



April 10, 2019

1516 Ninth Street
Art Rosenfeld Hearing Room – First Floor
Sacramento, California 95814

10 a.m.

(Wheelchair Accessible)

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. **KING CITY COGENERATION (85-AFC-05C).** Proposed order granting the petition for modification to remove Engineering Condition of Certification 1. The proposed modification would delete an obsolete condition of certification, which required the facility to operate as a cogeneration system producing thermal energy for a steam host in addition to electrical energy. Contact: Anwar Ali.
 - b. **SAN DIEGO PORT TENANTS ASSOCIATION.** Proposed resolution approving Amendment 2 to Agreement ARV-15-068 with San Diego Port Tenants Association to reallocate reimbursable funds due to a change in a major subcontractor; to revise Task 3 in the Scope of Work from using combined freight signal priority and truck platooning technologies to using only freight signal priority; to change the project location of Task 3; and to adopt staff's determination that this action is exempt from the California Environmental Quality Act (CEQA). (ARFVTP Funding) Contact: Marc Perry.
2. **LAURELWOOD DATA CENTER (19-SPPE-01).** Proposed order appointing a Siting Committee for the Laurelwood Data Center, a data center with associated diesel fueled backup generators serving a building load less than 100 MW to be constructed in the City of Santa Clara. On March 5, 2019, applicant MECP1 Santa Clara 1, LLC filed an application requesting a Small Power Plant Exemption that, if granted, would exempt the project from the California Energy Commission's licensing requirements. Contact: Leonidas Payne. (Staff presentation: 5 minutes)
3. **COMPLAINT AGAINST STOCKTON PORT DISTRICT FOR NONCOMPLIANCE WITH THE RENEWABLES PORTFOLIO STANDARD (18-RPS-01).** Consideration and possible approval of an order adopting the Committee Proposed Decision (CPD) on the Complaint against Stockton Port District for noncompliance with the Renewables Portfolio Standard for the 2011-2013 compliance period. Contact: Jennifer Martin-Gallardo. (Staff presentation: 10 minutes)
 - a. Possible closed session deliberation on the above described CPD. (Government Code Section 11126(c)(3))

4. **SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY.** Proposed order approving the Executive Director's recommendation that the Southern California Public Power Authority's Power Purchase Agreement with ORNI 50 LLC for the procurement of geothermal energy from the Mammoth Casa Diablo IV geothermal plant be found compliant with the Emissions Performance Standard for Local Publicly Owned Electric Utilities pursuant to Senate Bill 1368 (California Code of Regulations, Title 20, sections 2900-2913) Contact: Michael Nyberg. (Staff presentation: 5 minutes)
5. **PETITION TO REQUEST A RULEMAKING HEARING.** Consideration of and possible action, including approval of an order, on a petition requesting that the Commission initiate a rulemaking hearing under Title 20 California Code of Regulations section 1221. The petition was filed by Atlas Copco North America and Quincy Compressors on March 6, 2019 and certified as complete by the Commission's Executive Director on March 12, 2019. Petitioners are requesting the rulemaking hearing to amend or repeal portions of the air compressor regulations that were adopted by the Commission on January 9, 2019. Contact: Jared Babula.
 - a. Possible closed session deliberation on the above described petition. (Government Code Section 11126(c)(3))
6. **2018 DIVERSITY UPDATE REGARDING THE IMPLEMENTATION OF THE ENERGY COMMISSION DIVERSITY COMMITMENT.** Informational update on Commission efforts to reach our Diversity Commitment to 1) increase participation of diverse business enterprises in our funding programs; 2) increase the benefits of Commission programs and policies to disadvantaged communities; and 3) increase the diversity of our workforce. Contact: Alana Mathews. (Staff presentation: 25 minutes)
7. **PRESENTATION ON ANNUAL REPORT BY DISADVANTAGED COMMUNITIES ADVISORY GROUP.** Representatives of the Disadvantaged Communities Advisory Group (DACAG) will present to the Energy Commission on DACAG's Annual Report. The Energy Commission may discuss the report and the advice of DACAG. The group was created jointly by the Energy Commission and the California Public Utilities Commission pursuant to Public Utilities Code section 400(g) to provide advice on programs proposed to achieve clean energy and pollution reduction. Contact: Alana Mathews. (Staff presentation: 5 Minutes)
8. **RIO ALTO WATER DISTRICT.** Proposed resolution adopting CEQA findings for Rio Alto Water District's Solar Photovoltaic System Project, and approving Agreement 004-18-ECD with Rio Alto Water District (ECAA funding). Contact: David Michel. (Staff presentation: 5 minutes)
 - a. **CEQA FINDINGS.** Findings that, in addition to the lead agency Rio Alto Water District's Initial Study and Mitigated Negative Declaration, the proposed project presents potentially significant impacts to biological resources and cultural resources and that mitigation measures different from, and in addition to, those analyzed in the Initial Study and Mitigated Negative Declaration are required to reduce environmental effects to a less than significant level. These additional mitigation measures will be implemented by Rio Alto Water District, and are included as conditions in proposed Agreement 004-18-ECD.
 - b. **RIO ALTO WATER DISTRICT'S SOLAR PHOTOVOLTAIC SYSTEM PROJECT.** Proposed resolution adopting an agreement with Rio Alto Water District for a \$1,590,800 loan at one percent interest for a 420-kilowatt (kW) solar photovoltaic system located at three District-owned sites. The project is estimated to

save the District 617,521 kWh of electricity, resulting in annual energy cost savings of \$103,930. The simple payback on the loan amount is approximately 15.3 years.

9. ENERGY PROGRAM INVESTMENT CHARGE (EPIC) 2018 ANNUAL REPORT. Proposed resolution approving the EPIC 2018 Annual Report to the Legislature. Contact: Erik Stokes. (Staff presentation: 10 minutes)
10. GLADSTEIN, NEANDROSS & ASSOCIATES LLC. Proposed resolution approving Agreement 300-18-001 with Gladstein, Neandross & Associates LLC for a \$3,788,265 contract to fund a range of technology transfer services that ensure results of projects funded through EPIC are effectively disseminated and communicated to stakeholders, industry leaders, and the general public. Specifically, the contract team will 1) redesign the Energy Commission's Energy Innovation Showcase website to improve its effectiveness and usefulness; 2) plan and facilitate up to nine forums across California, discussing key topics affecting the electricity sector; and 3) plan and facilitate two EPIC symposiums. (EPIC Funding) Contact: Lorraine Gonzalez. (Staff presentation: 5 minutes)
- ~~11. UPDATE TO THE DRIVING TO CLEANER TRANSPORTATION TOUR WEBSITE. Informational update of the "Driving to Cleaner Transportation" webpage, which showcases the successes and benefits provided by projects funded under the Alternative and Renewable Fuel and Vehicle Technology Program. Contact: Claire Sugihara. (Staff Presentation: 10 minutes)~~
- ~~12. 2019-2020 INVESTMENT PLAN UPDATE FOR THE ALTERNATIVE AND RENEWABLE FUEL AND VEHICLE TECHNOLOGY PROGRAM. Proposed resolution approving the 2019-2020 Investment Plan Update for the Alternative and Renewable Fuel and Vehicle Technology Program. The program develops and deploys innovative technologies that transform California's fuel and vehicle types to help attain the state's climate change goals. The annual investment plan update determines priorities and opportunities for the program, describes how funding will complement existing public and private efforts, and serves as a guide for funding decisions. Contact: Patrick Brecht. (Staff presentation: 15 minutes)~~
13. SAN DIEGO COMMUNITY COLLEGE DISTRICT. Proposed resolution approving Agreement 600-18-005, for a \$1,395,110 contract with San Diego Community College District through the Advanced Transportation and Logistics Center at San Diego Miramar College and adopting staff's determination that this action is exempt from CEQA. This agreement will support specialized training programs in advanced vehicle technologies through faculty training, curriculum development, and equipment purchases throughout the California Community College system. This agreement will fund college automotive programs to expand alternative fuel and advanced vehicle technology training opportunities. (ARFVTP Funding) Contact: Tami Haas. (Staff presentation: 5 minutes)
14. 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. Offering O&M support ensures that hydrogen refueling stations remain operating during the rollout of fuel cell electric vehicles (FCEVs). (ARFVTP funding) Contact: Mark Johnson. (Staff presentation: 5 minutes)

- a. IWATANI CORPORATION OF AMERICA. Proposed resolution approving Agreement ARV-18-004 with Iwatani Corporation of America for a \$300,000 grant to cover O&M costs of the existing hydrogen refueling station at 830 Leong Drive, Mountain View, CA 94043, and adopting staff’s determination that this action is exempt from CEQA. The recipient will collect and report data about the station equipment, operation, and utilization. The station serves the growing number of FCEVs deployed in California.
 - b. IWATANI CORPORATION OF AMERICA. Proposed resolution approving Agreement ARV-18-005 with Iwatani Corporation of America for a \$300,000 grant to cover O&M costs of the existing hydrogen refueling station at 2451 Bishop Drive, San Ramon, CA 94583, and adopting staff’s determination that this action is exempt from CEQA. The recipient will collect and report data about the station equipment, operation, and utilization. The station serves the growing number of FCEVs deployed in California.
15. LIGHT DUTY VEHICLE HYDROGEN REFUELING INFRASTRUCTURE, GFO-15-605. This solicitation sought proposals for capital expenditure grants to expand the network of publicly accessible hydrogen refueling stations. (ARFVTP funding) Contact: Sebastian Serrato. (Staff presentation: 5 minutes)
- a. EQUILON ENTERPRISES LLC DBA SHELL OIL PRODUCTS US. Proposed resolution approving Amendment 1 to Agreement ARV-17-004 with Equilon Enterprises LLC dba Shell Oil Products US to decrease the grant amount from \$2,337,500 to \$1,448,512; reduce the Scope of Work to just acquisition of hydrogen refueling station equipment to be used under new proposed ARFVTP grant agreement, ARV-18-008, for a new station site at 101 Bernal Road, San Jose, CA 95119; and adopt staff’s determination that this action is exempt from CEQA..
 - b. EQUILON ENTERPRISES LLC DBA SHELL OIL PRODUCTS US. Proposed resolution approving Agreement ARV-18-008 with Equilon Enterprises LLC dba Shell Oil Products US for an \$888,988 grant to develop a hydrogen refueling station at 101 Bernal Road, San Jose, CA 95119, and adopting staff’s determination that the project is exempt from CEQA. Recipient will use the equipment acquired under ARV-17-004 for completion of the ARV-18-008 station at 101 Bernal Road, San Jose, CA 95119. This station will serve the growing number of hydrogen powered zero emission vehicles deployed in California and increase the reliability of the hydrogen refueling network in the San Francisco Bay Area and the surrounding communities.
16. SCHOOL BUS REPLACEMENT FOR CALIFORNIA PUBLIC SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND JOINT POWER AUTHORITIES, GFO-17-607. This solicitation sought proposals to fund public school districts, county offices of education, and joint power authorities operating home-to-school transportation programs on behalf of local educational agencies that operate old diesel school buses in California. (ARFVTP funding) Contact: Michelle Vater. (Staff presentation: 5 minutes)
- a. ANTELOPE VALLEY SCHOOLS TRANSPORTATION AGENCY. Proposed resolution approving Agreement ARV-18-010 with Antelope Valley Schools Transportation Agency for a \$1,090,000 grant to replace six existing diesel school buses with new compressed natural gas (CNG) school buses and make upgrades to their existing CNG fueling infrastructure and adopting staff’s determination that this action is exempt from CEQA.
 - b. ELK GROVE UNIFIED SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-18-011 with Elk Grove Unified School District for a \$995,000 grant

- to replace three existing diesel school buses with new CNG school buses and make upgrades to their existing CNG fueling infrastructure and adopting staff's determination that this action is exempt from CEQA.
- c. LAKE ELSINORE UNIFIED SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-18-012 with Lake Elsinore Unified School District for a \$1,490,000 grant to replace six existing diesel school buses with new CNG school buses and make upgrades to their existing CNG fueling infrastructure and adopting staff's determination that this action is exempt from CEQA.
 - d. NORTH MONTEREY COUNTY UNIFIED SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-18-013 with North Monterey County Unified School District for an \$830,000 grant to replace two existing diesel school buses with new CNG school buses and construct a new CNG fueling station, and adopting staff's determination that this action is exempt from CEQA.
 - e. PALO VERDE UNIFIED SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-18-014 with Palo Verde Unified School District for a \$995,000 grant to replace three existing diesel school buses with new CNG school buses and upgrade an existing CNG fueling station, and adopting staff's determination that this action is exempt from CEQA.
 - f. RAISIN CITY ELEMENTARY SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-18-015 with Raisin City Elementary School District for a \$165,000 grant to replace one existing diesel school bus with a new CNG school bus.
 - g. WASHINGTON UNIFIED SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-18-016 with Washington Unified School District for a \$390,529 grant to replace three existing diesel school buses with new CNG school buses.
 - h. WEST PARK ELEMENTARY SCHOOL DISTRICT. Proposed resolution approving Agreement ARV-18-017 with West Park Elementary School District for a \$165,000 grant to replace one existing diesel school bus with a new CNG school bus.
17. COMMUNITY-SCALE AND COMMERCIAL-SCALE ADVANCED BIOFUELS PRODUCTION FACILITIES, GFO-18-601. This solicitation sought proposals to provide grant funds for low carbon biofuel production projects at new and existing biofuel production facilities. (ARFVTP funding) Contact: Andrew Hom. (Staff presentation: 5 minutes)
- a. AEMETIS ADVANCED PRODUCTS KEYES, INC. Proposed resolution adopting CEQA findings and statement of overriding considerations for the Aemetis Low Carbon Advanced Ethanol Project, and approving Agreement ARV-19-019 with Aemetis Advanced Products Keyes, Inc.
 - i. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS. Findings that--based on the lead agency City of Riverbank's certified Final Environmental Impact Report, adopted Mitigation, Monitoring and Reporting Program, adopted Statement of Overriding Considerations, resolution regarding the aforementioned documents, and Notice of Determination--the work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered, and adopt a statement of overriding considerations.
 - ii. AEMETIS LOW CARBON ADVANCED ETHANOL PROJECT. Agreement with Aemetis Advanced Products Keyes, Inc. for a \$4,999,956 grant to construct and operate a facility in Riverbank, CA, to turn organic waste into

cellulosic ethanol. The project is estimated to eliminate 144,874 MTCO₂e per year of greenhouse gas emissions.

- b. CITY OF ROSEVILLE. Proposed resolution adopting CEQA findings for the Roseville Energy Recovery project and approving Agreement ARV-18-020 with the City of Roseville.
 - i. CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS. Findings that, based on the lead agency City of Roseville's Initial Study and Final Mitigated Negative Declaration (as amended), the work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated.
 - ii. CITY OF ROSEVILLE'S ENERGY RECOVERY PROJECT. Agreement ARV-18-020 with City of Roseville for a \$3,000,000 grant to upgrade the Pleasant Grove Wastewater Treatment Plant with biomethane production capabilities. The proposed project will use municipal wastewater organics to produce up to 267,000 diesel gallon equivalents annually of biomethane.
18. DEMONSTRATION-SCALE BIOFUELS PRODUCTION FACILITIES, GFO-18-602. This solicitation sought proposals to provide grant funds for biofuels projects that scale-up, scale-out, and prove a technology or process at the first demonstration-scale biofuels production facilities at a site-specific location. (ARFVTP funding) Contact: Andrew Hom. (Staff presentation: 5 minutes)
- a. CALIFORNIA GRINDING, INC. Proposed resolution adopting CEQA findings for the California Grinding, Inc. thermophilic bacterial pretreatment of organic feedstock demonstration project and approving Agreement ARV-18-021 with California Grinding, Inc.
 - i. CEQA FINDINGS. Findings that, based on the lead agency, City of Fresno's Mitigated Negative Declaration and Notice of Determination, the work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated.
 - ii. CALIFORNIA GRINDING, INC. Agreement ARV-18-021 with California Grinding, Inc. for a \$3,000,000 grant to demonstrate an innovative anaerobic digestion pre-treatment technology able to break down lignocellulosic biomasses and turn them into precursors for methane formation in the anaerobic digestion process. California Grinding, Inc., will demonstrate the VERDE pre-digestion technology to increase feedstock conversion of food waste, green waste, and lignocellulosic feedstock into biomethane by 85 percent, and validate that the pre-treatment process is technically, economically, and environmentally feasible at the commercial scale.
 - b. THE SOUTHERN CALIFORNIA GAS COMPANY (SoCalGas). Proposed resolution approving Agreement ARV-18-023 with SoCalGas for a \$3,000,000 grant towards a biofuel demonstration project at the Central Contra Costa Sanitary District Wastewater Treatment Plant in Martinez, CA, and adopting staff's determination that this action is exempt from CEQA. The project will use a skid-mounted hydrothermal processing unit that converts wastewater solids into renewable natural gas and bio-crude.
19. UPDATE ON THE ENERGY COMMISSION PARTNERSHIP WITH THE DEPARTMENT OF THE NAVY AND OTHER DOD CALIFORNIA BASES. The Energy Commission has maintained an active partnership with Department of Defense

facilities in California to share information and collaborate on energy and water issues of mutual interest, and in support of each agency's respective goals. This collaboration accelerated in 2014 when the two organizations worked together to resolve electricity reliability issues following the closure of the San Onofre Nuclear Generating Station that impacted Marine Corps Base Camp Pendleton. In 2016, the two parties signed a Memorandum of Understanding to foster further collaboration on energy and water issues. This update will provide an overview of the activities under this partnership. Contact: Mike Gravely. (Staff presentation: 5 minutes)

20. **UPDATE ON THE ENERGY COMMISSION PORTS COLLABORATIVE.** The Ports Collaborative provides a forum for the Energy Commission and ports throughout California to discuss important energy issues and identify opportunities to work together to implement energy solutions that will meet the needs of the ports while helping attain California's energy and climate goals. Contact: Rhetta deMesa. (Staff presentation: 5 minutes)
21. **Minutes.** Possible approval of the March 12, 2019 Business Meeting minutes.
22. **Lead Commissioner or Presiding Member Reports.** A lead commissioner on a policy matter may report to the Commission on the matter and discussion may follow. A presiding member on a delegated committee may report to the Commission on the matter and discussion may follow.
23. **Chief Counsel's 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 No. 34-2016-00204586).
 - iv. *Natural Resources Defense Council, Inc., et al. v. United States Department of Energy* (Federal District Court, Northern District of California, No. 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).

- viii. *Chukwuemeka (Emeka) Okemiri v. California Energy Commission, et al.* (Sacramento Superior Court, Case No. 34-2018-00246019).
 - ix. *State Energy Resources Conservation and Development Commission v. HyGen Industries, Inc.* (Sacramento County Superior Court No. 34-2019-00252543).
- 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:
- 24. **Executive Director’s Report.**
 - 25. **Public Adviser's Report.**
 - 26. **Public Comment:** People may speak up to three minutes on any matter concerning the Energy Commission, with the exception of items appearing elsewhere on this agenda or items related to pending adjudicative (certification or enforcement) proceedings.

If you require special accommodations, contact Yolanda Rushin at 916-654-4310, five days before the meeting.

News media inquiries should be directed to:

Media and Public Communications - 916-654-4989

Questions about participation in the business meeting should be directed to:

Public Adviser’s Office - 916-654-4489 or 800-822-6228

Participating by Telephone at a Business Meeting

To participate by telephone, please call toll free 1-888-823-5065 on business meeting days after 9:50 a.m. (PDT). The pass code for the meeting is "Business Meeting" and the call leader is Jerome Lee. If you plan to speak about a specific item, please give the operator the item number.

To avoid occasional technical problems with the Commission’s telephone link, the Commission recommends that a written comment also be submitted either by facsimile at (916) 654-4493 or email to publicadviser@energy.ca.gov by 5 p.m., two days before the scheduled business meeting.

The California Energy Commission business meetings can be viewed live on the Energy Commission’s YouTube channel:

<https://www.youtube.com/user/CalEnergyCommission/videos>.

The business meeting audio is broadcast via WebEx. To listen to the meeting and view any presentations, please click the following link or paste it into your browser:

<https://energy.webex.com/energy/onstage/g.php?t=a&d=924996620>.

You may also go to <https://energy.webex.com/ec> and click on the Business Meeting link. If you can’t find the Business Meeting link, click on the “Unlisted Events” link on the left of your screen and enter Meeting Number **924 996 620**. The WebEx broadcast is listen only. To comment or ask a question, please call into the meeting at 888-823-5065 as described above.

The Warren-Alquist State Energy Building has wireless Internet access available in the atrium, snack bar, and library.

Subscribe to Electronic Mail Lists

To reduce paper and mailing costs, the Energy Commission offers an automated email system for the business meeting agendas. To subscribe, please go to our Business Meetings page www.energy.ca.gov/business_meetings/ and use the form on the right side under “Subscribe.”

Adjournment of Hearings and Meetings: Depending upon time available and the orderly management of proceedings, the Commission may order adjournment (recess or postponement) of any noticed hearing or meeting, to be continued to the next day, another specific date or time, or to the next business meeting, as appropriate. Any such adjournment will be noticed at the time the order of adjournment is made (Government Code §§11128.5, 11129).