assist the Commission in planning,  
12 developing, and implementing any new Energy Commission  
13 revenue bond series, if needed.

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

16           VICE CHAIR BOYD: Move approval.

17           COMMISSIONER PETERMAN: I'll second.

18           CHAIRMAN WEISENMILLER: All those in favor?

19           (Ayes.) Item 6 passes unanimously.

20           Item 7. Regents of the University of  
21 California. This is a \$240,000 contract. This is PIER  
22 Electricity funding. Bryan.

23           MR. NEFF: Good morning, Chairman and  
24 Commissioners. A point of correction on the agenda  
25 before I get started on the details. The leveraged

1 funding, DOE match funding, is not \$2.1 million, it is  
2 \$2.03 million, which brings the leveraged funds total to  
3 \$2,297,000. Also a point of disclosure, under one of  
4 the tasks, Lawrence Berkeley National Lab is a key  
5 partner. This \$240,000 interagency agreement will go to  
6 fund --

7 COMMISSIONER PETERMAN: Just hold on a second?  
8 With that new information, Chairman, I need to recues  
9 myself from this due to a previous relationship with  
10 Lawrence Berkeley National Lab.

11 CHAIRMAN WEISENMILLER: Okay, thank you.

12 MR. NEFF: This \$240,000 -- oh, she has to  
13 leave.

14 CHAIRMAN WEISENMILLER: Yes. Now you can  
15 continue.

16 MR. NEFF: This \$240,000 interagency agreement  
17 will go to fund the Pacific Region Clean Energy  
18 Application Center, one of eight regional centers  
19 throughout the United States. It was originally  
20 established by the Department of Energy and the Energy  
21 Commission in 2005. The Center encourages the  
22 development of environmentally sound combined heat and  
23 power resources and distributed generation projects  
24 through outreach and education.

25 The Center is a key resource in promoting and

1 working towards California's clean energy goals,  
2 including greenhouse gas reduction goals of AB 32, the  
3 Governor's target of 6,500 megawatts of CHP, and 12,000  
4 megawatts of distributed generation. The Center works  
5 with other regional centers, federal agencies such as  
6 the DOE and EPA, universities, project developers,  
7 utilities, and State energy institutions, bridging the  
8 research and business environments.

9           The Center leverages their knowledge and  
10 research of CHP industry with technology research  
11 provided by PIER, providing a pathway to market for  
12 these technologies. As research comes out of PIER, the  
13 Center will facilitate the dissemination of information,  
14 allowing businesses to understand technology and policy,  
15 so they may apply this knowledge when investing in new  
16 energy savings technologies, reducing their energy  
17 consumption, reducing emissions, and saving money on  
18 their energy bills. Staff requests approval for this  
19 contract, and I will be available to answer any  
20 questions you may have.

21           CHAIRMAN WEISENMILLER: Commissioners, any  
22 questions or comments?

23           VICE CHAIR BOYD: No questions, I'll move  
24 approval of the item, noting that this item was reviewed  
25 by the Research -- the R&D Committee, and recommended

27

1 for consideration here today.

2 COMMISSIONER DOUGLAS: Thank you, Commissioner  
3 Boyd. I will second the motion.

4 CHAIRMAN WEISENMILLER: All those in favor?

5 (Ayes.) This item also passes unanimously.

6 MR. NEFF: Thank you, Commissioners.

7 CHAIRMAN WEISENMILLER: Thank you. Item 8.  
8 University of California Irvine. This is a \$347,914  
9 contract with the University of California. And this is  
10 Pier Electricity funding. Paul.

11 MR. ROGGENSACK: Thank you, Commissioners.  
12 I'm Paul Roggensack with the Pier Industrial  
13 Agricultural and Water Team. We're requesting approval  
14 for an interagency agreement with UC Irvine for \$347,914  
15 and Southern California Edison is providing \$117,500 in  
16 match funding and is a key partner in the project.

17 The project is called the Self Audit of  
18 Wastewater Treatment Processes to Achieve Energy  
19 Optimization Phase 2. This project will develop a  
20 software tool to enable wastewater treatment facilities  
21 to evaluate the energy performance of their treatment  
22 processes. It will be based on mathematical models  
23 developed for individual unit operations, and then  
24 combined into a single model to determine optimum  
25 interaction for an entire facility.

1           The tool will evaluate energy savings, conduct  
2 lifecycle analysis, and make recommendations to improve  
3 energy efficiency. In addition to helping wastewater  
4 treatment facilities, it will give a tool to Southern  
5 California Edison to evaluate energy efficiency measures  
6 for their rebate program, to determine the actual dollar  
7 amount of a rebate to a wastewater facility.

8           The proposal is focused on benchmarking  
9 individual plants with the actual plant performances vs.  
10 what it could be, and what the recommended improvements  
11 would be. And this is phase 2; the previous Phase 1 was  
12 actually a contract with Southern California Edison, and  
13 that did the modeling for primary and secondary  
14 treatment. Phase 2 will complete the project and it  
15 will do the modeling for all the processes beyond  
16 secondary treatment, which include nutrient removal,  
17 disinfection, and sledge processing, including  
18 digestion.

19           The University anticipates 15 percent energy  
20 reduction at a wastewater treatment facility and, if you  
21 extended that statewide, that could potentially achieve  
22 a savings of 150 million kilowatt hours per year. If I  
23 can answer any questions?

24           CHAIRMAN WEISENMILLER: Commissioners, any  
25 questions or comments?

1                   VICE CHAIR BOYD: I'll then note that this  
2 item also was presented to the Research and Development  
3 Committee and recommended by that committee for  
4 consideration on today's agenda. I do have a question  
5 for Paul, and I'm sorry I didn't think of this sooner,  
6 but this is all about efficiency, which is great,  
7 efficiency is Job 1, and I totally support this effort,  
8 as I indicated in our research committee discussion, but  
9 it does dawn on me that, in light of other discussions  
10 that have taken place of late about bioenergy in  
11 California, biopower, biofuels, etc., and the larger  
12 emphasis that it is getting, and will get in the future,  
13 wastewater treatment plants are a very prime candidate  
14 for the development and capture, I should say, of  
15 methane, biomethane renewable natural gas. That has  
16 nothing to do with the subject of efficiency, but rather  
17 than send multiple teams of Energy Commission sponsored  
18 folks, I'm wondering if, as a component of doing this  
19 work, there is any possibility of just including some  
20 reference, some discussion, of the possibilities of the  
21 various plants that will be visited to consider  
22 developing the potential for biomethane production. I  
23 don't know if you can do that, I just plant that seed of  
24 an idea with the Executive Director and all the staff,  
25 and maybe we can talk later about how to piggyback on

1 this possibility.

2 MR. ROGGENSACK: Well, the project will look  
3 closely at the digestion process where the methane would  
4 be generated, so if it can improve the efficiency of  
5 that process, then certainly that would enhance the  
6 renewables.

7 VICE CHAIR BOYD: Okay, I would certainly  
8 encourage that. And I will move approval of the item.

9 COMMISSIONER PETERMAN: Actually, I have one  
10 question. I want to follow-up, in just reading the  
11 background on this item, I'm struck by the focus was on  
12 identifying, making recommendations, and I'm very  
13 curious as to what conversations you've had about  
14 actually having facilities implement them, to what  
15 extent they are going to be active partners in this. It  
16 was great to see all these eventually implemented at the  
17 facilities.

18 MR. ROGGENSACK: The prime mover of this  
19 project was Edison, who wants to do rebates, so if the  
20 utilities can achieve it, you know, get a substantial  
21 rebate by energy efficiency measure, then that would be  
22 a prime mover for them.

23 COMMISSIONER PETERMAN: Thank you. With that,  
24 I will second the motion.

25 CHAIRMAN WEISENMILLER: All those in favor?

31

1 (Ayes.) This item also passes unanimously.

2 So now we'll turn to Item 10, which is the  
3 informational item on the Palomar Energy Center Project,  
4 with Matt.

5 COMMISSIONER DOUGLAS: And Mr. Chair and  
6 Commissioners, before we begin these two informational  
7 items, I want to provide a bit of background. Both of  
8 these items are items that we discussed in the Siting  
9 Committee and I viewed them as significant enough that  
10 you might, the thought that it might be a good idea to  
11 have the Commission briefed. I think that it's possible  
12 that you could get questions or comments about these  
13 issues as you go about your business at the Commission.

14 In the Palomar Energy -- I'm sorry, yes, the  
15 Palomar Energy Center project, the issue was a  
16 transformer failure and a fire. It was in the local  
17 press, it was a fairly hot fire that burned for quite a  
18 while, and residents in the area got a reverse 911 call,  
19 so there were no toxic releases, there were no injuries,  
20 but I thought it would be a good idea for you to get a  
21 briefing on that. And also, the Ivanpah Solar Project,  
22 we had a Monsoonal storm event that caused some flooding  
23 on the site, so that's the other issue that you will get  
24 briefed on today. And you will have the opportunity,  
25 obviously, to ask questions and we'll have the

1 opportunity to have any discussion that might be needed.

2 MR. LAYTON: Good morning, Commissioners. My  
3 name is Matthew Layton; I'm with the Energy Commission  
4 Engineering Office.

5 VICE CHAIR BOYD: Matt, I don't think your mic  
6 is on.

7 MR. LAYTON: It is on; I'm just far away from  
8 it.

9 VICE CHAIR BOYD: Get close.

10 MR. LAYTON: Is that better? Good morning.  
11 I'm Matthew Layton; I'm with the Engineering Office of  
12 the Siting Division. I oversee the preparation of 12  
13 different areas for siting cases, one of which is worker  
14 safety and fire protection. The Siting Committee was  
15 very interested in this transformer fire that occurred  
16 back in December of '10, and so we've been investigating  
17 this, trying to discern what happened, and also talking  
18 to the owner and also the responders, to try to better  
19 understand again what happened at the site, how the  
20 conditions that we had adopted, the Commission had  
21 adopted, worked to mitigate the effects of this fire,  
22 and to prevent any undo risks to the public.

23 So we've prepared a report, which was  
24 available, I think, when you came in, it's also  
25 available on line, and the addresses for that report are

1 available at the end of this presentation.

2 This is a quick summary, feel free to ask any  
3 questions as I walk through these slides. I'll try not  
4 to go too fast.

5 Palomar Energy Center is a modern combined  
6 cycle two-on-one combined cycle, two combustion  
7 turbines, two heat recovery steam generators, and one  
8 common steam turbine with a generator attached to that.  
9 The steam turbine can run with only one of the  
10 combustion turbines online, you don't have to have both  
11 combustion turbines online to get output from the steam  
12 turbine, albeit at half load if one combustion turbine  
13 is down.

14 The power plant is located in Escondido, it's  
15 in a business park, light industrial, light commercial,  
16 pretty empty right now, but there is development that is  
17 coming in. The nearest residence is about a quarter  
18 mile from the facility. We licensed the project back in  
19 August of 2003, it came online in April of 2006. The  
20 report which is online says summer of 2004, we'll  
21 correct that and repost the report. The project is  
22 owned and operated by SDG&E.

23 This is a Google Earth which we use now. The  
24 transformer that burned is on the north end of the  
25 project, the top of this page is the north, there are

34

1 two transformers, the white boxes on this figure, which  
2 may be hard for you to see, but the upper left white is  
3 the Unit 1 Transformer. Also of note on this is the  
4 steam turbine transformer, is located in the middle of  
5 the project, about 100 feet from the control room.  
6 Obviously, the transformers are large industrial  
7 devices, but they can be sited safely. Coincidentally,  
8 the steam turbine generator has the two blast walls, or  
9 two firewalls on it, but of course, the steam turbine  
10 generator is open towards the control room, so it's 100  
11 feet away from the control room. Again, the  
12 anticipation is that the fire will be controlled and  
13 maintained inside the confinement of the blast walls and  
14 the catchment basin.

15           The transformer failed at 12:08 p.m. on  
16 December 2<sup>nd</sup>, the main transformer appears to have  
17 internally shorted, tripping the breakers and  
18 automatically shutting down the unit. The breakers  
19 tripped in three cycles of the particular phase, about a  
20 50,000<sup>th</sup> of a second, and automatically shut down the  
21 unit. The release of energy, obviously, was very large,  
22 did rupture the transformer vessel containment, the box  
23 that the transformer is located in, and oil started  
24 leaking into the catchment basin below. The oil caught  
25 on fire and the oil that was leaking also caught on

1 fire, and so there was an oil fire both inside the  
2 transformer and outside the transformer, fed by this  
3 liquid mineral oil that was quite flammable, especially  
4 when it was heated.

5           The Escondido Fire Department responded, they  
6 were there in 10 minutes, 12:18, and subsequently they  
7 called the Hazardous Incident Response Team, the  
8 Escondido Police Department, the San Diego Air Pollution  
9 and Control District, and also ultimately the Marine  
10 Corps Air Station Crash Fire Team.

11           This is the fire on the first day, this is a  
12 picture of the transformer, the wall on the left is  
13 about 24-feet high, and so the flames are substantial.  
14 What's in the front of the picture are the three phases  
15 that come out of the transformer, they underground and  
16 go over the switchyard, that's the high voltage side.  
17 What you can't see is the box, the transformer box that  
18 is burning, well, the oil is burning in it and around  
19 it. There was a lot of smoke. Obviously, the fire did  
20 stay in the particular -- in this area, and you can see  
21 if you look on the bottom of this picture, you can see  
22 the basin where the fire is burning across the entire  
23 basin. It looks like a nice pool of fire.

24           When the fire department arrived, they made a  
25 pretty early decision to let the fire burn. They didn't

1 know how much -- well, there is 11,000 gallons of oil in  
2 there, they didn't know how long the oil would burn,  
3 they issued a reverse 911 call with the police  
4 department, they said the fire was contained, would be  
5 under control or distinguished in two to three hours,  
6 but they really didn't know, but that's what they put  
7 out in their first reverse 911. They asked people to  
8 shelter in place and limit outdoor activities if  
9 possible.

10           Some of the other things that went into why  
11 they let it burn, the oil did not contain any PCBs, the  
12 Air District was there with their portable air ambient  
13 air quality measuring devices, they did not measure any  
14 volatile or organic compounds in the air, but there was  
15 a lot of smoke and obviously there was a lot of  
16 equipment on the road, and so the Police Department  
17 wanted to alert people why there was all the equipment  
18 and why the Citracado Parkway may have been blocked off  
19 on occasion as the Fire Department and other agencies  
20 were staging all their vehicles.

21           This is the picture of the reverse 911 call,  
22 it also shows the proximity of the power plant, which is  
23 the black box in the very middle of this circle, to I-  
24 15, which is the north-south artery, and State Route 78,  
25 which is an east-west artery going from Escondido to the

1 coast. The Fire Department assumed that the reverse 911  
2 call would be to only people that were down wind, the  
3 smoke happened to be moving to the east at the time;  
4 when the Police Department actually does their reverse  
5 911, they just do a radius, so everybody got called east  
6 and west, north and south, both at 1:00 p.m. in the  
7 afternoon, the first call went out, at 7:00 a.m. the  
8 next morning when the second call went out, and then  
9 when the subsequent all clear call went out, everybody  
10 got called. It's not very easy to see, but all the  
11 green dots are where a phone picked up, there are a few  
12 red dots where the phone never picked up, those few  
13 people that don't have answering machines, or just  
14 weren't available, or weren't home. But the majority of  
15 the phones picked up, probably an answering machine or a  
16 person.

17           One the second day, the fire had diminished  
18 quite a bit, a lot of the mineral oil had burned out,  
19 you can still see the box in the background. In the  
20 upper left, you can see a better picture of the  
21 reservoir tank, so there was 11,000 gallons of oil  
22 inside this very large box, the transformer box, and  
23 then there was also a surge tank to allow for expansion  
24 and contraction of the fluid, and that also was feeding  
25 the fire. When they finally put the fire out, most of

1 the oil had burned.

2           So, the consequences of the fire: there were  
3 no injuries. One firefighter had been taken to the  
4 hospital, it was not related to the fire, or fighting  
5 the fire. The fire was contained, it was limited to  
6 this very small part of the site. While the fire was  
7 burning, Unit 2 continued to operate. Ultimately, they  
8 did shut down Unit 2 because they didn't want to have  
9 the Unit 2 energized when people -- when the personnel  
10 were in there with equipment, hoses, water, foam,  
11 obviously all of that would conduct electricity, and so  
12 when they ultimately decided to try to fight the fire,  
13 they did de-energize or turn off Unit 2.

14           Even though the fire was contained, it did  
15 obviously burn for 27 hours, that appears to be a  
16 problem, but at least in this case, liquid fueled fires  
17 are sometimes very hard to put out, and in this case,  
18 when the transformer ruptured, the rupture occurred on  
19 the other side of the transformer, towards the firewall,  
20 and therefore it was very hard for firefighters to get  
21 foam or water into the transformer, inside the case, so  
22 they may be able to put the fire out inside the basin,  
23 the catchment basin, but it's still burning inside the  
24 transformer and they couldn't necessarily get any kind  
25 of fire control fluids inside the transformer.

1            Obviously, the residents were inconvenienced,  
2 being asked to shelter in place, it's disconcerting.  
3 And also, the Unit 1 transformer was a total loss. It  
4 was a significant consequence to the operator of the  
5 plant, even more so, Unit 1 was down for three months,  
6 they did an extensive failure analysis, then ultimately  
7 repaired, some transformer replacement. Transformers  
8 are very large, expensive devices, not too complicated,  
9 but they do handle a lot of energy, so they do have to  
10 be developed with some care; replacements are not  
11 necessarily readily available. Coincidentally, the  
12 Operator actually had a purchase order out for a spare,  
13 the spare wasn't available, and so they looked around at  
14 other transformers they had at other projects, they  
15 looked to borrow a transformer, but ultimately they did  
16 replace the transformer and the unit came back online on  
17 March 24 of 2011.

18            VICE CHAIR BOYD: Mr. Layton?

19            MR. LAYTON: Yes, sir.

20            VICE CHAIR BOYD: Question. How old was this  
21 transformer?

22            MR. LAYTON: It came on line in April of 2006,  
23 so it's approximately four years.

24            VICE CHAIR BOYD: What kind of warranty  
25 applies to the transformer, any?

1                   MR. LAYTON: I don't know what Hyundai is  
2 offering, I'm sure that is being discussed between SDG&E  
3 and Hyundai.

4                   VICE CHAIR BOYD: Okay, thank you.

5                   MR. LAYTON: Transformers are not expected to  
6 fail in four years -

7                   VICE CHAIR BOYD: Correct.

8                   MR. LAYTON: The industry does monitor their  
9 transformers, they do grab samples of the oil looking  
10 for gases that might indicate shorts or starting shorts,  
11 or failure of the windings and the insulation. SDG&G  
12 was installing a continuous monitor, a continuous gas  
13 sampler on this particular -- these transformers, all  
14 three transformers at this site, they were not  
15 operational or calibrated, they attempted to use some of  
16 the information that was available from the equipment  
17 that were installing to discern what had happened.  
18 Ultimately, they think it was just some kind of defect  
19 internally that caused this sudden and rapid failure.  
20 They did pull apart the unit 2 transformer to look at  
21 it, to see if it had any similar problems, and they did  
22 not find any. They didn't find any problems with the  
23 oil or any other indications that the Unit 2 transformer  
24 may be looking at the same failure.

25                   VICE CHAIR BOYD: Maybe now is a good time to

1 ask another question. We have a letter from a party in  
2 Escondido who states, and I don't know if this is true  
3 or not, that this was the third instance of transformer  
4 failure at this facility. Do you have any comment on  
5 that?

6 MR. LAYTON: I had not heard that, and I'm not  
7 aware of that. We will follow-up and look at that.

8 VICE CHAIR BOYD: Thank you.

9 MR. LAYTON: Did you give us a copy of the  
10 letter?

11 VICE CHAIR BOYD: I would presume that all of  
12 us got the letter maybe just today, but --

13 MR. LAYTON: Okay. This, I think, is the only  
14 second transformer that we've seen fail at a power plant  
15 that we've licensed. We are also aware of a failure at  
16 the Vincent substation up near Palmdale. And two  
17 transformers ended up burning at that particular  
18 occasion. We have not seen very many failures.  
19 Obviously, when it does fail, it's catastrophic to the  
20 transformer and being down for three months is also, I  
21 think, a serious disincentive for the owner to allow too  
22 many transformer failures to occur.

23 Obviously, the Siting Committee was very  
24 interested in understanding what happened and, more  
25 importantly, the Siting Committee was also concerned

1 that there wasn't timely reporting to us, the Energy  
2 Commission, that this event had started and what was  
3 going on. It made it difficult for us to coordinate  
4 with the media, or the public, or any inquiries that  
5 might come in, and I think that a lot of misinformation  
6 did get out there. Some of the reports in the newspaper  
7 were not fully accurate. Again, everybody is trying to  
8 get information out there as quickly as possible.

9           So, to that end, staff is recommending that  
10 future projects be required to notify the Energy  
11 Commission within two hours of an emergency event, and  
12 then also provide a detailed incident report within a  
13 month of that emergency event. We're also going to send  
14 a letter to the operating plants, which would include  
15 Palomar, that we're notifying them of these new  
16 procedures to provide us notification of emergencies.

17           The reports are available online, again, we'll  
18 try to correct the one error in the report regarding the  
19 start-up date, which is not summer of 2004, but actually  
20 April of 2006. And that's all. If you have any  
21 questions, I'd be happy to answer them.

22           COMMISSIONER PETERMAN: I have a question,  
23 thank you for that, it was very informative. This might  
24 not be something within your area of specialty, but I  
25 was just curious with the emergency calls that went to

1 the neighborhood, did you have to have a land line to  
2 receive one of those?

3 MR. LAYTON: I believe you did.

4 COMMISSIONER PETERMAN: Okay, is that just a  
5 general State policy where you would get such reverse  
6 911 calls, or is that specific to that city?

7 MR. LAYTON: I'm not sure I understand your  
8 question.

9 COMMISSIONER PETERMAN: I'm wondering, if a  
10 similar instance were to happen at other plants, would  
11 similar reverse 911 calls happen? Or is that something  
12 that each city, each fire, a region sets up  
13 individually?

14 MR. LAYTON: I believe it's what each region  
15 sets up individually.

16 COMMISSIONER PETERMAN: Thank you.

17 VICE CHAIR BOYD: Matt, as you no doubt know,  
18 this incident has rippled through other siting cases,  
19 and so some of us are more familiar than others,  
20 perhaps, with this incident as citizens in other  
21 communities have concerns with proposed power plants in  
22 their neighborhood, so we do have a lot of discussion.  
23 I appreciate your presentation and the recommendations  
24 the staff is making. And I trust there will be more  
25 statistics and data over time as to manufacturers

1 success rates, whether it's a universal issue, or  
2 applies to maybe only one manufacturer of transformers,  
3 and I don't know if there has been any lessons learned  
4 with regard to the configuration of a transformer pad,  
5 its catchment basin, and blast walls, but your comments  
6 that the Fire Department was unable to bear down on the  
7 transformer itself, I wouldn't expect there to be an  
8 ability to get inside with fire retardant foam, or what  
9 have you, unless it had ruptured, but I guess I'm a  
10 little concerned if the Fire Department couldn't really  
11 get at that part, even to cool down anything while the  
12 fire went on inside. So I don't know if the siting  
13 folks have given any thought to that aspect of the  
14 placement of transformers and how close blast walls are,  
15 and fire access. I certainly know it's being discussed  
16 in the context of other siting cases, which obviously  
17 have to remain anonymous.

18 MR. LAYTON: The report does contain several  
19 pages of discussion about alternatives. There are  
20 options to further mitigate fire risk and the  
21 consequences if a fire does start, so there is a  
22 discussion about those concepts. Staff does not believe  
23 that they've been demonstrated to be useful in this  
24 case. But, again, it depends on the site configuration,  
25 constraints that you might have. When you locate a

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1 transformer underground, you don't use mineral oil, you  
2 use SF6, which is not flammable, but obviously has GHG  
3 consequences if it does leak. So the Fire Code, which  
4 was followed for this particular project in this power  
5 plant, does require certain things for the transformer  
6 in this project, it did comply with that. Again, we  
7 think they worked. Obviously a fire that rages for 27  
8 hours may or may not be considered a success, but no  
9 injuries were reported, the fire did not spread, again,  
10 we haven't seen that there is a lot of frequency of  
11 fires that would dictate changing what we now require on  
12 these projects.

13 VICE CHAIR BOYD: Thank you.

14 CHAIRMAN WEISENMILLER: Any public comments or  
15 questions?

16 MS. SADLER: My name is Lynn Sadler, I'm the  
17 Assistant Public Advisor, and we have a member of the  
18 public who was unable to attend today, who sent us  
19 comments to be read into the record. And also, for  
20 Commissioner Boyd, the letter that you received about  
21 the third failure is probably referring to the site  
22 visit wherein one of the facility staff said that this  
23 is the third Hyundai transformer to fail since Palomar  
24 came on line, the failures have been in different areas  
25 of the transformers, but this failure resulted in the

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1 worst damage. So that's probably the reference.

2 VICE CHAIR BOYD: Excuse me, that's the letter  
3 from Mr. Rodriguez? Thank you.

4 MS. SADLER: So now I'm going to read comments  
5 from Mark Rodriguez from the City of Escondido and this  
6 is what he sent to us to be read: "From the inception  
7 of this project, the project operator has been filing  
8 misleading information and documents, and the CEC has  
9 been looking the other way. The report you all are  
10 receiving today reflects that. The project operator did  
11 not even inform you of the fire; I did. When the CEC  
12 asked for a full written report of the fire, the  
13 operator refused to give it to you, so your staff just  
14 asked the people who responded to the fire if they did a  
15 good job, and they, not surprisingly, said yes. You are  
16 receiving this report almost eight months after the  
17 fire. The citizens in the area have given up because  
18 they do not believe the CEC is serious about monitoring  
19 or enforcement of the project. All of the petitions for  
20 modifications or variance requests brought forward since  
21 the initial licensing of the facility were discussed  
22 during the hearing process as weaknesses or faults in  
23 the design by the intervener and the public, yet they  
24 were deemed unnecessary. Impacts were caused by the  
25 facility on a nearby business because of what can only

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1 be identified as improper operation by the owner. These  
2 impacts also resulted in increased illnesses in  
3 neighboring mobile home parks, but were dismissed  
4 because agencies requested the public to supply  
5 supporting data at their own expense, including  
6 identifying pathogens currently not monitored. One can  
7 only assume a private settlement was reached with that  
8 business while the surrounding residents and businesses  
9 can only pray that no impacts will be felt somewhere in  
10 the future. With the opening of the state-of-the-art  
11 medical facility soon to open next year, and the clear  
12 indication that emergency response time and access to  
13 the facility in its constrained space was a major  
14 limiting factor, I hope that all efforts will be taken  
15 to make this facility safer with noted improvements  
16 identified in the EDM Services Report, and the public  
17 health and air quality concerns be addressed properly.  
18 Proper operation of this facility should not be left in  
19 the hands of irresponsible parties that clearly do not  
20 have the public's interest in mind." And that is the  
21 end of his comments.

22 CHAIRMAN WEISENMILLER: Thank you.

23 COMMISSIONER DOUGLAS: If there is no other  
24 public comment, maybe I'll ask Mr. Layton if he has any  
25 responses or anything he'd like to say based on that

1 comment.

2 MR. LAYTON: Well, again, as I noted, the Fire  
3 Department was there and called at 12:10 and was there  
4 by 12:18, so the timing of this response seemed quite  
5 good. And my staff, I think, did a very good job in  
6 talking to all the people that did respond to the  
7 emergency. I felt they had candid and honest  
8 conversations with these people. I guess I don't share  
9 Mr. Rodriguez's concerns somehow that the Energy  
10 Commission is being duped.

11 COMMISSIONER DOUGLAS: Thank you. I will say  
12 that it was not good and not well received that we  
13 didn't hear about the event until we heard from Mr.  
14 Rodriguez, so I think that's something that we need to  
15 address, and conditions in future cases, and also  
16 address with already approved projects. You know, we  
17 also took some time to do our own review, but I think  
18 that we have access or were able to see everything that  
19 we needed to see in order to do a thorough report, and  
20 the Siting Committee took it seriously, and probably had  
21 the staff do a lot more research and a lot more -- kind  
22 of keep coming back to the item until we were satisfied.  
23 So I think that the report is satisfactory. The event  
24 was a pretty unfortunate event, it's just never good, a  
25 fire burning for a long time; on the other hand, what is

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1 good out of this is that the fire was contained and the  
2 response was at least quick. You know, firefighters  
3 sometimes decide not to attack a fire when it doesn't  
4 appear to be a danger to people around them, and yet  
5 attacking it could easily be a danger to them, and so  
6 it's sort of not an unreasonable approach given the  
7 nature of the fire that they encountered. So, I did  
8 want to make sure that all of you who heard about this  
9 event, that you had the opportunity to ask question  
10 about it. We all site power plants, we all participate  
11 in siting committees, so these items are very much of  
12 general interest.

13 COMMISSIONER PETERMAN: I'd just like to add  
14 one other comment. When the Committee follows-up  
15 regarding guidance to existing and future projects on  
16 incident reports, I would appreciate you all following  
17 up around Mr. Rodriguez's comment that there were at  
18 least two other issues with that transformer, and  
19 perhaps have some conditions regarding reporting  
20 incidents that could lead to such trouble going forward,  
21 without knowing this was --

22 CHAIRMAN WEISENMILLER: That's good, I think  
23 it was a transformer type as opposed to that specific  
24 one on the facility that he raised, but, again, still  
25 good to know if there is anything on that transformer

1 type that might affect us going forward. And I was  
2 going to say, as the other member of the siting  
3 committee, I certainly shared the notion that we really  
4 had to dig into this, and at the end of the day, I  
5 guess, when you look at the potential consequences, that  
6 the owner might regret the transformer just melted down,  
7 but I certainly respect the Fire Department's decision  
8 to protect the safety of the firemen in terms of going  
9 into an area with hazardous equipment, while making sure  
10 that they knew what they were getting into, and then  
11 doing a tradeoff. And that's certainly not a decision I  
12 want to second guess.

13 VICE CHAIR BOYD: Mr. Chairman, if I might, I  
14 have one more question for Mr. Layton that was raised in  
15 my mind by the testimony given on behalf of Mr.  
16 Rodriguez. Mr. Layton, there is an allegation that the  
17 project operator did not cooperate with the CEC and  
18 refused to provide you information, you had to go ask in  
19 other places. Do you have any comments on how  
20 cooperative the project operator was or wasn't?

21 MR. LAYTON: The project operator was  
22 cooperative. The project operator was careful. I  
23 assume there is litigation, but I do not know --

24 VICE CHAIR BOYD: Yes, I see the lawyers got  
25 to them already.

1           MR. LAYTON: We did ultimately see the  
2 reports. Nothing was earth shattering in those reports.  
3 What comes out in the litigation we don't know yet.  
4 Obviously, we will pay attention to what is going on, we  
5 will continue to work with the operator and the other  
6 emergency responders to make sure we get the story  
7 right, and again, if we need to change conditions, we're  
8 going to make sure we do change those conditions because  
9 we think minimizing the risk to the facility and to the  
10 public is important.

11           VICE CHAIR BOYD: Out of every incident, there  
12 are lessons learned, and I appreciate your comment and  
13 previous comments that staff are looking at that with  
14 regard to the future. I would just note that the  
15 decision to let it burn was a local decision, it had  
16 nothing to do with our conditions there, or any  
17 authority we would have in that area, and so letting the  
18 fire go for 27 hours was the amount of black smoke you  
19 get from mineral oil, which I believe is fairly  
20 innocuous as a material, is something the locals would  
21 have to deal with, whether they want to let something  
22 burn like that.

23           And my last comment is just thanks to -  
24 plaudits to the Siting Committee for its pursuit of this  
25 question and the decision to bring it to us as an

1 informational item because -- and I know the Chairman  
2 has in mind doing more of these because of the fact that  
3 we don't hear about some of these things, other than in  
4 a public forum like this and, as I indicated, some of us  
5 heard about this quite some time ago as immediately this  
6 was brought up as an issue in the debates about other  
7 power plant siting cases. And the fire here is  
8 certainly referenced and used as an issue that people  
9 are uncomfortable with, so again, my thanks.

10 CHAIRMAN WEISENMILLER: Okay, thank you.  
11 Let's go on to Item 11. Do you want to talk about  
12 Ivanpah?

13 MR. LAYTON: Good morning again. I'm still  
14 Matthew Layton. The Siting Committee is interested in  
15 trying to be more responsive, provide more information  
16 on events that happen at projects that we are licensing  
17 or have licensed, so this next item is on a July 5<sup>th</sup>  
18 storm event at the Ivanpah Solar construction site.

19 The Ivanpah was licensed -- Ivanpah is a solar  
20 plant licensed at the end of last year, started  
21 construction last year, and is under construction. A  
22 lot of activity is occurring on Unit 1 in the common  
23 area and activities starting on Ivanpah 2 to the north  
24 and Ivanpah 3 further north. Ivanpah is located in the  
25 desert southeast desert of California, right on the

1 border with Nevada, where I-15 crosses at Primm on the  
2 way to Las Vegas. It's in the Ivanpah Valley. The  
3 color map in the middle shows the dry lake to the east  
4 of the project, and going upslope is Ivanpah 1, 2 and 3.  
5 If you look at the configuration of Ivanpah, the  
6 gradient runs from top left to bottom right. The slope  
7 for the water as it goes downhill towards obviously the  
8 dry lake bed.

9           The project covers about 3,400 acres, will  
10 generate about 385 megawatts when completed, it is a  
11 central power tower technology. In the middle of each  
12 one of these Ivanpah 1, 2 and 3, is going to be a tower  
13 with a heat exchanger at the top and mirrors located all  
14 around, focusing the sun up and on to the elevated heat  
15 exchanger that is on the power tower. You'll see more  
16 of some of the components that are being built out there  
17 on some later figures.

18           On July 5<sup>th</sup>, there was a large monsoonal storm  
19 event at the Ivanpah project. A lot of water came down  
20 in a very short period of time. Many of these monsoons  
21 out in the desert are very localized. For whatever  
22 reason, this particular range storm just kind of sat  
23 over the Ivanpah projects, other parts of the valley  
24 were dry, and other parts in California obviously are  
25 dry. These monsoons are very site specific. We think

1 this one was about a 15-25 year storm, it dropped  
2 approximately an inch and a half of rain in two to four  
3 hours over the site, up gradient towards Ivanpah 3, it  
4 dropped a little bit more, down gradient down towards  
5 the golf course and the dry lake bed, it dropped a  
6 little bit less.

7           The result was a lot of water gathered and  
8 then ran off site. What was noticeable is the common  
9 area, if you are in between Ivanpah 2 and 3, there is a  
10 common area that has a fabrication building, that is the  
11 large building on the left, the kind of fabric building,  
12 has trailers, has parking lots, it has a lot of grading,  
13 a lot of flat surfaces, a lot of disturbed surfaces, a  
14 lot of compacted soil, so when the water finally hit the  
15 common area, it seemed to gather some momentum and do a  
16 little bit more damage. Again, water rushing through  
17 the site, and this is in the common area. On the first  
18 map of Ivanpah, there were a bunch of red figures with  
19 little arrows or red numbers, those were the photos that  
20 are in the actual Ivanpah report, the trip report that  
21 we provided, on the back table and available online, so  
22 I'll try to tell you where the photo took place to  
23 hopefully orient you, but most of them were in the  
24 common area, the most activity was, and also in Unit 1,  
25 where most of the construction is underway. Units 2 and

1 Unit 3 are not that far along in construction.

2           This is on Coliseum Road, again, the water  
3 gathered, seemed to pick up a lot of the looser soil  
4 that had been graded, but not compacted on the side of  
5 the road. There were some silt fences around the  
6 project, they did seem to channel and gather the water,  
7 and then dump it. We think that might have led to  
8 additional problems. We recommend that silt fencing be  
9 used with some care.

10           Above the common area, this is actually Photo  
11 13 in the report, again, the water came, hit this berm,  
12 and then it started gathering. The berm is incomplete  
13 right now because the berm was built all the way up to  
14 the right of way that Los Angeles Water and Power has  
15 for their transmission lines that went cross the site,  
16 BrightSource Ivanpah is negotiating with Los Angeles  
17 Department of Water and Power to complete the berm.  
18 Since the berm was incomplete, it did dump the water  
19 into the common area where the final design is to  
20 channel the water, or bring the water further down, and  
21 spread it across the heliostat field for Unit 1. The  
22 fact that the berm was incomplete, I think, did cause a  
23 lot of problems for the common area. We expect that, as  
24 projects are being built in the desert, and they're in a  
25 partial state of completion, there may be more problems

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1 with a storm event than when you finally complete the  
2 project and all the best practices are in place, and a  
3 Stormwater Action Plan is in place to alleviate problems  
4 with large flows of stormwater.

5           And again, this is the same berm where the  
6 water is coming down and moving towards the black silt  
7 fencing, and eventually it dose pop through the silt  
8 fence, there's a red circle in the very middle of this  
9 that shows where the water channeled out of that breach  
10 in the silt fence and headed straight for the  
11 fabrication buildings, and other trailers and such in  
12 the common area where, again you saw the first photos of  
13 the water flowing through the common area -- it was a  
14 lot of water. At the time, during the storm, all the  
15 workers were either sheltering in their car or their  
16 trailers, and there were lightening strikes, power was  
17 knocked out to the site, it was a significant storm  
18 event. And this is again the breach in the silt fencing  
19 and heading straight for the common area. And this is  
20 looking from the west towards the east, maybe southeast  
21 -- looking from left to right.

22           This was a tortoise fence, it's up in the  
23 Ivanpah 3, or actually, it is in Ivanpah 2. We think  
24 it's interior fence, as they clear parks, they build  
25 fencing sequentially. We don't think there were any

1 tortoises on either side of this fence, however, I think  
2 this just exhibits that, throughout the life of the  
3 project, there will be maintenance required of silt  
4 fencing, of tortoise crossings, tortoise guards. The  
5 desert environment is dynamic, and these storms prove  
6 how dynamic it is. Obviously, the water picked up a lot  
7 of vegetation and collected on the fence, creating the  
8 strain on the fence, the BrightSource folks were out  
9 rather quickly repairing fencing, or putting up  
10 temporary measures to make sure that there weren't any  
11 problems with tortoises getting in and out. I think  
12 it's going to be a requirement for the long term  
13 operation of these particular facilities. Again, once  
14 you get past construction, it may not be as marked.

15           This is also in the Ivanpah 3 and you can see  
16 the scour along the fence and the fence posts are  
17 exposed. Again, water collecting on the side of a road,  
18 getting off the road and collecting and gathering up the  
19 loose, less compacted soil next to the road does cause  
20 some erosion.

21           This is Photo 10 in the report, it's at  
22 Ivanpah 3, and it just shows that a tortoise guard  
23 filled up with sediment. BrightSource has come out and  
24 cleared out all the sediment. When we were out there  
25 two weeks after the event, they were still clearing out

1 sediment here and there. Paul Marshall and Chris Dennis  
2 were out there five days after the event and this is  
3 when a lot of these photos were taken.

4           This is a desert tortoise. This was not taken  
5 during the visit, it's a stock photo. These are the  
6 tortoise pens which are located up by Ivanpah 3, they  
7 are located up gradient from the common area. You  
8 notice that the vegetation is fairly tall, there was  
9 some water that moved across the site, nothing of note,  
10 some of the walkways were slightly eroded, and they  
11 repaired those within 24 hours. Again, notice the  
12 height of the vegetation because we'll come back to that  
13 when we talk about the heliostat field.

14           Again, I've already talked a little bit about  
15 this, the pens didn't seem to be impacted much and,  
16 pretty quickly, BrightSource was up at the pens making  
17 sure that nothing had happened to the fencing or to any  
18 tortoise. A lot of tortoise came up during the storm  
19 event and crawled to higher ground, got on top of the  
20 vegetation. When Paul and Chris were there, they also  
21 noticed some new tortoise burrows. The tortoise were  
22 enjoying the soft soil and getting back underground  
23 pretty quickly. I guess they're more familiar with the  
24 storm cycles than we are.

25           This is the heliostat field in Ivanpah 1. The

1 field is mowed, but it is not graded, so the natural  
2 drainage is still more or less there, there are some  
3 ring roads that alternate between the heliostats that  
4 will be used for maintenance and mirror cleaning. The  
5 other thing that is interesting about this, when they  
6 put these posts in, they auger the hole, they drill it,  
7 but they leave all the soil in the hole and then they  
8 vibrate drive the pole in, so there aren't piles of soil  
9 around these poles that will get washed away during the  
10 storm event. Again, what's out there is pretty much  
11 what started out there, except for now posts and mown  
12 vegetation. You can see the vegetation is a lot lower.  
13 We didn't see much erosion in the heliostat field, the  
14 remaining vegetation still had roots, was still alive,  
15 and it did seem to control soil erosion. This is a  
16 channel run right next to a pole. There are some other  
17 pictures where some of the poles were eroded, but  
18 nothing of great significance.

19           BrightSource is maintaining compliance, they  
20 do have a drainage, erosion and sediment control plan,  
21 they do have a stormwater prevention plan, pollution  
22 prevent plan. We think what was out there worked.  
23 Obviously, the soil that carried on to the common area,  
24 it was troubling, and of particular nuisance to the  
25 owner who had to clear all that up, it delayed some of

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1 their construction. Again, we think a lot of it was due  
2 to the berm being unfinished. So projects are going to  
3 be more vulnerable during the middle of construction. I  
4 don't think there's any way you can predict how to time  
5 the construction to avoid the summer monsoon season, but  
6 I think a lot of what was out there was, again, the  
7 magnitude of the storm and also the fact that some parts  
8 were just under construction. We think that the  
9 tortoise pens worked well, no problem with the tortoise.  
10 Again, we think the heliostat fields are going to be a  
11 good place to dump the water from the berm, or channel  
12 the water around the common area and into the heliostat  
13 field. They seem to be able to handle the stormwater  
14 flows better than the common area.

15           And I've already said it, but I think it's  
16 really important, I think sediment management is going  
17 to be required throughout the life of the project. We  
18 think it will go down once you are complete with  
19 construction, but you're in a dynamic environment and  
20 very intermittent dynamic environment. And similarly,  
21 the fencing will have to be maintained throughout the  
22 life of the project.

23           Obviously, we recommend that the stormwater  
24 diversion berm be completed as quickly as possible, the  
25 Ivanpah BrightSource is talking to the Department of

1 Water and Power to get the right of way clearance to  
2 complete the berm underneath the transmission lines. We  
3 continue to recommend that they use best practices and,  
4 again, use silt fencing in accordance with the best  
5 management practices. We think that some of the silt  
6 fencing may have led to some problems, but it's a  
7 learning process, as Commissioner Boyd said earlier,  
8 this is one of those lessons learned. And we also think  
9 that energy dissipation and devices should be placed  
10 downstream of culverts just to dissipate some of the  
11 water energy. We think the heliostat field will also be  
12 very effective at dissipating some of that water energy.  
13 Again, the reference are available online and I'm  
14 available to answer any questions if you have any.

15 CHAIRMAN WEISENMILLER: Thank you.

16 Commissioners, any questions or comments?

17 COMMISSIONER DOUGLAS: I don't think we have  
18 any questions or comments. Thank you for both of these  
19 presentations.

20 MR. LAYTON: Thank you.

21 CHAIRMAN WEISENMILLER: Thank you. We do have  
22 from the public a couple of people on the line that have  
23 questions or comments. First, let's start with Steve  
24 DeYoung of BrightSource Energy.

25 MR. DEYOUNG: Hi, this is Steve DeYoung, I

1 actually didn't have any comments. I was here in case  
2 there were any questions from the Commission that staff  
3 couldn't answer.

4 CHAIRMAN WEISENMILLER: Commissioners, any  
5 questions or comments for him?

6 VICE CHAIR BOYD: Thanks for being available.

7 CHAIRMAN WEISENMILLER: Thanks for being  
8 available. Also, Lisa Belenky from the Center, is she  
9 on the line?

10 MS. BELENKY: I'm on the line.

11 CHAIRMAN WEISENMILLER: Do you have any  
12 questions or comments?

13 MS. BELENKY: I'm sorry, can you hear me?

14 CHAIRMAN WEISENMILLER: Yes, vaguely. If you  
15 could speak up a little bit, that would be better.

16 MS. BELENKY: I actually was on line for the  
17 Palmdale matter.

18 CHAIRMAN WEISENMILLER: Oh, I'm sorry.

19 MS. BELENKY: This was a very interesting  
20 report and we were very pleased to see the report from  
21 the staff on this, but I'm really on for the Palmdale  
22 matter.

23 CHAIRMAN WEISENMILLER: Okay, and Jennifer.

24 MS. JENNINGS: Yes, Jennifer Jennings, Public  
25 Advisor. I'm presenting comments from Kevin Emerich and

1 Laura Cunningham, they were participants in the Ivanpah  
2 Project and several others as Interveners on behalf of  
3 Basin and Range Watch. And unfortunately, they live in  
4 a very remote location and their phone line is down, it  
5 has been for about a week, so they asked me to present a  
6 few comments. They called my office immediately after  
7 they heard of the storm event and they think that it  
8 would behoove the public and the Commission if these  
9 types of events were noted on the website and very  
10 quickly after we become aware of it, and initial  
11 information is shared with the public. They frequently  
12 have to call around to various members of the staff  
13 asking what's been heard about these events at the  
14 various solar projects that are currently under  
15 construction. So, we are starting to post compliance  
16 documents a little more frequently, but it's not as  
17 regular as it should be, and they ask the Commission  
18 that there be kind of a new portion of our website that  
19 would alert everybody because these projects are funded  
20 with a great deal of public money and they've been  
21 approved by a public agency, so they believe there  
22 should be more information available to the public on an  
23 emergency basis on situations such as this. Thank you.

24 CHAIRMAN WEISENMILLER: Thank you. I think as  
25 we're going forward, obviously, these two reports sort

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1 of bookend things. On the one hand, we want to get  
2 information out as fast as we can, but we need to make  
3 sure we've ground truthed it in terms of the accuracy,  
4 and so we've got two -- hopefully in the future, we'll  
5 be closer to the Ivanpah timeline on getting stuff out,  
6 but we'll also need to really make sure that, 1) the  
7 information is correct, and b) that we need to always  
8 use a filter on what is significant and certainly the  
9 committee felt these two items were significant enough  
10 for this type of event today, and also to get the  
11 reports posted on the website. So, thanks.

12 With that, let's take a break until a quarter  
13 of 12, and then we'll go to Palmdale.

14 (Recess at 11:31 a.m.)

15 (Reconvene at 11:49 a.m.)

16 CHAIRMAN WEISENMILLER: Item 9, Palmdale  
17 Hybrid Power Plant. And at this stage, I think Ken  
18 Celli is going to call in by phone.

19 MR. CELLI: That's correct. Can you hear me?

20 CHAIRMAN WEISENMILLER: Yes.

21 MR. CELLI: Good morning. Are we ready to go?

22 CHAIRMAN WEISENMILLER: We're ready to go.

23 MR. CELLI: Okay, well, good morning, Chairman  
24 Weisenmiller and Commissioners. This is Kenneth Celli,  
25 C-e-l-l-i on behalf of the committee designated to

1 conduct hearings on the Palmdale Hybrid Power Project,  
2 which I will be referring to as the PHPP. Just a quick  
3 mention of the committee, the committee started out as  
4 Chairman Pfannenstiel as the Presiding Member and  
5 Commissioner Rosenfeld as the Associate. When  
6 Commissioner Pfannenstiel cycled off the Commission,  
7 Commissioner Byron took over and when Rosenfeld also  
8 cycled off the Commission, Commissioner Eggert took  
9 over, followed by Commissioner Douglas as Associate  
10 members. When Commissioner Byron cycled off the  
11 Commission, Commissioner Douglas took over as the  
12 Presiding member and Commissioner Boyd took over as the  
13 Associate member. And that is the current constitution  
14 of the committee at this time, and that is the committee  
15 that heard the evidence and put forth the PMPD, the  
16 Presiding Member's Proposed Decision.

17           The PMPD reflects the Committee's careful  
18 consideration of all evidence of the parties and all  
19 public comment. The PMPD recommends certification  
20 because the PHPP is consistent with all laws,  
21 ordinances, regulations, and standards, and there are no  
22 significant impacts to any environmental or public  
23 health pursuant to CEQA.

24           The project itself, if you look at the map, is  
25 located approximately 60 miles north of Los Angeles and

1 northernmost Palmdale. It is located near the  
2 intersection of East Avenue M and the Sierra Highway in  
3 Palmdale. The project, as you can see right here,  
4 Chairman Weisenmiller, can you see the little cursor?

5 CHAIRMAN WEISENMILLER: Yes, we can. And it's  
6 right now over PHPP.

7 MR. CELLI: Excellent. That represents the  
8 site, which is immediately northwest of the Los Angeles  
9 Palmdale Regional Airport and Air Force Plant 42. Air  
10 Force Plant 42 is 6,600 acres of support facilities for  
11 production, engineering, assembly, and final fly tests  
12 of high performance aircraft. The border -- this is  
13 East Avenue M I'm showing with the cursor here on this  
14 slide, this is Item 4 for the record, and this  
15 Powerpoint will be submitted to the docket. This line  
16 represents the border between Palmdale and the City of  
17 Lancaster. Lancaster is to the north, Palmdale is to  
18 the south. By itself, and I don't know if you can see  
19 it very well, but this is supposed to be highlighted,  
20 this square here, it represents 330 acres of vacant  
21 undeveloped land, it's part of a 613-acre property,  
22 which is multiple parcels owned by the City of Palmdale.  
23 This is all industrial. The site itself would be  
24 composed of 251 acres of solar fields, 26 acres of the  
25 power block and 56 acres would represent the combined

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1 access roads, setbacks, and drainage, the terrain here  
2 is flat; and the project itself is about four miles  
3 north of the main population center of Palmdale.

4 Primary equipment for the project would be two  
5 GE framed 7FA natural gas-fired combustion turbine  
6 generators rated at 154 megawatts each, two HRSGs, two  
7 recovery steam generators, one steam turbine generator  
8 rated at 267 megawatts, and 251 acres of parabolic solar  
9 thermal collectors and heat transfer equipment ranged in  
10 rows. The total nominal output would be 570 megawatts,  
11 there would be one cooling tower for the two combustion  
12 turbine generators, and an operations building and  
13 associated equipment.

14 The Applicant proposed at 35.6 mile overhead  
15 transmission line route, and if you look at this next  
16 slide, this is slide 7, the plant site I'm showing here  
17 with the cursor, the proposed transmission line route as  
18 proposed by the Applicant would run along this yellow  
19 line here to the Vincent substation down here. Now,  
20 staff has proposed a 12.8 mile half underground, half  
21 overhead transmission line. The red dotted line here  
22 represents the underground section, and then the dotted  
23 yellow line would be getting down to the Vincent  
24 substation, would be overhead lines.

25 Both routes were fully analyzed in the FSA and

1 in the PMPD. There were no significant impacts  
2 associated with either route, and the two routes were  
3 not disputed by any parties. So the PMPD certified both  
4 routes and allows the project owner to allow whichever  
5 route they seek -- they would want to construct that  
6 would be their choice.

7           Natural gas line would be delivered by 20-inch  
8 8.7 mile underground pipeline, which would be  
9 constructed and owned by Southern California Gas  
10 Company, and you can see this green line represents the  
11 gas line route, and it meets up here with the water  
12 line, and it follows the same route along existing  
13 street. Secondary treated water for construction and  
14 tertiary treated water for operations and process water  
15 would be supplied by water reclamation plants pursuant  
16 to a contract with LA County Water Works. Tertiary  
17 treated water would be delivered by a 24-inch recycled  
18 water pipeline from Palmdale Water Reclamation Plant  
19 which is right here, the plant would intersect at Sierra  
20 Highway and Avenue M, so essentially this is the 20-inch  
21 pipeline, and when it gets to Avenue M, it would be a  
22 14-inch recycled water pipeline approximately .9 miles  
23 to get to the plant site, and that is where it will  
24 connect. Drinking water will connect to an existing  
25 potable water pipeline which is a mile and a quarter

1 from the PHPP site. Total water use for the project  
2 will be for construction, 75-acre feet of secondary  
3 treated water, operations would require 3,000 to 4,000  
4 acre feet a year of tertiary treated water, which would  
5 be recycled three to 10 times. A cooling of process  
6 water will be treated by VLD system, zero liquid  
7 discharge system, which will separate solids for  
8 landfill disposal.

9           The next slide, we're now looking at slide 8,  
10 the Palmdale project will pave local roads to generate  
11 PM10 ERCs to mitigate impacts. The roads to be paved  
12 have to be identified and completed before the  
13 commencement of the construction of the site. For the  
14 record, what you're looking at shows which candidate  
15 roads were being chosen for paving, there are 11 because  
16 Barrel Springs Road, down here at the bottom that I'm  
17 circling with the cursor, was removed as one of the  
18 candidate roads. So roads would be only those 10  
19 remaining roads. These roads are all described in  
20 complete detail in PMPD in many sections, but mostly in  
21 the traffic section. The roads are predominantly in  
22 fully developed residential areas, so paving would not  
23 change the character of the traffic or increase traffic  
24 in any way.

25           There were two Interveners in this case, the

1 Center for Biological Diversity, and the Desert Citizens  
2 Against Pollution. CBD was represented by Lisa Belenky  
3 and the Desert Citizens Against Pollution was  
4 represented by Jane Williams. Their issues were mostly  
5 related to road paving under the topics of air quality,  
6 alternatives, biology, cultural resources, hazardous  
7 materials, land use, public health, and traffic and  
8 transportation.

9 As usual, the public was given the full  
10 opportunity to participate at every stage of the  
11 proceedings, the committee received a good balance of  
12 public comment, mostly concerning air emissions from  
13 citizens in Lancaster and in Palmdale. We received  
14 statements in support of the project by building trades  
15 and unions. We heard some concerns from the City of  
16 Lancaster regarding the PM 2.5 emissions and as it  
17 related to the future increment under the Federal PS2  
18 Rules. The PMPD addressed and considered all of the  
19 public comments received.

20 The Committee recommends that the Energy  
21 Commission adopt the PMPD on the PHPP, along with Errata  
22 dated July 26 -- I believe it's dated July 22<sup>nd</sup>, it was  
23 published on July 26<sup>th</sup> -- and it has already been served  
24 on all of the parties. I want to note that we did  
25 receive this document entitled "Applicant's Request for

1 Clarification regarding the Errata to the Presiding  
2 Member's Proposed Decision." We just got that Monday.  
3 I've had a chance to review the application, and that's  
4 part of your background materials, Commissioners. And  
5 this isn't a correct statement, these changes that are  
6 proposed by Mr. Carroll representing the Applicant, were  
7 agreed upon and were omitted inadvertently, and so these  
8 changes should be included so that, when we motion -- if  
9 there is a motion that the PMPD be adopted, it would  
10 also include the Errata dated 7-26-11, and this,  
11 Applicant's Request for Clarification. With that, I  
12 would submit the matter. I'm happy to answer any  
13 questions that you may have.

14 CHAIRMAN WEISENMILLER: Commissioners, any  
15 questions or comments for Mr. Celli before we go on to  
16 the Applicant and parties? Okay, Applicant?

17 MR. CARROLL: Good morning. Mike Carroll with  
18 Latham and Watkins on behalf of the Applicant. With me  
19 here today, to my right, is Laurie Lile, the Assistant  
20 City Manager with the City of Palmdale, and the  
21 Applicant in these proceedings. To her right is Mr. Tom  
22 Barnett, Executive Vice President with Inland Energy,  
23 the company retained by the City to develop the project,  
24 and also here with us today, sitting directly behind me,  
25 is Sara Head with AECOM, the environmental consulting

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1 firm that was responsible for completing the analysis on  
2 behalf of the Applicant of the project.

3 With the Committee's indulgence, Ms. Lile and  
4 Mr. Barnett would like to address the committee briefly.

5 CHAIRMAN WEISENMILLER: Sure.

6 MS. LILE: Thank you. On behalf of the City  
7 Council of the City of Palmdale, I'd like to thank the  
8 Commission for considering this item today. I'd also  
9 like to thank the staff, they've done an incredible job  
10 of being very thorough in the analysis of this, and we  
11 believe that they've responded to all the comments that  
12 we've received and have fairly evaluated the project,  
13 and look forward to pursuing this development in the  
14 future. I'm available for any questions you may have  
15 and, again, thank you very much for your consideration.

16 MR. BARNETT: Yeah, I'm Tom Barnett of Inland  
17 Energy and, Mr. Chairman and Commissioners, I want to  
18 echo Ms. Lile's comments on behalf of Inland and its  
19 team of consultants and attorneys, who were responsible  
20 for working closely with the staff, we want to express  
21 our appreciation to the staff and to our committee,  
22 Commissioner Douglas, Commissioner Boyd, you are the  
23 latest, and the ones who are going to take this across  
24 the finish line, we hope, and also to Hearing Officer  
25 Celli who persevered through this, we've been at this

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1 for a long time, and we went through the downturn in the  
2 economy, we went through the pressure to move forward  
3 with the renewable projects, and we feel like, at this  
4 stage, we've received fair treatment and we're very  
5 excited about being able to move forward with the  
6 project. So thank you very much.

7 MR. CARROLL: So just to conclude on behalf of  
8 the Applicant, I'd like to add my own personal note of  
9 thanks to the staff and to the Committee. We would urge  
10 the Commission to approve the Presiding Member's  
11 Proposed Decision with the changes set forth in the  
12 Errata that was issued on July 26<sup>th</sup> and the additional  
13 clarifications that were included in the Applicant's  
14 filing of August 8<sup>th</sup>. Thank you very much.

15 CHAIRMAN WEISENMILLER: Thank you. Staff.

16 MS. DECARLO: Good afternoon, Chair,  
17 Commissioners. Lisa DeCarlo, Energy Commission staff  
18 counsel. To my right is Felicia Miller, Energy  
19 Commission Project Manager. We appreciate the  
20 Committee's careful consideration of the issues in this  
21 case and we support the adoption of the Presiding  
22 Member's Proposed Decision with the Errata, including  
23 the clarifications submitted by the Applicant. And we  
24 are available for any questions that Commissioners may  
25 have.

1 CHAIRMAN WEISENMILLER: Thank you. Lisa  
2 Belenky.

3 MS. BELENKY: Yes, hi. Can you hear me?

4 CHAIRMAN WEISENMILLER: Yes.

5 MS. BELENKY: Okay, hi, this is Lisa Belenky  
6 with the Center for Biological Diversity. And thank you  
7 for the opportunity to speak. We are an Intervener and  
8 party in this matter and I don't entirely agree with  
9 what was stated as to our primary purpose. The original  
10 impetus for us intervening in this matter was because of  
11 the road paving issue, which we've continued to feel has  
12 not been adequately addressed. The project proposes to  
13 use road paving as an offset for PM10, and I will not go  
14 into the many reasons that we have briefed that we think  
15 this is not adequate and doesn't adequately address air  
16 quality issues in the area, but they are in our brief;  
17 and more importantly, most importantly, we do not  
18 believe that the CEQA review has been adequate on this  
19 question to date, and we do not feel the project can go  
20 forward with this road paving as an offset, as a  
21 mitigation measure, properly under CEQA. So we've  
22 already briefed that, I won't go into too much more  
23 detail.

24 There are a few other matters I just want to  
25 briefly state. We have also opposed the way the PM 2.5

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1 analysis has been handled and, particularly in this  
2 extremely impaired basin for air quality, and PM 2.5  
3 being an extreme health hazard not only for humans, but  
4 also for other species. We do not feel like it's been  
5 adequately addressed and there will be a separate  
6 process by EPA under the Clean Air Act, and we will  
7 certainly be raising those issues there, as well. But  
8 we don't believe that the Commission's finding, or the  
9 proposed finding, that this meets the laws is correct.  
10 We also do not believe that this issue has been  
11 adequately addressed under CEQA.

12 In addition, the greenhouse gas emissions of  
13 the project, while we totally understand that a new gas-  
14 fired plant and one with this kind of a hybrid component  
15 with the solar may have far less emissions than other  
16 similar plants that use either gas, or oil, or other  
17 fuels such as that, that produce a high level of  
18 greenhouse gases, we do not believe that the analysis  
19 provided by the Commission to date is adequate on this  
20 question, it will still increase greenhouse gases  
21 emissions in this area, there is no evidence in this  
22 record that this project, if this goes online, will  
23 actually take off line any other dirtier projects, but  
24 could simply be added into the system, and we do not  
25 believe that under a greenhouse gas analysis, this has

1 been adequately looked at. Again, this is an issue  
2 we've briefed extensively. And we ask the Commission,  
3 actually, to go back and look at this again because we  
4 do not feel that this creates the right way of looking  
5 at this when we're looking at the whole system, we  
6 really need to get this right, or all we're going to be  
7 doing is adding greenhouse gases to the system.

8           We were also particularly surprised that the  
9 logic that was used was nearly identical to the logic  
10 that's been used when the Commission has approved solar  
11 power plants that have some GHG emissions because they  
12 have a gas component. And we do not feel that is  
13 appropriate at all, there is an order of magnitude,  
14 literally order of magnitude, difference in the  
15 greenhouse gas emissions, and the logic does not hold.

16           So that would be the third, and then one last  
17 thing, we feel very strongly that the alternatives  
18 analysis is very weak. It did not look at photovoltaic  
19 on this site, it did not look at other alternatives that  
20 could have avoided this, it did not look at solar, the  
21 33 percent, so that this plant itself could meet the RPS  
22 Standard, it didn't look at several other alternatives  
23 that, again, we've fully briefed, and we do not feel  
24 that the alternatives analysis meets the standards  
25 required by CEQA, which as you all know, avoidance is

1 always the first step under CEQA and it's extremely  
2 important. And this area in Palmdale and Lancaster,  
3 very high solar resource, there are many PV projects  
4 going in, PVs only, without any gas, without any other  
5 components, going in. There is no showing that they are  
6 not economic or that a PV project on this footprint,  
7 even though it would be a smaller megawatt, would not be  
8 economically viable, there is no showing of need for a  
9 new gas-fired power plant in this area, and we feel that  
10 the alternatives analysis was improperly focused on the  
11 purpose and need of the Applicant, and again, it does  
12 not meet the standards required by CEQA.

13 So, again, thank you very much for providing  
14 us time to raise these issues once again, we believe  
15 they've been fully briefed, and we would ask that the  
16 Commission deny this application.

17 CHAIRMAN WEISENMILLER: Thank you. Any other  
18 interveners on the line or in the room? Any members of  
19 the public who would like to comment?

20 Okay, let's first turn to Hearing Officer. Do  
21 you have any comments on the comments we received so  
22 far?

23 MR. CELLI: Ken Celli, hello?

24 CHAIRMAN WEISENMILLER: Ken, yes, do you have  
25 any comments that you want to say in response to the

1 comments received?

2 MR. CELLI: Thank you, Chairman Weisenmiller.

3 Yes. As Ms. Belenky said, all of the matters that she  
4 raised were briefed and were considered by the Committee  
5 and have been addressed in the PMPD. The photovoltaic  
6 alternative is analyzed, as are all of the other  
7 alternatives in the PMPD, so I believe that the PMPD  
8 represents a complete analysis of all of the competing  
9 interests and competing views of the various parties,  
10 and I believe that the PMPD adequately addressed all of  
11 the issues raised by CBD.

12 CHAIRMAN WEISENMILLER: Thank you.

13 Commissioners?

14 COMMISSIONER DOUGLAS: I'll just make a brief  
15 comment. Along with Commissioner Boyd, who I was very  
16 happy to work with on this Committee, especially given  
17 his great expertise in air quality law and air issues.  
18 Commissioner Boyd and I attended the evidentiary  
19 hearings, we heard from all sides, we reviewed the  
20 issues, reviewed the record, I am comfortable with the  
21 PMPD that we've put forward with you. We looked very  
22 very hard at some of the issues raised, in particular,  
23 the question of PM 2.5, the question of road paving, the  
24 potential impacts that could be caused by road paving,  
25 potential benefits of road paving, the applicant put on

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1 a witness in this area who provided some pretty helpful  
2 evidence in to the record on those points and, so, based  
3 on the evidence in the record, I recommend the PMPD to  
4 you.

5 Ms. Belenky expressed a frustration with the  
6 alternatives analysis approach of looking at the  
7 Applicant's purpose, we're not bound necessarily to look  
8 at the Applicant's purpose, but we are entitled and able  
9 to use the Applicant's purpose in defining the  
10 alternatives analysis, and so the alternatives analysis,  
11 I think, was appropriately framed around that purpose.  
12 We did not in this proceeding endeavor to prove need,  
13 this is a project that I understand does not have Power  
14 Purchase Agreement, and so should it be offered a  
15 license, it will be out in the world trying to prove its  
16 need in order to get a contract, and that's not  
17 something that we attempted to prove or opine on in this  
18 case. I don't know if Commissioner Boyd has anything to  
19 add.

20 VICE CHAIR BOYD: I would only just second  
21 what Commissioner Douglas has indicated in terms of the  
22 issues we looked at and the responses to the concerns,  
23 and the concern we had for concerns, that we and our  
24 staff conducted fairly exhaustive review of the various  
25 issues, and offered up the PMPD as evidence and our

1 conclusions that conditions and issues could be met, and  
2 we therefore, as indicated, recommend the project to the  
3 full Commission.

4 COMMISSIONER DOUGLAS: If there are no  
5 questions or comments, I will move approval of Item 9.

6 VICE CHAIR BOYD: Okay, and I will second the  
7 motion.

8 CHAIRMAN WEISENMILLER: And actually, this  
9 needs to be clear, Item 9 is the Palmdale Hybrid Power  
10 Project, Docket No. 08AFC9 -

11 MR. CELLI: Chairman Weisenmiller, the motion  
12 would have to include also the Errata and the  
13 Applicant's Request for Clarification.

14 CHAIRMAN WEISENMILLER: Okay.

15 COMMISSIONER DOUGLAS: Thank you, Hearing  
16 Officer Celli. I will try to rephrase my motion. I  
17 move to approve Item 9 with the Errata and with the  
18 Applicant's Request for Clarification of the Errata or  
19 of the PMPD.

20 VICE CHAIR BOYD: And I will second this  
21 amended motion.

22 CHAIRMAN WEISENMILLER: So we now have a  
23 motion before us. All those in favor?

24 (Ayes.) This item passes unanimously. Thank  
25 you.

1 MR. CELLI: Thank you.

2 CHAIRMAN WEISENMILLER: Let's go on to Item  
3 12, the Minutes.

4 VICE CHAIR BOYD: Move approval.

5 COMMISSIONER PETERMAN: I'll second.

6 CHAIRMAN WEISENMILLER: All those in favor?

7 (Ayes.)

8 Item 13. Commission Committee Presentations  
9 and Discussions.

10 VICE CHAIR BOYD: I would mention two events.  
11 During this meeting, I apologize for glancing at my  
12 Blackberry on occasion, but there is a nuclear drill  
13 going on at SONGS Power Plant, and they're putting  
14 everybody through their paces, so I've paid attention to  
15 their responsibility there. I'm glad it's a drill.

16 Secondly, my references earlier in the day to  
17 the issues with respect to bioenergy were somewhat  
18 reinforced by the fact that the Governor's Office hosted  
19 a meeting of the Bioenergy Interagency Working Group  
20 yesterday and there was a charge given to the  
21 Interagency Working Group to amend or, I should rather  
22 say, upgrade or refresh the existing action plan which  
23 is dated the 2011 Plan, however it was done primarily in  
24 2010, and ratified by this Commission and adopted by  
25 other agencies. In the mean time, however, it didn't

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1 have benefit of knowledge and information at the time of  
2 its preparation of some of the incoming Governor's  
3 energy policies, and so the plan will be refreshed, so  
4 to speak, to reflect those policies. And secondly, the  
5 Administration and the Governor has indicated total  
6 support for this subject area and has requested that  
7 agencies put some aggressive targets for themselves  
8 within the plan. There was general agreement that this  
9 plan would have a strong relationship and be related  
10 strongly to the Renewable Strategic Plan that this  
11 agency is preparing for the Governor, with the biopower  
12 being a component of renewables, and a consideration  
13 there. It was a pretty strong indication that the group  
14 and others need to, you know, some stakeholder group  
15 needs to look at the question of the economics of  
16 biopower, make a real concerted attempt to monetize all  
17 of the social or societal values that are associated  
18 with the use of waste streams in California that often  
19 cost society or cost environmental damage, and so I  
20 think, as I leave the Commission at the end of the year,  
21 there will be an updated plan and the Renewables  
22 Committee will have the responsibility to oversee at  
23 least, certainly, our piece of this. But since this  
24 agency still carries, and apparently will continue to  
25 carry the responsibility to lead the Interagency Working

1 Group, why, you all will have a roadmap for the future.  
2 So that was a very positive event yesterday and from  
3 where I stand in terms of the effort that has been put  
4 into this subject for a number of years by many of the  
5 state agencies, so that's enough said. Thank you.

6 CHAIRMAN WEISENMILLER: Thank you. I was  
7 going to mention two things, I guess just following up  
8 on your report, one of the interesting things when you  
9 look at the German Renewable Report, that Germany has  
10 not just an electricity goal for renewables, but an  
11 overall energy goal, and that includes thermal, you  
12 know, liquids, etc., and certainly the biomass piece is  
13 very significant on the thermal side, you know, and some  
14 of my discussions with the Governor's Office has been,  
15 going forward, how much we continue to be just  
16 electricity focused, and how much we sort of broaden  
17 that. Obviously, the current Strategic Plan will be  
18 very electricity focused after starting out by at least  
19 mentioning the broader dimensions there. But again,  
20 that's something I think the Biomass may fit into that  
21 part of the puzzle, too.

22 VICE CHAIR BOYD: Yeah, I appreciate your  
23 mentioning that. We did reference the statistic that  
24 was borne out by our own KEMA Report that Germany, 30  
25 percent of their renewable component is made up by

1 biomass biopower, which is an interesting fact and  
2 stimulated quite a bit of interest and discussion, and  
3 reinforced the idea that it's doable if we get answers  
4 to many of the other questions. And of course, the  
5 recent -- there's been a lot of concern that biopower  
6 -- biomass power -- is a) expensive, and that we  
7 shouldn't burden ratepayers with all the costs  
8 associated, and there is a desire to address that, and  
9 b) that it provides baseload power that we talk about  
10 wanting a lot. But the CCST Report also referenced  
11 that, in their opinion, hydro power and biopower,  
12 biomass power, are the two best dispatchable baseload  
13 type avenues we have available to us, which comes with  
14 interest to many of the folks attending the meeting  
15 yesterday.

16 CHAIRMAN WEISENMILLER: Although, again, I  
17 would note on that, I had an assignment with Unocal in  
18 the '80s where PG&E had talked a lot about desiring  
19 dispatch, they're not the guys - very dispatchable, on  
20 the other hand, it's a high fixed cost resource, so that  
21 once they offered the dispatchability, you could not  
22 possibly come to any terms between the two that would  
23 compensate the lost revenues to Unocal from switching  
24 from baseload to the dispatchable -- PG&E trying to give  
25 them the value of the dispatch. So it's a complicated

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1 mix, particularly for anything that has high fixed cost.

2 VICE CHAIR BOYD: Yes, I certainly agree. I  
3 put out that little fact only in that PG&E, of late, has  
4 been saying "we're not interested in baseload, we're  
5 interested in dispatchable," and we offer this up as  
6 dispatchable. So, in any event, more -- watch this  
7 space.

8 CHAIRMAN WEISENMILLER: Watch this space.  
9 That was interesting negotiation because I think PG&E at  
10 the time was testifying here that dispatch is very  
11 viable, but in the negotiations, it had no value. So it  
12 was interesting to be in both forums.

13 But, anyway, another thing I was just going to  
14 report on was that, last week, Bob Oglesby, myself, and  
15 Panama testified before Skinner, the select Committee on  
16 Energy Efficiency and it was a very interesting  
17 presentation, we went through the whole spectrum here,  
18 it was a very good presentation, those of you who have  
19 not really had an opportunity to review that should  
20 certainly look at Panama's testimony, it really deals a  
21 lot with not just buildings appliances, but also what  
22 we're trying to do to retrofit existing buildings, and  
23 the role of Energy Upgrade California in that, and  
24 certainly some of what we're starting to do to tee up to  
25 implement the Skinner Bill. So, again, I certainly

1 would recommend that to people, I think certainly my  
2 comment initially were pretty introductory, as were  
3 Rob's, so I'd certainly point people towards Panama's  
4 presentation.

5 COMMISSIONER DOUGLAS: Colleagues, I just  
6 wanted to speak in order to clarify that I abstained  
7 from Item 12, which is the Minutes for the July 27th,  
8 2011 business meeting minutes. I didn't abstain loudly,  
9 but I flipped through my binder to verify that, in fact,  
10 I wasn't there, and in fact, I truly wasn't there, I was  
11 in the Santa Rosa Mountains in Southern California. So,  
12 I have an abstention on Item 12.

13 CHAIRMAN WEISENMILLER: Great. Item 14.  
14 Chief Counsel's Report.

15 MS. WEBSTER-HAWKINS: No report today, sir.

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

18 MR. OGLESBY: I would just add mention of  
19 another legislative hearing we had last week on the 1<sup>st</sup>  
20 before the Senate Energy Committee, it was related to  
21 the topic we discussed earlier in the day about the ARRA  
22 projects and the Bureau of State Audits. I testified,  
23 as did Panama Bartholomy.

24 CHAIRMAN WEISENMILLER: Item 16. Public  
25 Advisor's Report.

1 MS. JENNINGS: Yes. I would just like to take  
2 a minute to give you my response to the question that  
3 Commissioner Boyd asked about whether or not the Palomar  
4 Operators were cooperative in the Staff's investigation  
5 of the fire.

6 The situation was that the Palomar Operator  
7 never notified the Energy Commission, that was left to a  
8 member of the public to do. They finally prepared a  
9 report and provided it to the Commission in April after  
10 the fire had occurred in December. In that report, they  
11 redacted about 20 plus hours of the incident, giving us  
12 the beginning of the fire and the end of the fire. It's  
13 my understanding that the Legal Office and others had  
14 suggested that they might be subpoenaed to give a full  
15 report and ultimately the operators did allow a few  
16 members of the staff to look at the report of those  
17 missing hours, but not to have a copy of that.

18 So I would like to suggest that, in my view,  
19 that is not something that the Commission should  
20 consider cooperation, so I wanted to correct that from  
21 my view, from the perspective of the members of the  
22 public. I think this kind of approach by an operator  
23 just adds to public cynicism and suspicion about what  
24 actually occurred, who was in charge of the response,  
25 was it the operator more than the local fire department?

1 What happened that caused them to say that we should not  
2 see and have publicly available that 20 plus hours of  
3 fire response? Thank you.

4 COMMISSIONER DOUGLAS: Commissioners, I would  
5 just like to make a brief comment on Ms. Jennings'  
6 perceptions. We were not notified when the fire  
7 happened and that was a problem. And we've communicated  
8 that clearly and we will be notified in the future, and  
9 this is something we need to make very explicit in our  
10 conditions. Now, the Public Utilities Commission was  
11 notified, others were notified, we were not. We are not  
12 going to be satisfied by a redacted version of a report,  
13 we need to do a thorough investigation and, when that  
14 was communicated strongly the operator understood and  
15 allowed our staff to complete their investigation.

16 VICE CHAIR BOYD: I, well, more than infer, I  
17 believe I heard our staff indicate that among the  
18 lessons learned were likely to be standard conditions in  
19 future power plant siting cases that would facilitate  
20 and require, frankly, not facilitate, but require  
21 reporting of such events to the Commission on a timely  
22 basis and in complete detail, I would trust.

23 CHAIRMAN WEISENMILLER: I think so. I guess  
24 the other dimension to this is, obviously, the PUC  
25 coming out of the energy crisis also, has some degree of

1 investigation of existing operating power plants, and  
2 one of the things we need to be doing is coordinating  
3 with them, particularly for utility-owned plants, so  
4 that there is a thorough investigation, but not overlap  
5 or duplication.

6 VICE CHAIR BOYD: I'm very familiar with the  
7 PUC's authority during a crisis, they were sent out en  
8 mass, the electricity crisis, they were sent out in mass  
9 looking for figuratively monkey wrenches in machinery in  
10 various places for investigating the incredibly high  
11 number of failures, and bringing off line of units. So  
12 I would agree, we need to talk to each other about our  
13 various enforcement activities in the future.

14 COMMISSIONER PETERMAN: I would just also like  
15 to say thank you to Ms. Jennings for bringing the  
16 additional information to us and for liaising with the  
17 public on this important matter. I also appreciated  
18 your comments earlier about the potential opportunity  
19 for the Commission to more quickly inform the public of  
20 what's going on, whether that's just with whatever  
21 information we have immediately, in addition to the  
22 longer and more thorough review that Commissioner  
23 Douglas noted. So, thank you for that.

24 VICE CHAIR BOYD: Yes, Jennifer, thanks.

25 COMMISSIONER DOUGLAS: Yes, that is a good

1 point. I'll just say, just as a closing point on this  
2 fire, sometimes it takes some time to investigate  
3 competing theories as to what caused a fire or an event  
4 of that sort, and pin down the actual cause, and so one  
5 of the difficulties in this report is that initially  
6 some people thought it might have been facilitated by a  
7 heavy rain and whether there was any water that might  
8 have penetrated where the water shouldn't have been. So  
9 it took some time to eliminate that possible cause and  
10 come up with a fairly thorough or clearer understanding  
11 of what was more likely the cause. There is a real  
12 interest in helping the public understand what has  
13 happened as soon as possible, but it's doing a  
14 disservice to say the wrong thing, so it's got to be  
15 balanced.

16 COMMISSIONER PETERMAN: I was wondering,  
17 currently on our website in our news releases, do we  
18 have -- when situations like this happen, just the news  
19 alert, a couple lines saying "a fire occurred at this  
20 power plant, details still being investigated," or  
21 something along those lines?

22 CHAIRMAN WEISENMILLER: Again, I would assume  
23 between the PUC, the Energy Commission, and the ISO that  
24 this sort of information comes out and certainly for a  
25 publicly-held company, there is a responsibility. Now,

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1 in terms of in that subset of all the information going  
2 out, how to make sure that we're helpful, not  
3 necessarily tripping over people, but basically the  
4 public gets informed.

5 COMMISSIONER PETERMAN: That's something I  
6 would encourage the Siting Committee, the Public  
7 Advisor, and our Media Department to consider, or  
8 investigate further.

9 CHAIRMAN WEISENMILLER: Good, thanks. Item  
10 16. Any public comment? Okay, this meeting is  
11 adjourned.

12 (Whereupon, at 12:31 p.m., the business meeting was  
13 adjourned.)

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