

State of California

California Energy Commission Minutes of the February 28, 2023, Energy Commission Business Meeting

The meeting was called to order by Chair Hochschild. The Pledge of Allegiance was led by Commissioner McAllister.

Present:

David Hochschild, Chair
Siva Gunda, Vice Chair
Noemí Gallardo, Commissioner

Patricia Monahan, Commissioner
Andrew McAllister, Commissioner

Please note that the California Energy Commission (CEC) aims to begin the business meeting promptly at the start time and the end time is an estimate based on the agenda. The meeting may end sooner or later than the time indicated depending on various factors.

Pursuant to the California Code of Regulations (CCR), title 20, section 1104(e), any person may make an oral comment on any agenda item. To ensure the orderly conduct of business, such comments will be limited to three minutes or less per person.

THE CEC WILL CONSIDER AND MAY TAKE ACTION ON THE FOLLOWING:

1. Public Comment.

Any person wishing to comment on information items (non-voting items) shall provide comments during this period.

Public Comment:

Steve Uhler commented on Item 4 and Item 5.

2. Agency Announcements.

The Chair may announce relevant matters to the public and the CEC, including updates, events, and other opportunities. Discussion may follow.

3. Consent Calendar.

Items 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. Proposed resolution approving Agreement 700-22-005 with the Aspen Environmental Group for a \$1,500,000 contract to assist CEC with the review of certification applications under the expedited timelines of Public Resources Code (PRC) sections 25545-25545.13. The applications are for the certification of (1) solar photovoltaic (PV) or terrestrial wind electricity generating power plants; (2) energy storage systems; (3) electrical generating power plants using thermal energy (not fossil or nuclear fuels); (4) energy transmission lines carrying electric power from these facilities; (5) related manufacturing, production, and assembly facilities; and (6) post certification project changes. (EFLCF Funding) Contact: Sharon Purewal

- b. Repeal of Portable Luminaire Regulations (Docket 22-AAER-02). Consideration and possible adoption of a resolution amending CCR, title 20, sections 1601-1609 to repeal the portable luminaire requirements, and adopting staff's determination that this action is exempt from the California Environmental Quality Act (CEQA). This action comes after a 45-day public comment period and a public hearing in compliance with the California Administrative Procedure Act. Contact: Carlos Baez
- c. Northern California Power Agency. Proposed order approving the executive director's recommendation that the Northern California Power Agency's Power Purchase Agreement with Geysers Power Company LLC for the procurement of geothermal energy be found compliant with the Emission Performance Standard for Local Publicly Owned Electric Utilities under Senate Bill (SB) 1368 and CCR, title 20, sections 2900-2913. Contact: David Gee
- d. Henrietta Peaker Project (01-AFC-18C). Proposed order amending the certification of the Henrietta Peaker Project to (1) allow a change to the project description and the addition of corresponding conditions of certification including the interconnection of the onsite Henrietta Battery Energy Storage System (BESS) and use of common facilities; (2) identify Henrietta BESS LLC as the legally responsible party for Henrietta BESS operation and compliance with CEC conditions of certification and applicable laws, ordinances, regulations and standards (LORS); and (3) adopt staff's determination that the project would not have a significant adverse impact on the environment and would comply with all applicable LORS. Contact: Joseph Douglas
- e. Guidehouse Inc. Proposed resolution approving Agreement 300-22-002 with Guidehouse Inc., for a \$2,499,443 contract to assess the need for long-duration and seasonal energy storage for California's electric grid through 2045. Electrochemical, thermal, mechanical, and gaseous fuel storage technology types will be evaluated and modeled to inform electric system planning and procurement of emerging storage resources in California, and adopting staff's determination that this action is exempt from CEQA. (LDES Funding) Contact: Mike Gravely
- f. American Council for an Energy-Efficient Economy (ACEEE). Proposed resolution approving Agreement 100-22-002 with ACEEE for \$18,000 to cosponsor the 2023 Hot Water Forum & Hot Air Forum Conference from March 7 to 9, 2023 in San Diego. This conference will discuss the emergence of water- and space-heating technologies and the opportunity for significant market transformation with investments in building decarbonization and workforce development made by the Infrastructure Investment and Jobs Act and the Inflation Reduction Act. (ERPA Funding) Contact: Elizabeth Butler
- g. Hell's Kitchen Geothermal LLC. Proposed resolution approving a mutual termination for Agreement EPC-19-018 with Hell's Kitchen Geothermal, LLC. The grant was to design and demonstrate a pretreatment process for geothermal brine to prepare the brine for lithium recovery. Phase I of the grant was completed. Phase II of the grant has not been approved and the project cannot

be completed as proposed. Hell's Kitchen Geothermal, LLC was awarded \$1,460,735 and \$64,400 of that amount was dispensed for Phase I of the grant. This termination is proposed because the recipient changed their business practices on lithium pretreatment technologies and no longer requires CEC funds. (EPIC Funding) Contact: Zack Bradford

Public Comment:

None.

Commissioner McAllister moved to approve Item 3. Commissioner Gallardo seconded. The vote was Yes (5-0).

4. Information Item – Department of Water Resources (DWR) Strategic Reliability Reserve Investments Update.

In accordance with Assembly Bill (AB) 205, DWR is required to provide a quarterly update to the CEC on current and planned investments being considered for California's Electricity Supply Strategic Reliability Reserve Program. DWR will present its efforts in response to AB 205 and the activities taken to ensure California can meet summer peak demand. Contact: Jorge Luis Quintero (Staff Presentation: 10 minutes)

Information item only, no vote was taken.

5. Petition to Request a Rulemaking Hearing.

Consideration of an action on a petition that requests the CEC initiate a rulemaking hearing pursuant to CCR, title 20, section 1221. The petition was filed by Steve Uhler on January 29, 2023, and certified as complete by the executive director on February 14, 2023. Mr. Uhler is requesting a rulemaking to amend CCR, title 20, section 1104(e). Contact: Linda Barrera (Staff Presentation: 5 minutes)

Public Comment:

Steve Uhler commented on this item.

Commissioner Gallardo moved to approve Item 5. Vice Chair Gunda seconded. The vote was Yes (5-0).

6. Final 2022 Integrated Energy Policy Report Update (Final 2022 IEPR Update) (Docket 22-IEPR-01).

Proposed resolution adopting the *Final 2022 IEPR Update*. The CEC is required to prepare a biennial integrated energy policy report that assesses energy trends and issues facing the state's electricity, gas, and transportation fuel sectors. The report provides policy recommendations to conserve resources; protect the environment; ensure reliable, secure, and diverse energy supplies; enhance the state's economy; and protect public health and safety under PRC section 25301(a). The CEC prepares these assessments and associated policy recommendations every two years, with updates in alternate years. The *Final 2022 IEPR Update* includes establishing a framework to center equity and environmental justice throughout CEC efforts; creating a California Energy Planning Library; updating the California Energy Demand Forecast; and addressing emerging topics, including energy reliability,

western electricity integration, hydrogen, gasoline prices, fossil gas transition, and distributed energy resources. Contact: Heather Raitt (Staff Presentation: 15 minutes)

Public Comment:

Steve Uhler commented on this item.

Tim Ransdell from SoCalGas is in support of this item.

Vice Chair Gunda moved to approve Item 6. Commissioner Monahan seconded. The vote was Yes (5-0).

7. Preliminary Assessment of the Economic Benefits of Offshore Wind Related to Seaport Investments and Workforce Development.

Proposed resolution approving a preliminary assessment of the economic benefits of offshore wind as they relate to seaport investments and workforce development needs and standards. The report will be submitted to the California Natural Resources Agency and relevant fiscal and policy committees of the Legislature and included in the Offshore Wind Strategic Plan as required by AB 525 (Chiu, ch. 231, stats. 2021). Contact: Paul Deaver (Staff Presentation: 10 minutes)

Public Comment:

Varner Seaman from American Clean Power California is in support of this item.

Tom Hafer from Morro Bay Commercial Fishermen's Organization commented on this item.

Manley McNinch from Southwest Mountain States Regional Council of Carpenters is in support of this item.

Claire Warshaw commented on this item.

Vice Chair Gunda moved to approve Item 7. Commissioner Gallardo seconded. The vote was Yes (5-0).

8. Clean Energy Reliability Investment Plan (CERIP).

Proposed resolution adopting the CERIP. This plan, developed in consultation with the California Public Utilities Commission (CPUC) and the California Air Resources Board, provides justification and recommendations for clean energy investments that accelerate the deployment of clean energy resources, support demand response, assist ratepayers, and increase energy reliability. The CERIP is mandated by SB 846 (Dodd, ch. 239, stats. 2022). Contact: David Erne (Staff Presentation: 10 minutes)

Public Comment:

Steve Uhler commented on this item.

Vice Chair Gunda moved to approve Item 8. Commissioner McAllister seconded. The vote was Yes (5-0).

9. *Diablo Canyon Power Plant Extension – Analysis of Need to Support Reliability.*

Proposed resolution adopting the report and determination of the need to extend the operation of Diablo Canyon Power Plant. This report, developed in consultation with the California Independent System Operator and CPUC, provides the CEC's determination that it is prudent to extend the operation of the Diablo Canyon Power Plant for calendar years 2024 through 2030. The analysis is based on an assessment of California's electric system reliability based on forecasted demand and supply. This report is mandated by SB 846 (Dodd, ch. 239, stats. 2022).
Contact: David Erne (Staff Presentation: 10 minutes)

Public Comment:

Steve Uhler commented on this item.

Vice Chair Gunda moved to approve Item 9. Commissioner McAllister seconded. The vote was Yes (5-0).

10. *Lead Commissioner or Presiding Member Reports.*

The Commissioners reported on their recent activities.

11. *Executive Director's Report.*

The Executive Director gave a report.

12. *Public Advisor's Report.*

The Public Advisor did not give a report.

13. *Chief Counsel's Report.*

- a. Pursuant to Government Code section 11126(e)(1), the CEC may adjourn to closed session with its legal counsel to discuss the following matter to which the CEC is a party:
 - i. *Interlink Products International, Inc. v. Xavier Becerra, Drew Bohan, Melissa Rae King (United States District Court for the Eastern District of California, Case No. 2:20-cv-02283).*

The Chief Counsel did not give a report.

There being no further business the meeting was adjourned.

Respectfully submitted,

LIZA LOPEZ

Secretariat