

ITEM 9

State of California

California Energy Commission

Minutes of the December 10, 2018, Energy Commission Business Meeting

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

Present:

Robert B. Weisenmiller, Chair

Karen Douglas, Commissioner

J. Andrew McAllister, Commissioner

David Hochschild, Commissioner

Janea A. Scott, Commissioner

THE COMMISSION WILL CONSIDER AND MAY TAKE ACTION ON THE FOLLOWING ITEMS:

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. OTAY MESA ENERGY CENTER (99-AFC-05). Proposed order approving the distribution of \$21,130.62 from the Quino Checkerspot Butterfly Fund managed by the San Diego Foundation to RECON Environmental, Inc., for work related to the San Diego National Wildlife Refuge Quino Checkerspot Butterfly Augmentation Project. Condition of Certification BIO-11 requires that the Energy Commission and United States Fish and Wildlife Service (USFWS) decide how to distribute the allocated funds to better understand the Quino checkerspot butterfly and its management. The USFWS supports the current expenditure proposal and will consider formal approval once approved by the Energy Commission. Contact: Ann Crisp.
 - b. GILROY COGENERATION PROJECT (84-AFC-04C). Proposed order granting the petition to delete Integrated Assessment of Need, Condition of Certification 3. Removal of this condition would remove the requirement that the facility operate as a gas-fired cogeneration system and produce thermal energy for a steam host, in addition to electrical energy. Contact: Mary Dyas.
 - c. UNIVERSITY OF CALIFORNIA, BERKELEY, ENERGY INSTITUTE AT HAAS SCHOOL OF BUSINESS. Proposed resolution approving Agreement 800-18-002 with University of California, Berkeley, Energy Institute at Haas School of Business for a \$12,500 contract to cosponsor the 2019 POWER Conference on Energy Research and Policy scheduled in Berkeley on March 22, 2019. This will be the 24th annual conference focusing on electricity markets and systems. (ERPA funding) Contact: Lynn Marshall.
 - d. WESTERN INTERSTATE ENERGY BOARD. Proposed resolution approving Agreement 700-18-003 with the Western Interstate Energy Board for a \$54,000 contract to maintain the State of California's membership on the Western Interstate Energy Board through June 30, 2021. (ERPA Funding) Contact: Christopher McLean.
 - e. GAS TECHNOLOGY INSTITUTE. Proposed resolution approving Amendment #1 to agreement PIR-15-011 with Gas Technology Institute (GTI) to mutually terminate the agreement due to GTI's inability to complete tasks and meet agreement

requirements. The project was to validate industrial natural gas savings through a field demonstration of a waste heat recovery roof top unit. Contact: Rajesh Kapoor.

Commissioner Scott moved Items 1a-c and 1e and Commissioner Douglas seconded. The vote was unanimous (5-0). Commissioner Scott announced she is recusing herself from Item 1d because she received travel reimbursements from the Western Interstate Energy Board for her participation in their meetings. Commissioner Hochschild moved Item 1d and Commissioner Douglas seconded. The vote was 4-0.

2. QUICKSILVER GEOTHERMAL (FORMERLY PG&E GEYSERS 16) (79-AFC-05C), SOCRATES GEOTHERMAL (FORMERLY PG&E GEYSERS 18) (79-AFC-03C), AND GRANT (FORMERLY PG&E GEYSERS 20) (82-AFC-01C). Proposed order granting the petition to make identical modifications at each of the facilities to replace temporary portable emergency diesel engines with stationary permanent emergency diesel engines for the cooling tower wet-down systems to aid in fire prevention; to add air quality conditions of certification which conform with air district permit requirements; and to add a worker safety condition of certification to maintain conformance with the fire code. Staff concludes that the facility changes will not result in a significant impact to the environment or cause the facility to be out of compliance with any laws, ordinances, regulations or standards. Contact: Eric Veerkamp. (Staff presentation: 5 minutes)

Commissioner Douglas moved Item 2 and Commissioner McAllister seconded. The vote was unanimous (5-0).

3. WALNUT CREEK ENERGY, LLC (WCE). Proposed order granting the petition for the Walnut Creek Energy Park (05-AFC-02C) to modify air quality conditions of certification to change the ammonia emission limit, and to add clarifying language pertaining to particulates. WCE is also requesting modifications to remove outdated worker safety condition language related to training security guards in the use of emergency equipment. Staff concludes that the impacts associated with changes to the conditions of certification will not result in any impacts that would be different than those that occurred during project construction, and that the activity will not result in significant environmental impacts or risks to public health. Contact: Eric Veerkamp. (Staff presentation: 5 minutes)

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

4. COSUMNES POWER PLANT (01-AFC-19C). Proposed order granting the petition to operate the facility utilizing the enhanced capabilities of the installed GE “Power FlexEfficiency Package,” including Advanced Gas Path components and Dry-Low Oxides of Nitrogen combustors, and an oxidation catalyst emission control system. Staff’s analysis concludes that with the proposed changes to the conditions of certification, the amendment would not result in significant adverse impacts to the environment and the project would comply with all applicable laws, ordinances, regulations, and standards. Contact: Mary Dyas. (Staff presentation: 5 minutes)

Commissioner Douglas moved Item 4 and Commissioner Scott seconded. The vote was unanimous (5-0).

5. NV5, INC. Proposed resolution approving Agreement 700-18-004 with NV5, Inc., for a \$0 contract to provide Delegate Chief Building Official (DCBO) Services for the Stanton Energy Reliability Center (16-AFC-1). NV5, Inc. will carry out the design review and construction inspections on behalf of the Energy Commission. NV5, Inc. will be compensated by the project owner of the Stanton Energy Reliability Center Project for DCBO services. Contact: Mary Dyas. (Staff presentation: 5 minutes)

Commissioner Douglas moved Item 5 and Commissioner McAllister seconded. The vote was unanimous (5-0).

6. UPDATE ON DISADVANTAGED COMMUNITIES ADVISORY GROUP (DACAG) NEW MEMBER. Senate Bill 350 (de León, Statutes of 2015) required the California Public Utilities Commission and the Energy Commission to establish a disadvantaged communities advisory group consisting of representatives from disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code. The DACAG is comprised of ten members and one tribal representative--appointed by the Governor's Tribal Liaison--that are selected jointly by two commissioners from the Energy Commission and two commissioners from the California Public Utilities Commission. The Governor's Tribal Liaison has chosen Jana Ganion to be the Advisory Group's tribal representative. Contact: Alana Mathews. (Staff Presentation: 5 minutes)

Staff presented an informational item.

7. PROPOSED ADOPTION OF THE GUIDELINES FOR CALIFORNIA'S SOLAR ELECTRIC INCENTIVE PROGRAMS (SENATE BILL 1), SEVENTH EDITION. Proposed resolution adopting updated guidelines for California's Solar Electric Incentive Programs (Senate Bill 1). Senate Bill 1 (Murray, Statutes of 2006) established the framework for the California Solar Initiative, which directs the Energy Commission to develop eligibility criteria, conditions for incentives, and rating standards that must be met to qualify for ratepayer-funded incentives. The guidelines for California's Solar Electric Incentive Programs are being updated to reflect the release of new equipment standards, current and planned requirements for smart inverters, and solar paired with storage installations. Contact: Joseph Omoletski. (Staff presentation: 5 minutes)

Commissioner Hochschild moved Item 7 and Commissioner Douglas seconded. The vote was unanimous (5-0).

8. APPLIANCE EFFICIENCY REGULATIONS RULEMAKING FOR PORTABLE AIR CONDITIONERS (Docket Number 18-AAER-04). Proposed resolution adopting a Negative Declaration, including a finding of No Significant Impact under the California Environmental Quality Act (CEQA), and adopting changes to Title 20, §1602-1608 to incorporate new appliance efficiency regulations for portable air conditioners. Contact: Patrick Saxton. (Staff presentation: 10 minutes)

a. NEGATIVE DECLARATION FOR THE PROPOSED APPLIANCE EFFICIENCY REGULATIONS FOR PORTABLE AIR CONDITIONERS. Negative Declaration, which includes a finding of No Significant Impact under CEQA, for the proposed regulations for portable air conditioners. This proposed adoption comes after a 30-day public comment period necessary to comply with CEQA guidelines.

b. APPLIANCE EFFICIENCY REGULATIONS FOR PORTABLE AIR CONDITIONERS. Changes to Title 20, §1602-1608 to incorporate new appliance efficiency regulations for portable air conditioners. The changes for portable air conditioners include: new and revised definitions; a minimum efficiency performance standard; and certification requirements. This proposed adoption comes after a 45-day public comment period and public hearing held pursuant to ~~CEQA~~the Administrative Procedure Act.

Commissioner McAllister moved Item 8 and Commissioner Hochschild seconded. The vote was unanimous (5-0).

9. 2019 BUILDING ENERGY EFFICIENCY STANDARDS (ENERGY CODE) COMPLIANCE MANUALS. Proposed resolution approving the 2019 Residential and Nonresidential Compliance Manuals, and the Data Registry Requirements Manual supporting the 2019 revisions to the Building Energy Efficiency Standards in Title 24, Part 6. Public Resources Code Section 25401.1(e) requires that the Energy Commission "Certify [...] an energy conservation manual for use by designers, builders, and contractors of residential and nonresidential buildings" for each iteration of Part 6, and lists six broad

categories of information that are to be included. Staff has updated the manuals to reflect the amendments made to Part 6 that will become effective on January 1, 2020. Contact: Payam Bozorgchami. (Staff presentation: 5 minutes)

Commissioner McAllister moved Item 9 and Commissioner Scott seconded. The vote was unanimous (5-0).

10. CITY OF ARCATA. Proposed resolution finding that the city of Arcata's locally adopted building energy standards will require equal or greater energy efficiency than the 2016 Building Energy Efficiency Standards (2016 Energy Standards). The ordinance requires all new single-family construction to use no more than 70 percent of the energy budget permitted for compliance with the 2016 Energy Standards, and all new low-rise multifamily buildings to use no more than 80 percent of the energy budget permitted for compliance with the 2016 Energy Standards. Contact: Ingrid Neumann. (Staff presentation: 5 minutes)

Commissioner McAllister moved Item 10 and Commissioner Scott seconded. The vote was unanimous (5-0).

11. LIGHT DUTY VEHICLE HYDROGEN REFUELING INFRASTRUCTURE OPERATION AND MAINTENANCE SUPPORT GRANTS, GFO-17-601. This solicitation sought proposals to provide operation and maintenance (O&M) support funding for publicly accessible hydrogen refueling stations that did not receive O&M support funding under Program Opportunity Notice 13-607, Hydrogen Refueling Infrastructure or that received only a portion of the potential \$300,000 in O&M support funding, on a station-by-station basis. The purpose of offering O&M support is to ensure that hydrogen refueling stations remain operating during the rollout of fuel cell electric vehicles (FCEV). (ARFVTP funding) Contact: Sebastian Serrato. (Staff presentation: 5 minutes)

- a. EQUILON ENTERPRISES LLC DBA SHELL OIL PRODUCTS US. Proposed resolution approving Agreement ARV-18-003 with Equilon Enterprises LLC dba Shell Oil Products US for a \$300,000 grant to cover O&M costs of the existing hydrogen refueling station located at 2051 West 190th Street, Torrance, California ~~90504~~90501. The recipient will collect and report data about the station equipment, operation, and utilization.

Commissioner Scott moved Item 11 and Commissioner Douglas seconded. The vote was unanimous (5-0).

12. CALIFORNIA CLEAN ENERGY FUND DBA CALCEF VENTURES. Proposed resolution approving Agreement EPC-18-002 with California Clean Energy Fund dba CalCEF Ventures for a \$10,999,701 grant to fund the development of the California Test Bed Initiative (CalTestBed). CalTestBed will accelerate the time it takes to move new energy technologies from the prototype stage to the pilot demonstration stage. As part of this project, the recipient will establish and manage a statewide network of eligible test beds and a complementary voucher program to ensure California energy entrepreneurs have access to testing and certification services needed to refine their technology prototypes based on user feedback; and verify their technology meets customer performance and safety specifications prior to field trials. (EPIC funds) Contact: Benson Gilbert. (Staff presentation: 5 minutes)

Commissioner Scott moved Item 12 and Commissioner McAllister seconded. The vote was unanimous (5-0).

13. **Minutes.** Possible approval of the November 7, 2018 Business Meeting minutes.

Commissioner Douglas moved Item 13 and Commissioner McAllister seconded. The vote was unanimous (5-0).

14. **Lead Commissioner or Presiding Member Reports.** The Commissioners reported on their recent activities.
15. **Chief Counsel's Report.** The Assistant Chief Counsel gave a report.
 - a. Pursuant to Government Code section 11126(e), the Energy Commission may adjourn to closed session with its legal counsel to discuss any of the following matters to which the Energy Commission is a party:
 - i. *In the Matter of U.S. Department of Energy (High Level Waste Repository), (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy* (9th Cir. Docket No. 09-71014).
 - ii. *Communities for a Better Environment and Center for Biological Diversity v. Energy Resources Conservation and Development Commission, and California State Controller* (Alameda County Superior Court, Case No. RG13681262).
 - iii. *State Energy Resources Conservation and Development Commission v. Electricore, Inc. and ZeroTruck* (Sacramento County Superior Court #34-2016-00204586)
 - iv. *Natural Resources Defense Council, Inc., et al. v. United States Department of Energy* (Federal District Court, Northern District of California, #17-cv-03404).
 - v. *City of Los Angeles, acting by and through, its Department of Water and Power v. California Energy Resources Conservation and Development Commission* (Los Angeles Superior Court, Case No. BS171477).
 - vi. *State Energy Resources Conservation and Development Commission v. City of San Jose, JUM Global, L.L.C.* (Sacramento Superior Court, Case No. 34-2018-00230652).
 - b. Pursuant to Government Code section 11126(e), the Energy Commission may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the Commission.
16. **Executive Director's Report.** The Executive Director gave a report.
17. **Public Adviser's Report.** The Public Adviser gave a report.
18. **Public Comment.** Phi Nguyen, Energy Solutions.

Appearances:

(*by telephone)

George Piantka, NRG

Kevin Messner, AHAM

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Eric Poff, SMUD
Joseph Schofield, SMUD
Samantha Neumyer, Ellison Schneider Harris Donlan
Barbara McBride, Calpine Corporation
Danny Kennedy, California Clean Energy Fund
Julie Neander, City of Arcata
James Hendricks, Herald Fire Protection District
Michael Delmegro, GE
Wayne Leighty, Shell Hydrogen
Philip Hombroek, Midea America
Johnson Choo, LG Electronics USA
Joe Cain, Solar Energy Industry
Steve Uhler
Alberto Aloisi, De Longhi Appliances

There being no further business, the meeting was adjourned.

Respectfully submitted,

CODY GOLDTHRITE
Secretariat