

ITEM 8

State of California

California Energy Commission

Minutes of the February 20, 2019, 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. ROBERT WEISENMILLER. Proposed resolution recognizing and commending Chair Weisenmiller for his extraordinary professional contributions to the wellbeing of Californians and their environment and for being a consummate public servant. (Staff Presentation: 5 minutes)

Commissioner Hochschild moved Item 1 and Commissioner Scott seconded. The vote was unanimous (5-0).

2. RUSSELL CITY ENERGY CENTER PETITION TO AMEND (01-AFC-07C). Proposed order granting the petition to amend to install a battery energy storage system and associated equipment at the Russell City Energy Center in order to support a directed restoration (black start) of the electrical grid in response to an emergency. Staff concludes that the proposed modifications will not result in a significant impact to the environment. Contact: John Heiser. (Staff Presentation: 5 minutes)

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

3. DELEGATE CHIEF BUILDING OFFICIAL (DCBO) FOR THE BLYTHE SOLAR POWER PROJECT (BSPP), PHASE 2, UNITS 3 & 4 (09-AFC-06C). Proposed resolution approving Agreement 700-18-006 with West Coast Code Consultants, Inc. (WC3, Inc.) for a \$0 contract to provide DCBO services for the BSPP (09-AFC-06). WC3, Inc. will carry out design review and construction inspections on behalf of the Energy Commission. WC3 Inc. will be compensated by the BSPP project owner, NextEra Energy for DCBO services. Contact: Eric Veerkamp. (Staff presentation: 5 minutes)

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

4. APPROVAL OF DISADVANTAGED COMMUNITIES ADVISORY GROUP (DACAG) NEW MEMBER. Proposed resolution appointing new member, Joseph Williams, to fill a vacancy in the DACAG. Senate Bill 350 (de León, Chapter 54, 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, jointly selected by two commissioners

from the Energy Commission and two commissioners from the California Public Utilities Commission, and one tribal representative appointed by the Governor's Tribal Liaison. Contact: Alana Mathews. (Staff Presentation: 5 minutes)

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

5. 2018 INTEGRATED ENERGY POLICY REPORT UPDATE, VOLUME II. Proposed resolution approving the “2018 Integrated Energy Policy Report Update, Volume II” (CEC-100-2018-001-V2-CMF). Senate Bill 1389 (Bowen, Chapter 568, Statutes of 2002) requires the Energy Commission to prepare a biennial integrated energy policy report that assesses major energy trends and issues facing the state’s electricity, natural gas, and transportation fuel sectors and 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 (Public Resources Code § 25301[a]). The Energy Commission prepares these assessments and associated policy recommendations every two years, with updates in alternate years, as part of the Integrated Energy Policy Report. Contact: Heather Raitt. (Staff presentation: 10 minutes)

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

6. ADOPTING ENERGY COMMISSION DETERMINATION FINDING ANAHEIM PUBLIC UTILITIES' INTEGRATED RESOURCE PLAN CONSISTENT WITH THE REQUIREMENTS OF SB 350. Proposed resolution adopting the Energy Commission's determination that the Anaheim Public Utilities Integrated Resource Plan Filing is consistent with the requirements of SB 350. Contact: Paul Deaver. (Staff presentation: 10 minutes)

Commissioner Hochschild moved Item 6 and Commissioner McAllister seconded. The vote was unanimous (5-0).

7. ITM POWER, INC. Proposed resolution approving Agreement ARV-18-006 with ITM Power, Inc. for a \$791,862 grant to complete construction of a 100 percent renewable hydrogen refueling station at 12600 East End Avenue, Chino, California 91710 to serve the growing number of hydrogen-powered zero emission vehicles deployed in California, and adopting staff’s determination that this action is exempt from the California Environmental Quality Act. This station will increase the reliability of the hydrogen refueling network in the San Bernardino County area and the surrounding communities. Contact: Phil Cazal. (Staff presentation: 5 minutes)

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

8. BRINGING RAPID INNOVATION DEVELOPMENT TO GREEN ENERGY (BRIDGE). Solicitation GFO-17-308 sought proposals to fund applied research and technology demonstration and deployment energy efficiency projects that will allow researchers to continue technology development without losing momentum or pausing to fundraise from private sources. (EPIC funding) Contact: James Friedrich (Staff presentation: 5 minutes)
 - a. SKYCOOL SYSTEMS, INC. Proposed resolution approving Agreement EPC-18-006 with SkyCool Systems Inc. for a \$1,770,563 grant to fund the pilot testing of SkyCool Panels. SkyCool Panels use novel materials to passively emit thermal energy to provide cooling for air conditioning and refrigeration without electricity, and

adopting staff's determination that this action is exempt from the California Environmental Quality Act.

- b. MICROBIO ENGINEERING, INC. Proposed resolution approving Agreement EPC-18-008 with MicroBio Engineering, Inc. for a \$1,550,227 grant to further advance the Recycle Nutrients Energy and Water (RNEW®) process to the pilot-demonstration stage, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The RNEW® technology overcomes the seasonal limitation by the selective use of mechanical aeration to optimize wastewater treatment and nitrification in winter months and incorporates a two-stage process of biomass settling and filtration for harvesting. The RNEW® technology has the potential to reduce electricity consumption at wastewater treatment facilities by 80 percent compared to conventional technologies by enabling year-round algal treatment of wastewater.

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

- 9. FOOD PRODUCTION INVESTMENT PROGRAM. Solicitation GFO-18-901 sought proposals to install drop-in and emerging energy technologies at California food processing plants, demonstrate their reliability and effectiveness, and help California food processors work towards a low carbon future. The technologies funded will reduce energy use and greenhouse gas emissions associated with food production. All projects will monitor energy use before and after the technologies are installed in order to quantify and validate energy and greenhouse gas emission reductions. (GGRF funding) Contact: Kevin Uy. (Staff presentation: 10 minutes)
 - a. BAKER COMMODITIES, INC. Proposed resolution approving Agreement FPI-18-001 with Baker Commodities, Inc. for a \$915,180 grant to implement energy efficiency upgrades, including boiler controls and a condenser, at the recipient's food production facility in Vernon, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The project will replace existing conventional, aging equipment with new high-efficiency equipment to reduce greenhouse gas emissions, energy use, and operating costs.
 - b. BAKER COMMODITIES, INC. Proposed resolution approving Agreement FPI-18-013 with Baker Commodities, Inc. for a \$860,596 grant to implement energy efficiency upgrades, including motors and automation hardware, at the recipient's food production facility in Kerman, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The project will replace existing conventional, aging equipment with new high-efficiency equipment to reduce greenhouse gas emissions, energy use, and operating costs.
 - c. SUN-MAID GROWERS OF CALIFORNIA. Proposed resolution approving Agreement FPI-18-006 with Sun-Maid Growers of California for a \$805,584 grant to install and demonstrate an optimized compressed air system at the recipient's raisin production facility in Kingsburg, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The optimized compressed air system will feature a unique energy efficient centrifugal compressor and heat recovery technology resulting in reduced greenhouse gas emissions, energy use, and operating costs.
 - d. PACIFIC COAST PRODUCERS. Proposed resolution approving Agreement FPI-18-008 with Pacific Coast Producers for a \$2,806,326 grant to install and operate an advanced energy efficient multistage evaporator system at the recipient's tomato processing facility in Woodland, California, and adopting staff's determination that

this action is exempt from the California Environmental Quality Act. The system includes a mechanical vapor recompression system which directs heat back to the evaporators and will result in reduced natural gas consumption, greenhouse gas emissions, and operating costs.

- e. **THE NEIL JONES FOOD COMPANY.** Proposed resolution approving Agreement FPI-18-009 with The Neil Jones Food Company for a \$3,000,000 grant to install and operate an advanced energy efficient pre-evaporator system at the recipient's tomato processing facility in Firebaugh, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. This system will allow the steam from the existing evaporator system to be recycled and reused and will result in reduced natural gas consumption, greenhouse gas emissions, and operating costs.
- f. **IMPERIAL WESTERN PRODUCTS, INC., A CALIFORNIA CORPORATION.** Proposed resolution approving Agreement FPI-18-010 with Imperial Western Products, Inc., a California Corporation for a \$459,624 grant to fund energy efficiency upgrades, including compressors and economizers, at four existing food processing facilities, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The project will replace existing conventional, aging equipment with high-efficiency equipment to reduce greenhouse gas emissions, energy use, and operating costs.
- g. **SMITHFIELD PACKAGED MEATS CORP.** Proposed resolution approving Agreement FPI-18-011 with Smithfield Packaged Meats Corp. for a \$483,348 grant to fund the installation of a heat recovery system at the recipient's food processing facility in Vernon, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The heat recovery system will capture and recycle waste heat from the facility's exhaust stacks and will reduce natural gas consumption, greenhouse gas emissions, and operating costs.
- h. **FOSTER POULTRY FARMS.** Proposed resolution approving Agreement FPI-18-003 with Foster Poultry Farms for a \$2,666,652 grant to fund energy efficient upgrades, including heat recovery systems and controls, at the recipient's five existing food processing facilities, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The project will replace existing conventional, aging equipment with high-efficiency equipment to reduce greenhouse gas emissions, energy use, and operating costs.
- i. **FOSTER POULTRY FARMS.** Proposed resolution approving Agreement FPI-18-012 with Foster Poultry Farms for a \$3,852,554 grant to fund electrical infrastructure upgrades at the recipient's food processing facility in Livingston, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The electrical upgrades would enable transport refrigeration units containing processed food to be switched from diesel to electric when stationary. Fuel switching from diesel to electric will reduce greenhouse gas emissions and significantly reduce criteria pollutant emissions, improving local air quality.
- j. **LAND O'LAKES, INC.** Proposed resolution approving Agreement FPI-18-002 with Land O'Lakes, Inc. for a \$2,842,368 grant to design, install, and operate a high-temperature solar thermal energy system at the recipient's dairy processing facility in Tulare, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. This system will convert solar energy into supplemental heat for thermal processes resulting in reduced natural gas consumption and greenhouse gas emissions.

- k. OLAM WEST COAST, INC. Proposed resolution approving Agreement FPI-18-004 with Olam West Coast, Inc. for a \$3,578,606 grant to design, install, and operate a high-temperature solar thermal energy system at the recipient's tomato processing facility in Lemoore, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. This system will convert solar energy into supplemental heat for thermal processes resulting in reduced natural gas consumption and greenhouse gas emissions.
- l. CALIFORNIA DAIRIES, INC. Proposed resolution approving Agreement FPI-18-005 with California Dairies, Inc. for a \$3,002,821 grant to design, install, and operate a high-temperature solar thermal energy system at the recipient's dairy processing facility in Visalia, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. This system will convert solar energy into supplemental heat for thermal processes resulting in reduced natural gas consumption and greenhouse gas emissions.
- m. OLAM WEST COAST, INC. Proposed resolution approving Agreement FPI-18-007 with Olam West Coast, Inc. for a \$2,010,745 grant to install and operate an electric drying system at the recipient's dehydrated food manufacturing facility in Firebaugh, California, and adopting staff's determination that this action is exempt from the California Environmental Quality Act. The system will electrify the onion drying and toasting process, replacing the existing natural gas fueled system and will result in reduced natural gas consumption and greenhouse gas emissions.

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

- 10. **Minutes.** Possible approval of the January 9, 2019 Business Meeting minutes.

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

- 11. **Lead Commissioner or Presiding Member Reports.** The Commissioners reported on their recent activities. The Chair announced that the Commissioners will go into closed session as specified in Item 12.a.iii, which provides notice the Commission will adjourn to closed session with legal counsel pursuant to Government Code Section 11126(e) to discuss the following litigation to which the Energy Commission is a party. State Energy Resources Conservation Development Commission versus Electricore, Inc. and ZeroTruck. Agenda Item 12.b.1 also provides notice that the Commission will adjourn to closed session with its Legal Counsel pursuant to Government Code Section 11126(e) to discuss Alternative, Renewable Fuel and Vehicle Technology Program Grant ARV-14-011 with HyGen, Inc.

- 12. **Chief Counsel's Report.** None.

- 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. *Helping Hand Tools v. California Energy Commission, and Vantage Data Centers LLC.* (Sacramento Superior Court, Case No. 34-2018-80003026)
 - vii. *In re: PG&E Corporation and In re: Pacific Gas and Electric Company* (United States Bankruptcy Court, Northern District of California, San Francisco Division, Case No. 19-30088)
- 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, which might include.
- i. Alternative and Renewable Fuel and Vehicle Technology Program grant ARV-14-011 with HyGen Industries, Inc.
13. **Executive Director's Report.** The Executive Director gave a report.
14. **Public Adviser's Report.** None.
15. **Public Comment:** Larry McLaughlin.

Appearances:

(*by telephone)

Samantha Neumyer, Ellison, Schneider, Harris & Donlan

Kirk Marckwald, California Environmental Associates

Rob Oglesby

Catherine Elder, Aspen Environmental Group

Fran Inman, California Transportation Commission

Dennis Peters, CAISO

Mark Krausse, PG&E

Edith Moreno, SoCalGas

Lauren Cullum, Sierra Club

Melissa Traugh, BizFed Central Valley

Gary Passmore, Congress of California Seniors

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Nina Kapoor, Coalition for Renewable Natural Gas

Jeli Gavric, California Association of Realtors

*Joy Alafia, Western Propane Gas Association

Barbara McBride, Calpine

*Eli Goldstein, SkyCool Systems, Inc.

Darrin Monteiro, California Dairies, Inc.

Hector Garcia, Smithfield Packaged Meats Corp.

There being no further business, the meeting was adjourned.

Respectfully submitted,

CODY GOLDTHRITE

Secretariat