

STATE OF CALIFORNIA
California Energy Commission

Minutes of the September 12, 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.

Chair Weisenmiller read a resolution honoring Barbara Byron for her many years of service to the people of California as the Energy Commission's Chief Nuclear Policy Advisor.

Present:

Robert B. Weisenmiller, Chair
Karen Douglas, Commissioner

Carla J. Peterman, Commissioner
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. ASPEN ENVIRONMENTAL GROUP. Possible approval of Amendment 1 to Contract 800-10-001 with Aspen Environmental Group for a 12 month, no-cost time extension, and to update the terms and conditions of the agreement. The contract provides technical support to the Electricity Supply Analysis Division. The proposed amendment will not affect the scope of work or the overall budget amount. (ERPA funding.) Contact: Paul Deaver.
 - b. ARIZONA GEOLOGICAL SURVEY. Possible approval of Amendment 1 to Contract 500-10-024 with the Arizona Geological Survey for a 12 month, no-cost time extension, and to update the terms and conditions of the agreement. The contract is part of the Energy Commission-managed Department of Energy (DOE) West Coast Regional Carbon Sequestration Partnership (WESTCARB) and is fully funded with federal DOE funds. The Arizona Geological Survey will provide a comprehensive evaluation and data on the potential regional carbon dioxide storage capabilities that is required for the DOE biennial Carbon Sequestration Atlas of the United States. Additional time is needed to complete modeling for the 10 basins being assessed under this agreement because of delays with approval of Phase III of WESTCARB. (Federal WESTCARB funding.) Contact: Pilar Magana.
 - c. THE REGENTS OF THE UNIVERSITY OF CALIFORNIA. Possible approval of Amendment 1 to Contract 500-10-044 with the Regents of the University of California for a no-cost extension of the contract by 12 months to January 1, 2014, and to update the terms and conditions of the agreement. The time extension is needed to complete manufacturing and demonstration of natural gas pipeline inspection and monitoring technologies. (PIER natural gas funding.) Contact: Johann Karkheck.
 - d. SATCON TECHNOLOGY CORPORATION. Possible approval of Amendment 1 to Contract 500-10-062 with Satcon Technology Corporation to authorize funding of Phase II of the project, approve a new host site, re-allocate funds between tasks in the budget, make minor technical modifications to the scope of work, add a minor subcontractor, and to update the terms and conditions of the contract. There

is no change in the Energy Commission's total funding amount. (PIER electric funding.) Contact: John Hingtgen.

- e. TERRALOG TECHNOLOGIES. Possible approval of Amendment 1 to Agreement PIR-10-062 with Terralog Technologies for a 12-month, no-cost time extension. This extension is needed because Terralog's Department of Energy (DOE) American Recovery and Reinvestment Act (ARRA) award and final report due dates were extended beyond the term of the current Energy Commission agreement. Extending the agreement will allow the Energy Commission to receive all reports from the Terralog ARRA project in addition to the Energy Commission final report. (PIER electricity funding.) Contact: Cheryl Closson.
- f. LAWRENCE BERKELEY NATIONAL LABORATORY. Possible approval of Amendment 2 to Agreement PNG-07-004 with Lawrence Berkeley National Laboratory for a 12 month, no-cost time extension, change in host site for testing microturbine using digester gas, and to shift remaining development and demonstration work to the existing subcontractor, UC Irvine Combustion Laboratory. (PIER natural gas funding.) Contact Prab Sethi.
- g. CALIFORNIA REPORTING, LLC. Possible approval of Contract 180-12-001 for \$210,000 with California Reporting, LLC, for hearing reporter services for Energy Commission Business Meetings, other hearings, and workshops for three years. Reporting services provide a record of the Energy Commission's public meetings, as required by law. The contract will be executed under the Department of General Services Master Services Agreement (MSA) 5-12-99-01. (ERPA funding.) Contact: Harriet Kallemeyn.
- h. L'MONTE INFORMATION SERVICES. Possible approval of Amendment 1 to Contract 500-08-035 with L'Monte Information Services for a five month, no-cost time extension to March 31, 2013, and to update the terms and conditions of the contract. This agreement will result in the development of the Building Energy Standards Modeler (BESM) software. This software will integrate with the Energy Commission's open source software project and enable users to develop, modify and evaluate performance-based building design rules for use in future Standards development. (PIER electricity funding.) Contact: Martha Brook.
- i. DATAONE SOFTWARE. Possible approval of Purchase Order 12-445.01-002 for \$14,300 for DataOne software that allows users to look up vehicle manufacturer, make, model, and attributes such as fuel economy and passenger volume by Vehicle Identification Number. This software will assist staff in the transition of Department of Motor Vehicles (DMV) data analysis to an in-house process by automating the process of classifying the DMV database. (ERPA funding.) Contact: Laura Lawson.
- j. CITY OF FRESNO. Possible approval of Amendment 3 to Contract 400-09-032 with the City of Fresno to shift funds up to \$50,000 between tasks without changes to the overall budget. (EECBG funding.) Contact: Jenny Wu.
- k. CLEAN WORLD PARTNERS LLC. Possible approval of a change to Agreement ARV-11-021 with Clean World Partners LLC (CWP) to clarify the Statement of Work and Budget approved June 13, 2012, so that CWP may develop infrastructure and buy equipment for Phase 1 and 2 activities at CWP's

Sacramento Bio-Refinery project. The grant amount of \$6 million remains the same. (ARFVTP funding.) Contact: Shahid Chaudhry.

Chair Weisenmiller recused himself from the vote on Consent Item 1a and left the room. Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 1a. The vote was unanimous. (3-0)

Commissioner Weisenmiller then returned to the dais, whereupon Commissioner Douglas moved and Commissioner Peterman seconded approval of the remaining Consent Calendar Items. The vote was unanimous. (4-0)

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

No action was taken on Item 2.

3. EL SEGUNDO POWER REDEVELOPMENT PROJECT COMPLAINT (12-CAI-03). Consideration of, and possible decision regarding, a complaint filed under Title 20, California Code of Regulations, section 1237, by Michelle Murphy and Bob Perkins. The complaint alleges various failures to comply with the Commission Decision (00-AFC-14). The Commission will consider whether to dismiss the complaint; issue a written decision on the complaint with or without a hearing held during this meeting, or at a later meeting; or refer the matter to a committee for decision. The Commission may also consider extending the deadlines set forth in section 1237 and any pending motions relating to the complaint, such as petitions to intervene.

The El Segundo Power Redevelopment Project is a combined cycle electrical power plant facility with a generating capacity of 560 megawatts located in the city of El Segundo in Los Angeles County. Contact: Paul Kramer. (60 minutes)

Commissioner Douglas moved and Commissioner McAllister seconded approval of an order adopting the settlement agreement among the parties to the complaint. The vote was unanimous. (4-0)

4. PIO PICO ENERGY CENTER (11-AFC-01). Possible adoption of the presiding member's proposed decision on the Pio Pico Energy Center, and possible errata. Pio Pico is a nominally rated 300 megawatt peaking and load following power plant using three natural gas-fired combustion turbine generators. The project site is adjacent to the existing Otay Mesa Generating Project and is comprised of a 10-acre parcel of disturbed and development-prepared land within an industrial area. The site is located in the unincorporated area of San Diego County known as Otay Mesa. Contact: Raoul Renaud. (20 minutes)

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

5. CANYON POWER PROJECT (07-AFC-9C). Possible approval of the petition to amend the California Energy Commission Decision to increase the carbon monoxide (CO) startup limit specified in Condition of Certification AQ-2 from 6.3 pounds per hour (lb/hr) to 11.6 lb/hr. The change is needed because actual CO startup emissions occasionally exceed the level anticipated during permitting. The higher emission rate has been evaluated by staff who determined that the facility will still comply with all

applicable air quality regulations and ambient air quality standards. Contact:
Dale Rundquist. (10 minutes)

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

6. CLEAN ENERGY BUSINESS FINANCING PROGRAM. Possible approval of an Energy Commission resolution directing the Executive Director to provide written consent for requests from Clean Energy Business Financing Program borrowers to acquire additional debt if approval of the request is recommended by the designated financial advisor for the loan. Contact: Jacob Orenberg. (5 minutes)

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

7. NEW SOLAR HOMES PARTNERSHIP GUIDEBOOK. Possible adoption of proposed revisions to the *New Solar Homes Partnership Guidebook*. 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: Le-Quyen Nguyen. (5 minutes)

Commissioner Peterman moved and Commissioner McAllister seconded approval of the proposed revisions. The vote was unanimous. (4-0)

8. BUSINESS ADVANTAGE CONSULTING, INC. Possible approval of Purchase Order 12-409.00-002 for \$183,480 to Business Advantage Consulting to evaluate the current operations of the Renewables Portfolio Standard program and develop a feasibility study report and an information technology procurement plan to improve existing business operations, accommodate new requirements, and allow for expansion. (ERPA funding.) Contact: James Haile. (5 minutes)

Commissioner Peterman moved and Commissioner McAllister seconded approval of Item 8. The vote was unanimous. (4-0)

9. ALTERNATIVE AND RENEWABLE FUEL VEHICLE BUY-DOWN INCENTIVES. Possible approval of a total of \$66,000 in vehicle buy-down incentive reservations for Galpin Motors, Inc., (OEM – Ford Motor Company, BDIR-12-05) for the buy-down of 11 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 Douglas seconded approval of Item 9. The vote was unanimous. (4-0)

10. SOUTHERN CALIFORNIA GAS COMPANY. Possible approval of Agreement ARV-12-004 for a grant of \$216,000 to Southern California Gas Company to design, construct, and operate a compressed natural gas (CNG) fueling station at its existing Lancaster facility. The fueling station will be accessible to 37 CNG fleet vehicles and the public. It will operate 24 hours a day, 7 days per week. SoCalGas will contribute \$650,000 in match funds. (ARFVT funding.) Contact: Isaiah Larsen. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of Item 10. The vote was unanimous. (4-0)

11. CR&R INCORPORATED. Possible approval of Agreement ARV-12-005 for a grant of \$300,000 to CR&R Incorporated to construct, own, and operate a slow-fill compressed natural gas (CNG) refueling station at its existing Material Recovery and Transfer Station

in the city of Perris. The CNG station will be accessible to 25 CNG fleet vehicles, including solid waste disposal trucks and street sweepers. CR&R will contribute \$831,140 in match funds for this project. CR&R plans to convert its remaining 100 diesel fleet vehicles to CNG by 2020. (ARFVT funding.) Contact: Isaiah Larsen. (5 minutes)

Commissioner Peterman moved and Commissioner Douglas seconded approval of Item 11. The vote was unanimous. (4-0)

12. **SCOTT VALLEY UNIFIED SCHOOL DISTRICT.** Possible approval of Agreement 001-12-ECF for a \$380,000 loan to the Scott Valley Unified School District to install energy efficient interior lights, lighting controls, and a photovoltaic (PV) system totaling 180 kilowatts. The total project cost is \$1,236,273. In addition to the loan, Scott Valley USD will finance these projects using Pacific Power rebates and a municipal lease. The lighting and PV projects are expected to reduce 345,615 kilowatt hours of electricity use annually, reducing annual energy costs by \$36,602, resulting in a simple payback of 10.38 years and are expected to reduce annual carbon dioxide emissions by over 119 tons. (ECAA funding.) Contact: Elizabeth Shirakh. (5 minutes)

Commissioner Douglas moved and Commissioner McAllister seconded approval of Item 12. The vote was unanimous. (4-0)

13. **Information Item:** Presentation of the 2012 Bioenergy Action Plan. The Bioenergy Interagency Working Group, as directed by the Governor's office, updated the objectives, goals, and actions of the 2011 Bioenergy Action Plan to reflect Governor Brown's commitment to the development of distributed renewable energy technologies and green energy jobs. The 2012 Plan is a comprehensive action plan that addresses the barriers to developing new bioenergy technologies throughout the state. Contact: Garry O'Neill.
14. **Minutes:** Possible approval of the August 9, 2012, Business Meeting Minutes.

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

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

Commissioner Peterman reported on the recent PortTech event in Los Angeles.

Commissioner McAllister reported on energy efficiency issues.

Chair Weisenmiller gave an update on the San Onofre Nuclear Generating Station, and reported on his recent Go Green interview, and the Ca ISO Symposium.

16. **Chief Counsel's Report:** Chief Counsel Michael Levy gave the report and requested a closed session to discuss *Item 16d, Richard Latteri v. Energy Resources, Conservation and Development Commission, et al.*
17. **Executive Director's Report.** Executive Director Rob Oglesby gave the report.
18. **Public Adviser's Report.** None
19. **Public Comment:** None.

Appearances

Ms. Rochelle Becker, Alliance for Nuclear Responsibility (by telephone)

Ms. Ann-Delaine Clark, State of New Mexico (by telephone)

Ms. Bonnie Corwin, Cobalt Power System (by telephone)

Ms. Susan Durbin, California Office of the Attorney General

Ms. Melissa Foster, Stoel Rives LLP

Mr. David Jenkins, Apex Power Group, LLC
Mr. John A. McKinsey, Stoel Rives LLP
Ms. Michelle Murphy (by telephone)
Mr. George L. Piantka, NRG Energy, Inc.
Mr. Bill Powers, Powers Engineering (by telephone)
Ms. Tamara Raspberry, Sempra Energy
Ms. Nina Rizzo (by telephone)
Mr. Manny Robledo, Anaheim Public Utilities Department
Ms. Gretel Smith, Attorney for Mr. Rob Simpson
Mr. Tim Tutt, SMUD
Ms. Valerie Winn, Pacific Gas & Electric Company

There being no further business, the meeting was adjourned at 4:05 p.m.

Respectfully submitted,

HARRIET KALLEMEYN
Secretary to the Commission