

STATE OF CALIFORNIA
California Energy Commission

Minutes of the January 12, 2012, Energy Commission Business Meeting

The meeting was called to order at 10:06 a.m. by Chair Robert B. Weisenmiller. The Pledge of Allegiance was led by Chair Weisenmiller.

Present:

Robert B. Weisenmiller, Chair
Karen Douglas, Commissioner
Carla J. Peterman, Commissioner

1. CONSENT CALENDAR. (Items on the Consent Calendar will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.)
 - a. COUNTY OF LOS ANGELES INTERNAL SERVICES DEPARTMENT. Possible approval of Amendment 2 to Contract 400-09-024 with the County of Los Angeles Internal Services Department to shift funds to reporting and program management tasks required to effectively complete the project. The shifts will allow the Contractor team to provide better oversight and management of subcontractor work and continue coordination with the utilities on program implementation and data sharing. The total amount to be reallocated is \$217,450. (ARRA funding.) Contact: Samuel Lerman.
 - b. UNIVERSITY OF CALIFORNIA, RIVERSIDE. Possible approval of Amendment 2 to Contract 500-07-012 with the Regents of the University of California on behalf of the Riverside Campus to extend the contract by 12 months to March 29, 2013. The extension will permit continued coordination with the California Air Resources Board on this comprehensive program to evaluate the impact of different natural gas compositions on engine/vehicle performance. The total contract amount of \$400,000 is unchanged. (PIER natural gas funding.) Contact: Marla Mueller.
 - c. CALIFORNIA COMMUNITY COLLEGES CHANCELLOR'S OFFICE. Possible approval of Amendment 1 to Contract 600-08-009 with the California Community Colleges Chancellor's Office to revise the scope of work and budget and extend the term from June 30, 2012 to January 3, 2014. The agreement includes funding for curriculum development, instructor training, and labor market analysis for the alternative fuel and advanced vehicle technology industry. The total contract amount of \$4.5 million is unchanged. (ARFVTF funding.) Contact: Pilar Magana.
 - d. CR&R INC. Possible approval of California Environmental Quality Act documents and findings for Agreement ARV-10-052 for a grant to CR&R, Inc. to allow work to proceed on the construction and operation of a new facility in Perris, California that will produce pipeline quality biomethane from the non-recyclable organic fraction of municipal solid waste using a two-stage anaerobic digestion process. Contact: Rhetta deMesa.

- e. CITY OF LIVINGSTON. Possible approval of Amendment 1 to Agreement CBG-09-093 with the City of Livingston to extend the term of the grant from January 30, 2012 to June 14, 2012, to reduce the number of replacement well pumps from five to three, to add ‘soft starters,’ and to retrofit approximately 44 high pressure sodium streetlights to LEDs. The total grant amount of \$77,464 is unchanged. (ARRA funding.) Contact: Barry McLeod.
- f. CITY OF SAN CARLOS. Possible approval of Amendment 1 to Agreement CBG-09-095 with the City of San Carlos for a no-cost time extension from February 3, 2012 to June 14, 2012 to complete streetlight and interior light replacement projects. The scope of work, budget, and total grant amount are unchanged. (ARRA funding.) Contact: Miki Crowell.
- g. CITY OF BRAWLEY. Possible approval of Amendment 1 to Agreement CBG-09-061 with the City of Brawley to extend the term of the grant from March 2, 2012 to June 14, 2012. The project includes replacing six motors at the city water treatment plant with higher efficiency motors and installing variable frequency drives. (ARRA funding.) Contact: Cheng Moua.
- h. CITY OF GRAND TERRACE. Possible approval of Amendment 1 to Agreement CBG-09-072 with the City of Grand Terrace to revise the scope of work, reallocate the budget, and extend the term of the grant from January 12, 2012 to June 14, 2012. The amendment removes projects at the county-operated fire station that are not under the city’s control, and at a child care facility where county grant funds will pay for the project. The lighting retrofit project has been reduced due to compatibility and light output issues. As a result, the total grant amount is reduced from \$69,640 to \$38,086. (ARRA funding.) Contact: Cheng Moua.
- i. CITY OF CANYON LAKE. Possible approval of Amendment 1 to Grant Agreement CBG-09-069 with the City of Canyon Lake to revise the scope of work, reallocate the budget, and extend the term of the grant from January 31, 2012 to June 14, 2012. The planned traffic signal retrofit is removed from the scope of work due to ongoing street construction. HVAC and interior lighting measures are being revised to take advantage of funds from the removal of the traffic signal project. The overall budget is reduced from \$57,674 to \$50,924. (ARRA funding.) Contact: Cheng Moua.
- j. CITY OF MARINA. Possible approval of Amendment 1 to Agreement CBG-09-117 with the City of Marina for a no-cost time extension from February 20, 2012 to June 14, 2012 to complete the city’s streetlight replacement project. There are no other changes to the agreement. (ARRA funding.) Contact: Elizabeth Shirakh.
- k. WESTPORT POWER. Possible approval of Amendment 1 to Agreement PIR-08-045 to extend the contract term by nine months and reallocate the budget to extend testing of a high pressure direct compression engine designed to optimize performance and minimize emissions. (PIER natural gas funding.) Contact: Diana Mircheva.

1. PAX SCIENTIFIC. Possible approval of Amendment 1 to Agreement PIR-10-020 to change partners and key personnel, reallocate the budget, and extend the term of the grant from September 1, 2013 to September 1, 2014. The project seeks to reduce the fan energy used by data center servers by at least 15 percent by redesigning the fan blades. The total grant of \$287,587 is unchanged. (PIER electricity funding.) Contact: Paul Roggensack.

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

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

No action was taken on Item 2.

3. BENNINGFIELD GROUP INC. Possible approval of Contract 400-11-001 for \$179,000 with Benningfield Group Inc. for one year to conduct marketing surveys of 26 Title 20-regulated appliance types sold in California via the Internet, via catalogs, and in wholesale/retail outlets to determine compliance with Energy Commission energy efficiency standards. (SEP and ERPA funding.) Contact: Tovah Ealey. (5 minutes)

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

4. CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT. Possible approval of Amendment 1 to Contract 600-08-008 with the California Employment Development Department to add \$2.75 million and extend the term from December 31, 2012 to December 31, 2014. The scope of work will be refined to change from one-time deliverables to allow multiple rounds of workforce training, regional industry cluster planning, and workforce training demand research. (ARFVTF funding.) Contact: Darcie Chapman. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of Item 4. The vote was unanimous. (3-0)

5. STION CORPORATION. Possible Energy Commission consent for Stion Corporation to obtain up to \$115 million in financing from private sources to fund business expansion in California and Mississippi. Loan documents between the Energy Commission and Stion Corporation contain language that requires Stion to obtain written permission from the Energy Commission prior to incurring additional debt. SAFE-BIDCO, the Financial Development Corporation responsible for the financial review and underwriting of the Stion Corporation loan, has recommended the approval of this additional debt in an Action Memorandum to Energy Commission staff. Contact: Marcia Smith. (10 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Item 5. The vote was unanimous. (3-0)

6. APPLIANCE EFFICIENCY ENFORCEMENT RULEMAKING. Possible approval of an Order Instituting Rulemaking to establish regulations to implement the enforcement

provisions in SB 454 (Pavley, Chapter 591, Statutes of 2011), allowing the Energy Commission to assess civil penalties and fines for violations of California appliance efficiency standards. Contact: Gary Fay. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Item 6. The vote was unanimous. (3-0)

7. ORDER INSTITUTING RULEMAKING (12-OIR-1). Possible adoption of an Order Instituting Rulemaking to consider changes to the Emission Performance Standard (EPS) regulations, Title 20, California Code of Regulations, section 2900 et seq. The rulemaking proceeding would, among other things, examine whether changes to the regulations are necessary to ensure adequate review of investments in non-EPS compliant facilities, and whether additional changes to the regulations are necessary pursuant to Public Utilities Code 8341(f). Contact: Melissa Jones. (10 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Item 7. The vote was unanimous. (3-0) Chair Weisenmiller noted that the Rulemaking will be conducted by a Lead Commissioner rather than a delegated committee.

8. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT GUIDELINES. Possible adoption of changes to the Energy Efficiency and Conservation Block Grant (EECBG) Program Guidelines to award the remaining EECBG funding through other grant programs, including subsequent phases of the EECBG. Award of a formula-based EECBG grant will not affect eligibility to apply for remaining EECBG funding under any such grant programs, which are considered independent funding opportunities. The Energy Commission will provide information on additional grant opportunities with EECBG funding through future solicitations. Contact: Amir Ehyai. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Item 8. The vote was unanimous. (3-0)

9. NEW SOLAR HOMES PARTNERSHIP (NSHP) GUIDEBOOK. Possible adoption of proposed revisions to the *New Solar Homes Partnership Guidebook*, Fourth Edition. The *Guidebook* describes the requirements for participating in NSHP and receiving incentives for installing eligible solar energy systems on new residential construction located in specified investor-owned utility territories. Contact: LeQuyen Nguyen. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of Item 9. The vote was unanimous. (3-0)

10. DEVELOPING RENEWABLE ENERGY ON STATE PROPERTY. Possible approval of the Lead Commissioner Report, *Developing Renewable Generation on State Property - Installing Renewable Energy on State Buildings and Other State-Owned Property*. This report was prepared as part of the 2011 *Integrated Energy Policy Report* proceeding. Contact: Heather Raitt. (10 minutes)

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

At 12:35, following the vote on Item 10, the Commission adjourned to Closed Session with Assistant Chief Counsel Reneé Webster-Hawkins to discuss two matters regarding potential threats of litigation against the Commission.

At 1:50 the Energy Commission reconvened in regular session.

11. **NEGATIVE DECLARATION FOR REGULATIONS, INCLUDING ENERGY EFFICIENCY STANDARDS, FOR BATTERY CHARGER SYSTEMS AND SELF-CONTAINED LIGHTING CONTROLS.** Possible adoption of the proposed Negative Declaration, including a Finding of No Significant Impact under the California Environmental Quality Act (CEQA), for the proposed regulations, including energy efficiency standards for battery charger systems and self-contained lighting controls. This adoption hearing comes after the end of the mandatory 30-day comment period for the Negative Declaration, as required by CEQA. Contact: Michael Leao. (5 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Item 11. The vote was unanimous. (3-0)

12. **REGULATIONS, INCLUDING EFFICIENCY STANDARDS, FOR BATTERY CHARGER SYSTEMS AND SELF-CONTAINED LIGHTING CONTROLS.** Possible adoption of proposed amendments to the Appliance Efficiency Regulations in Title 20 of the California Code of Regulations relating to energy efficiency standards and other requirements for battery charger systems and self-contained lighting controls. This adoption hearing comes after the end of the mandatory 15-day comment period for the regulations required by the Administrative Procedure Act. Contact: Michael Leao. (20 minutes)

Commissioner Douglas moved and Commissioner Peterman seconded approval of Item 12. The vote was unanimous. (3-0)

13. **Minutes:** Possible approval of the December 14, 2011, Business Meeting Minutes.

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

14. **Lead Commissioner or Presiding Member Reports.** None.

15. **Chief Counsel's Report:** None. (Assistant Chief Counsel Jeffrey attended on behalf of Chief Counsel Michael Levy.

16. **Executive Director's Report.** None.

17. **Public Adviser's Report.** None.

18. **Public Comment:** Mr. George Nesbitt, Environmental Design/Build, appeared.

Appearances:

Mr. Frank Yang, Stion Corp.

Mr. Randy Howard, Los Angeles Department of Water and Power

Mr. Noah Long, Natural Resources Defense Council (by telephone)

Mr. Norman A. Pedersen, Hanna & Morton

Mr. George Morrow, Azusa Light and Water

Mr. Stephen J. Keene, Imperial Irrigation District
Mr. Anthony Andreoni, California Municipal Utilities Association
Ms. Susie Berlin, McCarthy & Berlin for MSR Public Power Agency
Mr. Travis Ritchie, Sierra Club
Mr. Dan Chia, Solar City and also on behalf of SunRun
Mr. George Nesbitt, Environmental Design 2 Build
Mr. Tom Enslow, Adams, Broadwell, Joseph and Cardozo on behalf of IBAW and NICA,
California State Labor Management Cooperation Committee
Mr. Daniel Hamilton, Sacramento Municipal Utility District
Mr. Spencer Stock, Lester Electrical
Mr. Charlie Stephens, Northwest Energy Efficiency Alliance
Mr. Henry Wong, Intel, appearing on behalf of IT Industry Council
Mr. Jay Taylor, Schneider Electric
Mr. Kevin Washington, Association of Home Appliance Manufacturers
Mr. Pierre DelForge, Natural Resources Defense Council
Mr. Ron Gorman, Sempra Utilities
Mr. Randall Higa, Southern California Edison Company
Mr. Kelly Jensen, Sloat, Higgins, Jensen, representing the Consumer Electronics Association
Ms. Kathleen Van Osten, Grayling USA, on behalf of Tech America
Mr. Michael R. Robson, Edelstein, Gilbert, Robson & Smith, on behalf of Qualcomm
Ms. Valerie J. Winn, Pacific Gas and Electric Company
Ms. Suzanne Foster-Porter, Ecova
Mr. Ted Harris, California Strategies, LLC, on behalf of Wireless Association
Ms. Erica Morehouse, Environmental Defense Fund
Ms. Marianne DiMascio, Appliance Standards Awareness Project (by telephone)
Mr. Rick Erdheim, Senior Counsel for Phillips Electronics (by telephone)
Ms. Susan Peterson, Blacktron (by telephone)
Mr. Larry Albert, Stanley, Black & Decker, representing the Power Tool Institute (by telephone)
Mr. Chuck Mullet, Power Sources Manufacturers Association (by telephone)
Mr. Andrew Pape Salmon, Energy Efficiency Branch, British Columbia, Canada, Ministry of
Energy and Mines (by telephone)
Mr. Stanley Rodriguez, Makita USA (by telephone)
Mr. Jason Lee, Australia Department of Climate Change (by telephone)

There being no further business, the meeting was adjourned at 5:03.

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission