

California Energy Commission
Minutes of the May 31, 2023, Energy Commission Business Meeting

The meeting was called to order by Chair Hochschild.

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 two 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 10.

2. Agency Announcements.

The Chair may announce relevant matters to the public and the CEC, including agency 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. SG H2 Lancaster Project Company, LLC. Proposed resolution adopting California Environmental Quality Act (CEQA) findings for SG H2 Lancaster Project Company, LLC's Lancaster Waste to Renewable Hydrogen Project and approving grant agreement ARV-22-011 with Lancaster Project Company.

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Transportation Program (CTP) Funding Contact: Sebastian Serrato

- i. CEQA. Findings that, based on the lead agency City of Lancaster's Initial Study (IS) and Mitigated Negative Declaration (MND), and Conditional Use Permit (CUP) No. 21-06, which was approved by the City on December 12, 2022, work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated; and that following the City's adoption of the MND

- and CUP, none of the circumstances within CEQA section 15162 are present.
- ii. Lancaster Waste to Renewable Hydrogen Project. Proposed resolution approving agreement ARV-22-011 with Lancaster Project Company for a \$3,000,000 grant to develop, construct, and operate a 100 percent renewable hydrogen production facility in Lancaster. The facility will convert 42,000 tons of waste per year to produce roughly 3.8 million kilograms of renewable hydrogen per year to supply California's operational hydrogen refueling stations and support the zero-emission fuel cell electric vehicle rollout.
- b. Electric Power Research Institute, Inc. (EPRI). Proposed resolution approving agreement 800-22-008 with EPRI for up to \$1,500,000, with \$500,000 currently available, and adopting staff's determination that this action is exempt from CEQA. EPRI will support CEC's evaluation of different pathways for achieving California's clean energy goals as established in Senate Bill (SB) 100 to improve and expand analyses to study the reliability of different future energy scenarios. (ERPA Funding) Contact: Hannah Craig
- c. CivicWell. Proposed resolution approving co-sponsorship agreement 500-22-004 with CivicWell for \$15,000 to participate in and support the June 13-14, 2023, California Climate & Energy Forum held in Santa Rosa, and adopting staff's determination this action is not a project under CEQA. (ERPA Funding) Contact: Armand Angulo
- d. Charge Bliss, Inc. Proposed resolution approving agreement LDS-22-003 with Charge Bliss, Inc. for a \$32,750,000 grant to fund the deployment of a 5 MW solar generation and 20 MWh non-lithium-ion Long Duration Energy Storage (LDES) system, and adopting staff's determination that this action is exempt from CEQA. The LDES system will operate as part of a microgrid using solar generation and energy storage to improve the Paskenta Band of Nomlaki Indians' site resiliency. The project will demonstrate the microgrid's ability to power critical operations during grid outages, such as Public Safety Power Shutoff events, and peak grid demand. (LDES Funding) Contact: Mike Gravely
- e. Aspen Environmental Group. Proposed resolution approving agreement 300-22004 with Aspen Environmental Group, for up to \$6,000,000, and adopting staff's determination that this action is exempt from CEQA. Aspen will provide technical support services across diverse energy research initiatives under CEC energy research programs, including the Electric Program Investment Charge program and the Public Interest Gas Research and Development program. (EPIC and Gas R&D Funding) Contact: Tiffany Solorio
- f. Association of Women in Water, Energy and Environment (AWWEE). Proposed resolution approving a \$2,500 purchase order for a one-year, CEC-wide membership with AWWEE, including use of the CEC's logo on AWWEE's website, and adopting staff's determination that this action is exempt from CEQA. This membership allows up to 20 CEC staff to attend any in-person AWWEE event and gives CEC access to all membership benefits offered. (ERPA Funding)

Contact: Tiffany Solorio

g. U.S. Department of Energy (DOE) - Lawrence Berkeley National Laboratory (LBNL). Proposed resolution approving amendment 3 to agreement 600-19-005 with DOE LBNL to increase funding by \$1,150,000, extend the agreement term to December 31, 2026, and revise the scope of work to expand analysis to offroad vehicles and equipment, charging infrastructure needs for Assembly Bill 2127 (Ting, 2018) reporting, modeling medium- and heavy-duty fuel cell vehicles for SB 643 (Archuleta, 2021), and assessing non-road sectors (such as aviation, maritime, rail, and emerging technologies). (CTP Funding) Contact: Micah Wofford *Public Comment:* None.

Commissioner Gallardo moved to approve Item 3. Commissioner Monahan seconded. The vote was Yes (4-0). Commissioner McAllister was absent.

4. Morton Bay Geothermal Project (MBGP) (23-AFC-01).

Hearing and proposed order finding the MBGP, in the Salton Sea Known Geothermal Resource Area, in Imperial County, can produce geothermal resources in commercial quantities and therefore pursuant to CCR, title 20, section 1809(d) and Public Resources Code (PRC) sections 25540.2 and 25502, a Notice of Intent is not required; consideration and proposed order adopting the executive director's recommendation that 1) the application for MBGP is incomplete and should not be accepted to begin the 12-month Application for Certification (AFC) process, and 2) a committee be appointed to oversee the AFC proceeding. Contact: Eric Knight (Staff Presentation: 5 minutes)

Before public comment was taken, Jesus Salera from CalGEM made a statement on this item.

Public Comment:

None.

After public comment was taken, Jon Trujillo from BHE Renewables made a statement on this item.

Commissioner Gallardo moved to approve Item 4. Vice Chair Gunda seconded. The vote was Yes (4-0). Commissioner McAllister was absent.

5. Elmore North Geothermal Project (ENGP) (23-AFC-02).

Hearing and proposed order finding the ENGP, in the Salton Sea Known Geothermal Resource Area, Imperial County, can produce geothermal resources in commercial quantities and pursuant to CCR, section 1809(d) and PRC sections 25540.2 and 25502, a Notice of Intent is not required; consideration and proposed order adopting the executive director's recommendation that 1) the application for ENGP is incomplete and should not be accepted to begin the 12-month AFC process, and 2) a committee be appointed to oversee the AFC proceeding. Contact: Eric Knight (Staff Presentation: 5 minutes)

Public Comment:

None.

After public comment was taken, Jon Trujillo from BHE Renewables made a statement on this item.

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

6. Black Rock Geothermal Project (BRGP) (23-AFC-03).

Hearing and proposed order finding the BRGP, in the Salton Sea Known Geothermal Resource Area, Imperial County, can produce geothermal resources in commercial quantities and pursuant to CCR, section 1809(d) and PRC sections 25540.2 and 25502, a Notice of Intent is not required; consideration and proposed order adopting the executive director's recommendation that 1) the application for BRGP is incomplete and should not be accepted to begin the 12-month AFC process, and 2) a committee be appointed to oversee the AFC proceeding. Contact: Eric Knight (Staff Presentation: 5 minutes) *Public Comment:*

None.

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

7. Russell City Energy Center (RCEC) Settlement Agreement (01-AFC-07C).

Proposed order approving a settlement agreement with Russell City Energy Company, LLC to resolve alleged violations of the General Conditions and Compliance Monitoring Plan for the RCEC arising from the May 27, 2021 event in which the steam turbine and generator at the RCEC incurred damage as a result of a mechanical failure due to an overspeed event. RCEC has agreed to pay \$1.25 million to the CEC for deposit in the State General Fund and \$1.25 million to the City of Hayward to fund energy projects. The CEC agrees to close the matter without further action or litigation. The approval of the settlement is exempt from CEQA. Contact: Dian Vorters (Staff Presentation: 5 minutes) *Public Comment:*

Kelly McAdoo from the City of Hayward made a comment on this item.

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

8. SB 846 Load Shift Goal.

Proposed resolution adopting a goal for load shifting to reduce net peak electrical demand, recommending policies to increase demand response and load shifting that do not increase greenhouse gas emissions or increase electric rates, and adopting staff's determination that this action is exempt from CEQA. This goal and associated recommendations were developed with the California Public Utilities Commission and the California Independent System Operator. The load shift goal and policy recommendations are mandated by SB 846 (Dodd, ch. 239, stats. 2022). Contact: Ingrid Neumann (Staff Presentation: 10 minutes) *Public Comment:*

Steve Uhler made a comment on this item.

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

9. California Schools Healthy Air, Plumbing, and Efficiency Program (CalSHAPE) (20-RENEW-01).

Proposed resolution approving the Third Edition of the CalSHAPE Ventilation Program Guidelines, and adopting staff's determination that this action is exempt from CEQA. The CalSHAPE Ventilation Program provides grants to local education agencies for the assessment, maintenance, and repair of HVAC systems in California schools. The Third Edition of the CalSHAPE Ventilation Program Guidelines will add provisions to include awards for major repairs and replacements of HVAC systems. Contact: David Velazquez (Staff Presentation: 10 minutes) *Public Comment:*

None.

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

10. Load Management Standards Implementation (23-LMS-01).

Proposed order regarding a request from large investor-owned utilities and large community choice aggregators for an extension of the July 1, 2023 deadline to upload existing time-dependent electricity rates to the CEC's Market-Informed Demand Automation Server database. The executive director has determined that the parties have not provided adequate reason for a nine-month delay but that a shorter delay is warranted and recommends that the CEC adopt the proposed order. Contact: Gavin Situ (Staff Presentation: 10 minutes)

Before public comment was taken, Chair Hochschild announced that he will need to leave the meeting and proposed Vice Chair Gunda continue to chair the meeting.

Public Comment:

Steve Uhler made a comment on this item.

Sarah Taheri from SDG&E made a comment on this item.

Paul Phillips from CPUC made a comment on this item.

Linda Barrera from CEC commented on this item.

Michael Murza from CEC commented on this item.

Commissioner McAllister moved to approve Item 10. Commissioner Monahan seconded. The vote was Yes (4-0). Chair Hochschild was absent.

11. Petition to Request a Rulemaking Hearing.

Consideration of and action on a petition for rulemaking under CCR, title 20, section 1221. The petition was filed by Western States Petroleum Association (WSPA) on May 11, 2023, and certified as complete by the executive director on May 18, 2023. WSPA is requesting a rulemaking hearing to interpret and make specific portions of SB X1-2 (2022 1st Ex. Sess.) and SB 1322 (Allen, ch. 374, stats. 2022) regarding the

submission of information to the CEC. Contact: Aleecia Gutierrez (Staff Presentation: 5 minutes) *Public Comment:*

Steve Uhler made a comment on this item.

Sophie Ellinghouse from WSPA made a comment on this item.

Commissioner Gallardo moved to approve Item 11. Commissioner McAllister seconded. The vote was Yes (4-0). Chair Hochschild was absent.

12. Lead Commissioner or Presiding Member Reports.

The Commissioners reported on their recent activities.

13. Executive Director's Report.

The Executive Director had nothing to report.

14. Public Advisor's Report.

The Public Advisor had nothing to report.

15. 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. Drew Bohan, Maunee Berenstein (United States District Court for the Eastern District of California, Case No. 2:20-cv-02277).*

The Chief Counsel gave a report.

There being no further business the meeting was adjourned.

Respectfully submitted,

SIGNED BY:

LIZA LOPEZ Secretariat