

STATE OF CALIFORNIA
California Energy Commission

Minutes of the August 9, 2012, Energy Commission Business Meeting

The meeting was called to order by Chair Robert B. Weisenmiller. The Pledge of Allegiance was led by Chair Weisenmiller.

Present: Carla J. Peterman, Commissioner
Robert B. Weisenmiller, Chair J. Andrew McAllister, 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. COMPREHENSIVE HOUSING SERVICES, INC. Possible approval of Amendment 1 to Contract 200-10-007 with Comprehensive Housing Services, Inc. for an eight month, no-cost time extension to May 13, 2013, and to modify the terms and conditions of the contract. The agreement is to provide technical and administrative assistance to Energy Commission staff and Energy Efficiency Block Grant recipients to comply with the wage rate and certified weekly payroll process under the Davis Bacon Act. (ARRA funding.) Contact: Michelle Tessier.
 - b. SAN DIEGO GAS AND ELECTRIC COMPANY. Possible approval of Amendment 2 to Contract 500-08-025 with San Diego Gas and Electric Company for a five month no-cost time extension to March 31, 2013, to align the project term with a scheduled associated United States Department of Energy contract for the Borrego Springs microgrid demonstration project. (PIER electricity funding.) Contact: Jamie Patterson.
 - c. NEW BUILDINGS INSTITUTE. Possible approval of Amendment 1 to Contract 500-08-049 with New Buildings Institute, Inc., for a five month no-cost time extension to March 29, 2013. (PIER electricity funding.) Contact: David Weightman.
 - d. EDISON MATERIAL TECHNOLOGY CENTER. Possible approval of Amendment 1 to Agreement PIR-10-058 with Edison Material Technology Center to execute a novation that transfers the rights and responsibilities of the agreement to Clustered Systems Company, Inc., because Edison Material Technology Center has closed its operations. There is no increase in funding or term extension. (PIER electricity funding.) Contact: Paul Roggensack.
 - e. CROWE HORWATH LLP. Possible approval of Amendment 3 to Contract 150-09-004 with Crowe Horwath LLP for a seven month no-cost time extension to March 31, 2013, and to update the terms and conditions of the contract. The Department of Energy has granted additional time to perform evaluation, measurement, and verification on American Recovery and Reinvestment Act awards. This extension will allow the contractor to perform audits later in the period of performance. There is no change to the scope of work or amount of the agreement. (ARRA funding.) Contact: Mark Hutchison.
 - f. NATIONAL ENERGY TECHNOLOGY LABORATORY. Possible approval of Amendment 1 to Contract 500-08-047 with the National Energy Technology

Laboratory for a seven-month no-cost time extension to June 30, 2013 due to delays during early exploratory development work. The time extension will allow for the completion of the remaining tasks identified in the Scope of Work and submission of the Final Report. (PIER electricity funding.) Contact: Rhett deMesa.

- g. CITY OF TURLOCK. Possible approval of Amendment 2 to Loan Agreement 001-10-ECC with the City of Turlock for a one-year, no-cost term extension to August 31, 2013. This term extension will allow the City to complete the upgrade of its streetlights from sodium vapor and mercury vapor to induction lighting. (ECAA funding.) Contact: Anne Fisher.
- h. EMERGING TECHNOLOGY COORDINATING COUNCIL. Possible approval of a no-cost co-sponsorship and use of the Energy Commission's name and logo for the 2012 Emerging Technologies Summit (ET Summit), October 15-17, 2012. The ET Summit showcases emerging energy efficiency technologies from rate payer-funded California programs. Contact: Beth Chambers.

Commissioner Peterman moved and Commissioner McAllister 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. ABENGOA MOJAVE SOLAR PROJECT (09-AFC-5C). Possible approval of the petition to amend the California Energy Commission Decision to remove the wording in Condition of Certification BIO-7 requiring traffic not to exceed a speed of 25 miles per hour on Harper Lake Road during construction and operation. Contact: Dale Rundquist. (10 minutes).

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

- 4. EL SEGUNDO POWER REDEVELOPMENT PROJECT (00-AFC-14C). Possible approval of a petition to change the range of ammonia injection rates, remove a venturi scrubber on the ammonia storage tank and to rename the project El Segundo Energy Center. Contact: Mary Dyas. (10 minutes)

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

- 5. GENESIS SOLAR ENERGY PROJECT (09-AFC-8C). Possible approval of the petition to amend the California Energy Commission Decision to relocate the gen-tie line, the natural gas line, and to revise Air Quality Conditions of Certification. Contact: Eric Veerkamp. (10 minutes)

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

- 6. HUNTINGTON BEACH ENERGY PROJECT (12-AFC-02). Contact: Kevin Bell. (5 minutes)

- a. Possible approval of the Executive Director's data adequacy recommendation for the Huntington Beach Energy Project (HBEP). The proposed HBEP is a natural

gas-fired, combined-cycle, air-cooled, 939-megawatt electrical generating facility that would be constructed on the site, following the demolition of the AES Huntington Beach Generating Station. HBEP will consist of two independently operating, three-on-one, combined-cycle gas turbine power blocks. The project is located on the Pacific Coast Highway, just north of Huntington Beach.

Commissioner McAllister moved and Commissioner Peterman seconded approval of the recommendation that the project be found data adequate. The vote was unanimous. (3-0)

- b. Possible appointment of a siting committee for the Huntington Beach Energy Project.

Chair Weisenmiller appointed a committee of Commissioner McAllister (presiding member) and Commissioner Douglas (associate member) for the Huntington Beach project. Commissioner Peterman moved and Commissioner McAllister seconded approval of the appointment. The vote was unanimous. (3-0)

7. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT PROGRAM GUIDELINES. Possible adoption of changes to the Energy Efficiency and Conservation Block Grant Program Guidelines to extend the program deadline from September 13, 2012 to September 13, 2013, or by such later date as may be permitted by the U.S. Department of Energy. Other non-substantive changes to the Guidelines are also being proposed for clarification purposes. Contact: Amir Ehyai. (5 minutes)

Commissioner McAllister moved and Commissioner Peterman seconded adoption of the changes. The vote was unanimous. (3-0)

8. ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANTS. Possible approval of an Energy Commission resolution directing the Executive Director to amend certain Energy Commission grants, funded through the American Recovery and Reinvestment Act of 2009 (ARRA), to extend the term of these agreements by six months from September 13, 2012 to March 13, 2013, consistent with the Energy Commission's Energy Efficiency and Conservation Block Grant program award from the U.S. Department of Energy. Contact: Amir Ehyai (5 minutes)

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

9. RENEWABLES PORTFOLIO STANDARD ELIGIBILITY GUIDEBOOK. Possible adoption of the Renewables Portfolio Standard (RPS) Eligibility Guidebook, Sixth Edition. The RPS Eligibility Guidebook explains the requirements and process for certifying eligible renewable energy resources for the California RPS program, and describes how the Energy Commission tracks and verifies compliance with the RPS. Contact: Kate Zocchetti. (15 minutes)

Commissioner McAllister moved and Commissioner Peterman seconded adoption of the Guidebook. The vote was unanimous. (3-0)

10. RENEWABLE ENERGY PROGRAM OVERALL PROGRAM GUIDEBOOK. Possible adoption of the Overall Program Guidebook for the Renewable Energy Program, Fifth Edition. The Overall Program Guidebook describes how the Renewable Energy Program is administered and includes information and requirements that apply overall to the program elements, including aspects related to California's Renewables Portfolio Standard (RPS). Some of the RPS-eligible renewable energy resources may qualify for

funding under elements of the Renewable Energy Program. Contact: Kate Zocchetti.
(5 minutes)

Commissioner Peterman moved and Commissioner McAllister seconded adoption of the Guidebook. The vote was unanimous. (3-0)

11. SCHLUMBERGER CARBON SERVICES. Possible approval of Contract 500-11-032 for \$2,731,000 with Schlumberger Carbon Services, a division of Schlumberger Technology Corporation, to provide data analysis and geotechnical services on field samples collected in California for the West Coast Regional Carbon Sequestration Partnership (WESTCARB). Schlumberger will also conduct field seismic surveys and run static and dynamic geologic models to identify potential locations suitable for future underground characterization research in California and other WESTCARB partner states. Schlumberger is providing over \$2 million in cost share funding for this project. This contract is a required element of the Energy Commission-managed DOE WESTCARB Grant and is fully funded with DOE funds. (WESTCARB/DOE funding.) Contact: Mike Gravely. (5 minutes)

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

12. YOKAYO BIOFUELS, INC. Possible adoption of a Mitigated Negative Declaration under the California Environmental Quality Act and approval of grant agreement ARV-11-030 for a grant of \$1,860,330 to Yokayo Biofuels, Inc. to expand their biodiesel production facility. The grant will enable Yokayo Biofuels, Inc. to increase production capacity at their facility near Ukiah, California from 1,400 gallons per day to 2,000 gallons per day, using an enzyme catalyst process. The new process will allow for the use of a lower cost feedstock and will also reduce the energy use, water use, and waste associated with the production of each gallon of biodiesel. (ARFVT funding.) Contact: Jacob Orenberg. (5 minutes)

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

13. CALIFORNIA DEPARTMENT OF CORRECTIONS AND REHABILITATION. Possible approval of an augmentation of \$225,483 to an existing low interest Energy Conservation Assistance Act loan (001-11-ECD) of \$2,056,229 to the California Department of Corrections and Rehabilitation for lighting systems upgrading at the Substance Abuse Treatment Facility, Corcoran. On completion, the project will reduce the facility's annual energy use by 3.83 million kilowatt hours and greenhouse gas emissions by 1,321 tones of CO₂ equivalent. The simple payback period is 6.52 years based on the loan amount. (ECAA funding.) Contact: Shahid Chaudhry. (5 minutes)

Commissioner McAllister moved and Commissioner Peterman seconded approval of Item 13. The vote was unanimous. (3-0)

14. ALTERNATIVE AND RENEWABLE FUEL VEHICLE BUY-DOWN INCENTIVES. Possible approval of a total of \$114,000 in vehicle buy-down incentive reservations for Big Valley Ford, Inc. (OEM – Ford Motor Company, BDIR-12-04) for the buy-down of 19 propane gas vehicles of 8,501 to 14,000 pounds gross vehicle weight. (ARFVT funding.) Contact: Andre Freeman. (5 minutes)

Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 14. The vote was unanimous. (3-0)

15. **Minutes:**

- a. Possible approval of the July 11, 2012, Business Meeting Minutes.

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

- b. Possible approval of the July 24, 2012, Business Meeting Minutes.

The vote on the July 24 Minutes was postponed.

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

17. **Chief Counsel's Report:** None.

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

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

20. **Public Comment:** None.

Appearances:

Mr. Brendan Bates, County of San Bernardino Department of Public Works (by telephone)

Ms. Lisa Belenky, Center for Biological Diversity (by telephone)

Mr. Scott Busa, NextEra Energy

Ms. Jennifer Didlo, AES

Mr. Christopher Ellison, Ellison, Schneider & Harris

Ms. Melissa Foster, Stoel Rives, LLP

Mr. Scott Galati, Galati & Blek, LLP

Ms. Michelle Murphy (by telephone)

Ms. Tiffany North, Riverside County (by telephone)

Mr. George Piantka, NRG

Mr. Kumar Plocher, Yokayo Biofuels

Ms. Allison Smith, Stoel Rives, LLP

Mr. Tim Tutt, SMUD

The meeting was adjourned at 11:30 a.m., until 9:00 a.m. on August 14, 2012 to consider the remainder of the agenda.

The meeting was reconvened at 9:04 a.m. August 14, 2012. Chair Weisenmiller led the Pledge of Allegiance.

Present:

Robert B. Weisenmiller, Chair

Karen Douglas, Commissioner

Carla J. Peterman, Commissioner

J. Andrew McAllister, Commissioner

21. Consideration pursuant to Government Code section 11125.3, subd. (a)(2) as to whether there exists a need to take immediate action on item 22. below, and that the need for action came to the attention of the Energy Commission after the August 9, 2012, agenda was posted. (This item requires a two-thirds vote.) Contact: Michael Doughton.

Commissioner McAllister moved and Commissioner Douglas seconded approval of Item 21. The vote was unanimous. (4-0)

22. SoloPower, Inc. Possible approval and execution of a new Intercreditor Agreement between the California Energy Commission, Bridge Bank, N.A., State of Oregon

Department of Energy, MIHI, LLC (also sometimes referred to as “MacCap” or “Macquarie”) and SoloPower, Inc. regarding Clean Energy Business Financing Program loan number 010-10-CEB. The proposed new Intercreditor Agreement would allow additional funds to be loaned to SoloPower, Inc. by MIHI, LLC. This item will only be considered if item 21 is approved by a two-thirds vote of the Energy Commission.
Contact: Jacob Orenberg.

Commissioner Douglas moved and Commissioner McAllister seconded approval of Item 22. The vote was unanimous. (4-0)

15. Minutes

b. Possible approval of the July 24, 2012, Business Meeting Minutes.

Commissioner Douglas moved and Commissioner Peterman seconded approval of the July 24 Business Meeting Minutes. The vote was 3-0-1. Commissioner McAllister abstained.

There being no further business, the meeting was adjourned.

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission