

COMMISSIONERS PRESENT

Jackalyne Pfannenstiel, Chairperson

Arthur Rosenfeld

James Boyd, Vice Chairperson

John L. Geesman

Jeffrey D. Byron

STAFF and CONTRACTORS PRESENT

Melissa Jones, Executive Director

William Chamberlain, Chief Counsel

Michael Smith, Legislative Director

Harriet Kallemeyn, Secretariat

Michael Seaman

Avtar Bining

Mary Jane Coombs

Prab Sethi

Mark Hutchison

Ron Yasny

Michael Lozano

Guido Franco

Richard Sapudar

Bernard Treanton

Ted Dang

Al Garcia

PUBLIC ADVISER

Nicholas Bartsch

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P R O C E E D I N G S

10:00 a.m.

CHAIRPERSON PFANNENSTIEL: Happy New Year. Energy Commission's first meeting in 2008. Please join me in the Pledge of Allegiance.

(Whereupon, the Pledge of Allegiance was recited in unison.)

CHAIRPERSON PFANNENSTIEL: Before I begin with the agenda there's a commercial. This is the new Energy Commission calendar; it is available out on the table in the lobby; help yourself. One of our cooler products.

The only agenda change is item number 7; it has been pulled off for the next meeting.

With that, is there a motion for the consent calendar?

COMMISSIONER ROSENFELD: I move the consent calendar.

COMMISSIONER GEESMAN: Second.

CHAIRPERSON PFANNENSTIEL: In favor?

(Ayes.)

CHAIRPERSON PFANNENSTIEL: The consent calendar is approved.

Item 2, possible adoption of a resolution in support of the Sustainable Energy

1 Finance Initiative Alliance. The SEF Alliance is
2 an international organization whose mission is to
3 improve the effectiveness of public and publicly-
4 backed agencies to finance and transform clean
5 energy markets. Mr. Hutchison.

6 MR. HUTCHISON: Good morning,
7 Commissioners. Mark Hutchison with the renewable
8 energy office.

9 This is a request to formally support
10 the Sustainable Energy Finance Initiative
11 Alliance, referred to as the SEF Alliance. The
12 SEF Alliance is an international organization
13 founded by the United Nation's environmental
14 program. The mission of the SEF Alliance is to
15 improve the effectiveness of public and publicly-
16 backed funding agencies to finance and transform
17 clean energy markets. A resolution supporting the
18 SEF Alliance is provided for possible approval
19 today.

20 Staff is also pursuing a membership
21 agreement with the Alliance and anticipates
22 bringing a request to support a membership
23 agreement with the Alliance to the full Commission
24 in February.

25 In summary, the resolution states that

1 the Energy Commission would benefit from the joint
2 information sharing, peer-to-peer discussions,
3 plus analysis activities and joint initiatives and
4 projects of the SEF Alliance.

5 The SEF Alliance is consistent with the
6 policies and objectives of the California Energy
7 Commission's renewable energy program, and that
8 the California Energy Commission hereby supports
9 the SEF Alliance.

10 The Renewables Committee supports and
11 approves this effort. Staff is now requesting
12 Energy Commission approval of this resolution in
13 support of the Alliance.

14 CHAIRPERSON PFANNENSTIEL: Thank you,
15 Mark. Are there questions or discussion? Yes,
16 Commissioner Geesman.

17 COMMISSIONER GEESMAN: I think that
18 benchmarking California's program in the
19 renewables area against others elsewhere around
20 the world has been a particularly important way to
21 bring focus to some of the challenges that we face
22 here in the state.

23 This particular Alliance is one that is
24 an outgrowth of work between the Clean Energy
25 States Alliance, which we have been a very strong

1 participant in over the last five or six years, as
2 well as the United Nations' environmental program.

3 And I think it's well deserving of our
4 support and encouragement.

5 CHAIRPERSON PFANNENSTIEL: Commissioner
6 Byron.

7 COMMISSIONER BYRON: Thank you. This is
8 another one of those items that because of not
9 being involved in every single Committee to the
10 level that you can be, that just always surprises
11 me that here we are again involved in a really
12 excellent opportunity.

13 I read through this thinking about
14 transportation fuels. And I was just wondering if
15 there had been any discussion or thought about how
16 this might -- and I suppose maybe I should be
17 asking Commissioner Boyd if he's thought about
18 this at all, too -- if there'd be any opportunity
19 or chance for us to link this up with the work
20 that we'll be doing under AB-118?

21 So, I may be -- we should have had this
22 discussion privately had there been a little more
23 time, I suppose, prior to reviewing material over
24 the holidays for this. But I was just wondering
25 if you think there's any ties to our alternative

1 transportation fuels here.

2 VICE CHAIRPERSON BOYD: Well, I think
3 your question is a good one. I'm very familiar
4 with the Clean Energy States Alliance and the work
5 that Commissioner Geesman has done there. I was
6 around when it first got started.

7 And as I've said before many times,
8 transportation fuels have been kind of the foster
9 child of the three-legged energy stool, and not
10 incorporated into a lot of the arenas that have
11 been more popular such as efficiency and
12 renewables and what-have-you.

13 And I think it's a good idea to start
14 talking to folks about thinking of it that way. I
15 don't think it has been the case. I don't fault
16 anybody for it. It just hasn't been as prominent
17 as the other areas.

18 And also, other states don't play the
19 role to near the degree that we do. And other
20 states' energy agencies don't play as big a role
21 in the transportation fuels arena as this agency
22 has. But I think that's changing as a result of
23 what's occurred in the last let's say 18 months to
24 two years.

25 So I think it's a good thought. I think

1 it's deserving of following up with these folks
2 and maybe adding it to their collective thinking
3 on the subject of energy.

4 COMMISSIONER GEESMAN: I would strongly
5 encourage it, as well. I will say, having been to
6 the formative meeting of this Alliance some number
7 of months ago, it's a very active interest of the
8 UNEP Staff, looking at activities both in the
9 European Union and elsewhere among some of the
10 potential biofuel-producing countries.

11 They have an interest in broadening the
12 agenda beyond electricity, as Jim points out, but
13 the Clean Energy States Alliance has been much
14 more focused traditionally on electricity. So,
15 this would be a broadening opportunity I think the
16 Commission could provide. And as you well know,
17 AB-118 is going to make our research related a
18 focal points of efforts in this area around the
19 world.

20 COMMISSIONER BYRON: Good. Okay, well,
21 thank you.

22 CHAIRPERSON PFANNENSTIEL: Then, Mr.
23 Hutchison, you might take the message back from
24 this Commission that while this has been within
25 the renewables area, we probably want to extend

1 that to transportation fuels area, as well.

2 COMMISSIONER BYRON: Right. I certainly
3 support it; and I just see it as a potential tool
4 that we might use in the transportation fuels
5 area, as well.

6 VICE CHAIRPERSON BOYD: If Commissioner
7 Geesman made a motion, I'll second it.

8 COMMISSIONER GEESMAN: I will move it.

9 CHAIRPERSON PFANNENSTIEL: Moved and
10 seconded.

11 All in favor?

12 (Ayes.)

13 CHAIRPERSON PFANNENSTIEL: Thank you,
14 Mark.

15 Item 3, possible approval of Pacific Gas
16 and Electric's petition to add two water tanks at
17 the Gateway Generating Station.

18 MR. YASNY: Good morning. This is an
19 amendment by PG&E for the Gateway Power Plant. As
20 you know, the application for this power plant was
21 originally submitted by Mirant, and PG&E now owns
22 it. And as they continue to review the design
23 that was created by Mirant, they're making
24 improvements. And these two water tanks will
25 allow better use of the water used on the project.

1 CHAIRPERSON PFANNENSTIEL: Questions?

2 COMMISSIONER GEESMAN: This was reviewed
3 by the Siting Committee and we would recommend its
4 approval. So I will move that we accept the
5 staff's recommendation.

6 COMMISSIONER BYRON: I second it.

7 CHAIRPERSON PFANNENSTIEL: All in favor?
8 (Ayes.)

9 CHAIRPERSON PFANNENSTIEL: It's
10 approved, thank you.

11 MR. YASNY: Thank you, Commissioners.

12 CHAIRPERSON PFANNENSTIEL: Item 4,
13 possible approval of Elk Hills Power's petition to
14 modify air quality conditions of certification to
15 conform to the San Joaquin Valley Air Pollution
16 Control District's permit to operate.

17 MR. YASNY: Hello, again. My name is
18 Ron Yasny. And the Elk Hills Power project is
19 outside of Bakersfield. And this amendment -- it
20 was certified in 2000; came online in '03 -- this
21 amendment mirrors the permit to operate by the
22 local District, as well as the EPA Title 5. And
23 it makes stricter limitations on the pollution
24 controls and the operation of the plant.

25 COMMISSIONER GEESMAN: Again, this was

1 reviewed by the Siting Committee, and we would
2 recommend its approval. So I would move approval
3 of staff recommendation.

4 COMMISSIONER BYRON: I'll second.

5 CHAIRPERSON PFANNENSTIEL: Further
6 discussion?

7 All in favor?

8 (Ayes.)

9 CHAIRPERSON PFANNENSTIEL: Thank you.

10 MR. YASNY: Thank you.

11 CHAIRPERSON PFANNENSTIEL: Item 5,
12 possible approval of amendment 1 to contract 500-
13 05-017 adding \$24,573 to install a motorized
14 chimney damper system necessary to complete field
15 testing of a natural gas fired aluminum smelter
16 burner. Good morning.

17 MR. LOZANO: Good morning. My name is
18 Michael Lozano with the -- industrial/ag water --.
19 The purpose of this amendment is to complete
20 testing as per the original contract, a flex --
21 burner.

22 As noted before, a new damper system is
23 to be installed to counteract a strong draft
24 produced by the (inaudible) for use with this
25 burning. This problem was discovered during the

1 course of testing and not anticipated in the
2 original budget.

3 This project utilizes a unique approach
4 which refines the high-temperature flame used to
5 re-melt aluminum. The aluminum re-melting
6 industry in California utilizes approximately 1.4
7 billion cubic feet of natural gas per year.

8 Testing results for the original project
9 to date showing 5.6 percent reduction in energy
10 consumption and a 43.2 percent reduction of NOx.
11 The modifications provided by this amendment is
12 needed to meet the goal of 10 to 20 percent
13 decrease in energy consumption, and 50 percent
14 reduction in NOx.

15 This amendment adds 24,573 to the
16 existing \$360,000 contract, for a total of
17 \$384,563; 14,573 is from the natural gas 2006
18 fiscal year, using up the remainder of the PIER
19 IAW budget for that year. And we're putting in
20 another 10,000 from the 2007 natural gas fiscal
21 year PIER IAW budget.

22 We're recommending that this amendment
23 be approved.

24 CHAIRPERSON PFANNENSTIEL: Thank you.
25 Are there questions? Discussion?

1 COMMISSIONER ROSENFELD: This came up
2 before the PIER Committee -- R&D Committee, and I
3 move it.

4 COMMISSIONER GEESMAN: Second.

5 CHAIRPERSON PFANNENSTIEL: All in favor?
6 (Ayes.)

7 CHAIRPERSON PFANNENSTIEL: Thank you.

8 MR. LOZANO: Thank you.

9 CHAIRPERSON PFANNENSTIEL: Item 6,
10 possible approval of contract 500-07-028 for
11 \$160,000 -- and that's a change from what was in
12 the published agenda -- with ICF Resources, LLC,
13 to address improving estimates of CH4 emissions
14 from natural gas systems in California, facilitate
15 future tracking of emission reductions and
16 identify opportunities for mitigation. Good
17 morning.

18 MR. FRANCO: Good morning,
19 Commissioners. My name is Guido Franco; I'm with
20 the Public Interest Energy Research program.

21 The Air Resources Board has identified
22 the reductions of methane leaks from the natural
23 gas system in California as one of the control
24 options that they would implement to comply with
25 AB-32.

1 As you know, AB-32 requires California
2 to reduce its greenhouse gas emissions to 1990
3 levels by 2020. However, the methane emission
4 estimates from the natural gas systems are highly
5 uncertain. This project will improve the emission
6 estimates for this source category, and estimated
7 options available to reduce fugitive methane
8 emissions for the natural gas system in
9 California.

10 This project was approved by the R&D
11 Committee. I'm ready to answer any questions that
12 you may have.

13 CHAIRPERSON PFANNENSTIEL: Questions?

14 VICE CHAIRPERSON BOYD: An observation,
15 perhaps. I'm glad to see this; I support this. I
16 thought my friends in the air quality community
17 had done this a long time ago. I'm surprise to
18 see that they have pushed this this far. And I'm
19 also surprised the industry doesn't -- since
20 natural gas is as valuable as it is today, I'm a
21 little surprised they aren't seeking these
22 fugitive emissions a little more diligently,
23 themselves.

24 But it needs to be done. It's
25 definitely a greenhouse gas emission that's far

1 more volatile than the CO2 that we spend so much
2 time pushing. So, it's definitely something we
3 need to do.

4 CHAIRPERSON PFANNENSTIEL: Thank you.
5 Further --

6 COMMISSIONER ROSENFELD: The R&D
7 Committee approved, and I move the item.

8 COMMISSIONER GEESMAN: Second.

9 CHAIRPERSON PFANNENSTIEL: All in favor?
10 (Ayes.)

11 CHAIRPERSON PFANNENSTIEL: Thank you.

12 Item 8, possible approval of amendment 1
13 to contract 500-05-027 with the U.S. Department of
14 Energy National Renewable Energy Laboratory,
15 adding \$651,296 for the second phase of the
16 Advanced Power Electronic Interface Initiative.
17 Good morning.

18 MR. TREANTON: Good morning, Chairman
19 Pfannenstiel and Commissioners. My name is
20 Bernard Treanton. I'm working with the PIER
21 program in the energy research and development
22 division.

23 Today I am recommending the approval of
24 amendment number 1 of contract 500-05-027 with
25 NREL for an amount of \$651,296. I want to

1 apologize for an oversight. At your business
2 meeting -- did not include staff recommendation to
3 extend the term of this contract. For the record
4 I am also requesting to extend the term of this
5 contract by 20 months until March 31, 2010 (sic).

6 I wish to explain the need for this
7 research. The present power advanced component
8 used for VOC standards generate low volume,
9 current design resulting in higher initial capital
10 costs, recurring maintenance and repair costs.

11 Present power advanced component costs
12 can amount to 40 percent of the total cost of the
13 system. The existing reliability of current power
14 advanced system is approved and lead to only a
15 five years warranty period.

16 On September 26, 2007, and as part of
17 the first phase of this initiative, the Energy
18 Commission approved the research and development
19 of 5 kilowatt API device for residential purposes.
20 The advanced power (inaudible) API is a multi --
21 six-phase research program.

22 The goal is to develop power (inaudible)
23 that was supposed to increase (inaudible)
24 distribution energy resource into the integral
25 emission system. The objective is to reduce cost

1 of power electronic interface by developing
2 (inaudible) power modules.

3 This amendment will fund the single
4 phase of the initiative during which NREL will
5 develop a scale-up design up to 100 kilowatt range
6 of advanced power electronic system for
7 commercialization. The technology developed by
8 NREL will come as close as possible to having
9 there being kind of a plug-in -- and have
10 application on various platform, including
11 renewable energy and plug-in hybrid.

12 Thank you. I would be glad to answer
13 any questions.

14 CHAIRPERSON PFANNENSTIEL: Thank you.
15 Are there questions?

16 COMMISSIONER ROSENFELD: I move it.

17 COMMISSIONER GEESMAN: Second.

18 CHAIRPERSON PFANNENSTIEL: All in favor?
19 (Ayes.)

20 CHAIRPERSON PFANNENSTIEL: It's
21 approved.

22 MR. TREANTON: Thank you.

23 CHAIRPERSON PFANNENSTIEL: Item 9,
24 possible adoption electricity and natural gas data
25 collection, forms and instructions. The forms are

1 based on the Energy Commission's updated data
2 collection regulations approved by the Office of
3 Administrative Law July 2007. Good morning.

4 MR. DANG: Good morning. My name is Ted
5 Dang; I'm here on behalf of Andrea Gough, the
6 staff responsible for putting together the
7 proposed changes to the forms and instructions.

8 These changes are a result of the
9 Commission's updated data collections regulation
10 approved by the Office of Administrative Law in
11 July of 2007.

12 We put these changes together and it's
13 been approved by the Electricity Committee. And
14 been circulated to stakeholders for review and
15 comments. We received four comments on
16 suggestions; and those are included in the errata.

17 The staff's recommending that we move
18 the Commission adopt these changes, along with our
19 suggestions.

20 CHAIRPERSON PFANNENSTIEL: And there's
21 an errata, I understand, that is available and has
22 been circulated?

23 MR. DANG: Yes. My apology for
24 including the errata late.

25 CHAIRPERSON PFANNENSTIEL: Are there

1 questions? Comments?

2 COMMISSIONER GEESMAN: I think it was
3 one of the prouder accomplishments of the
4 Electricity Committee this past year, and I'll
5 certainly move it with pleasure.

6 CHAIRPERSON PFANNENSTIEL: Is there a
7 second?

8 COMMISSIONER BYRON: I will second it.

9 CHAIRPERSON PFANNENSTIEL: So, approval
10 with errata.

11 All in favor?

12 (Ayes.)

13 CHAIRPERSON PFANNENSTIEL: Thank you.

14 VICE CHAIRPERSON BOYD: Good work.

15 CHAIRPERSON PFANNENSTIEL: Item 10,
16 possible approval of an order instituting
17 rulemaking authorizing a proceeding to adopt load
18 management standards for publicly owned utilities
19 and investor-owned utilities under the Public
20 Resources Code section 25403.5. Mr. Garcia, good
21 morning.

22 MR. GARCIA: Morning, Commissioners.
23 The 2007 Integrated Energy Policy Report
24 recognizes the importance of the load management
25 standards and recommends that the Energy

1 Commission institute a formal process to pursue
2 the adoption of load management standards in 2008.

3 This OII would institute an
4 informational and rulemaking proceeding to assess
5 which rates, tariffs, equipment, software,
6 protocols and other measures that would be
7 consistent with the principles articulated in the
8 07 Integrated Energy Policy Report. And it would
9 also adopt regulations and take other appropriate
10 actions to achieve a price-responsive electricity
11 market.

12 The Energy Commission's authority to
13 conduct this proceeding, and to adopt the load
14 management standards is from the Warren Alquist
15 Act, section 25403.5.

16 Furthermore, the IEPR further suggests
17 that these proceedings should develop default
18 dynamic tariffs and encourage the deployment of
19 automated technologies for residential and
20 nonresidential customers that enable customers to
21 respond to the opportunities created by dynamic
22 pricing tariffs.

23 And lastly, this order instituting
24 rulemaking would also close the previous ongoing
25 load management order, docket number 02-DR-01,

1 order number 0207171-18, dated 7/17/02, which is
2 still open.

3 Do you have any questions?

4 CHAIRPERSON PFANNENSTIEL: Thank you,
5 Al. Let me just comment that I think it is
6 important to note that we will be working with the
7 PUC, and to some extent the Independent System
8 Operator, in this rulemaking.

9 That there are many activities going on,
10 both at this Commission and at the PUC, in this
11 area. I've talked with Commissioners there, and
12 they are both aware of and supportive of what
13 we're doing. And we will need to coordinate to
14 make sure we get the highest value of this
15 proceeding.

16 But it is incumbent on the Energy
17 Commission to look at our authority and see what
18 we can do under the Public Resources Code to move
19 this process along.

20 Other questions, discussion?

21 Commissioner Geesman.

22 COMMISSIONER GEESMAN: Pleased to see
23 the responsiveness of the staff to the IEPR
24 recommendation in teeing this up for our first
25 business meeting of the year. I think that that

1 should signify the priority which the Commission
2 will attach to it in the coming year.

3 I would move approval.

4 CHAIRPERSON PFANNENSTIEL: Commissioner
5 Byron.

6 COMMISSIONER BYRON: Madam Chair, I,
7 too, am very much in favor of this. In fact, when
8 I read through it I guess I shouldn't have been
9 surprised, being another IEPR recommendation, but
10 the fact that it did come so quickly.

11 The Electricity Committee is also very
12 interested in this topic, and would be more than
13 happy to work with you. I'm assuming that you're
14 the one that will be signing this order, is that
15 correct?

16 CHAIRPERSON PFANNENSTIEL: It will come
17 from the Efficiency Committee, yes.

18 COMMISSIONER BYRON: Well, I would ask
19 if you would look for a role for the Electricity
20 Committee in supporting you.

21 CHAIRPERSON PFANNENSTIEL: Thank you. I
22 think that's a very good suggestion. We will do
23 that. I think it will be a stronger rulemaking if
24 it's jointly somehow between Efficiency and
25 Electricity. I think that's a very good

1 suggestion.

2 Further discussion? Questions?

3 COMMISSIONER ROSENFELD: Yeah. I want
4 to make some brief historical comments, and use
5 that as an opportunity to thank the staff for
6 hanging in there for seven years since the last
7 '02 OII.

8 This all started, in fact, during the
9 energy crisis of 2000 when we got \$32 million from
10 the Legislature to install interval meters for all
11 large customers over 200 kilowatts, and put them
12 on time-of-use rates. And that was a good start.

13 Since then we've adopted demand response
14 OIR. And the PUC, as Commissioner Pfannenstiel
15 said, has run many proceedings which did result in
16 approved plans for all three electric IOUs to
17 install about 10 million interval meters in every
18 building in their service territories. And now
19 it's time to bring in the munis.

20 All this was done with a joint staff, as
21 Commissioner Pfannenstiel said. And now it's time
22 for the CEC to indeed enlarge the activity, and as
23 I said, bring in the POUs.

24 Our joint vision with the PUC is to have
25 the utilities also install not only interval

1 meters, but what we call PCT, programmable
2 communicating thermostats. And to offer default
3 tariffs, what we call critical peak tariffs, which
4 will be very low prices offpeak, high prices on
5 every summer afternoon, and particularly high
6 prices on congested days.

7 We are pressing the IOUs to quickly
8 install this PCT for all customers. But the
9 important thing is that from the Energy
10 Commission's point of view this month we will
11 approve the 2008 Title 24 building standards which
12 will require interval meters and PCTs in all new
13 building sets where we have territory.

14 All this has required many man-years of
15 work with joint staff, which we will continue. So
16 I want to thank the CEC members of this team, and
17 to verbally award some of them what I guess I
18 would call endurance badges. Led by Mike
19 Messenger and Dave Hungerford, they include Ron
20 Hoffman, Roger Liebe, Mazi Shirahk, Karen Hurder,
21 Pat McAuliffe, Kristy Chew, Mike Gravely, Margaret
22 Sheridan and John Gooden who faithfully attended
23 on the part of the ISO.

24 In particular, he's not in the audience,
25 but Mike Messenger has led this from the

1 beginning. Mike's been on the CEC Staff for 25
2 years, or about that, and is now leaving to go
3 work for ITRON. I, and I think all of us, will
4 sorely miss his talent, hard work and imagination.

5 Fortunately, and in the audience, is
6 Dave Hungerford, who's got his work set forth for
7 him, but I hope is ready to take on the challenge.
8 Welcome, Dave. And we want to welcome Al Garcia
9 as a new part of the team.

10 So, lots and lots of thanks for a lot of
11 hard work spread over a lot of years. Thank you.

12 MR. GARCIA: Thank you, Commissioners.

13 CHAIRPERSON PFANNENSTIEL: Thanks, Art.
14 Let me say something about joint staff, because I
15 do think that's important. We have worked with
16 the PUC as joint staff in many of the proceedings,
17 including this one. And this is another
18 opportunity, as Commissioner Rosenfeld points out,
19 for joint staff.

20 I am encouraged that the PUC should be
21 sending some joint staff this way, that hopefully
22 they will loan us some staff to work with us in
23 this proceeding. Because it is something that
24 involves both agencies directly. And hopefully we
25 can move it forward on our schedule, but with some

1 help from the PUC.

2 In terms of patience on this proceeding,
3 I would also note that it was just about 30 years
4 ago that I was involved in an experiment on what
5 was then called peak load pricing or time-of-use
6 pricing on this very subject.

7 And 30 years ago it was determined to be
8 something that was really worth pursuing. But
9 some of us have had to be very patient to get it
10 moving.

11 Further discussion? Questions?

12 COMMISSIONER ROSENFELD: I think,
13 Commissioner Geesman, you move it --

14 COMMISSIONER GEESMAN: I moved it.

15 COMMISSIONER ROSENFELD: -- so I would,
16 with pleasure, like to second it.

17 CHAIRPERSON PFANNENSTIEL: All in favor?
18 (Ayes.)

19 CHAIRPERSON PFANNENSTIEL: Thank you,
20 Al.

21 MR. GARCIA: Thank you.

22 CHAIRPERSON PFANNENSTIEL: Minutes.

23 Approval of minutes of December 19, 2007 meeting.

24 VICE CHAIRPERSON BOYD: Move approval.

25 COMMISSIONER GEESMAN: Second.

1 CHAIRPERSON PFANNENSTIEL: In favor?

2 (Ayes.)

3 CHAIRPERSON PFANNENSTIEL: Approved.

4 On Commission Committee presentations,
5 does anybody have anything? I have an
6 announcement to make, but -- nothing?

7 Well, at our last meeting, our December
8 19th business meeting, we adjourned the public
9 session and went into executive session to discuss
10 a personnel matter. And specifically the
11 personnel matter was the interview of the
12 candidates for the Executive Director position,
13 which position we had been advertising for some
14 weeks or months preceding.

15 I would like to announce that we, in
16 fact, have made that selection. And both announce
17 it as a result of the executive session meeting,
18 but also for the public here.

19 And we have selected, with great
20 pleasure, Melissa Jones to be the Executive
21 Director of the Commission. Thank you, Melissa.

22 (Applause.)

23 CHAIRPERSON PFANNENSTIEL: I'm
24 personally both delighted and encouraged and
25 enthused. And I think it's going to be a romp.

1 (Laughter.)

2 COMMISSIONER ROSENFELD: Happy New Year.

3 (Laughter.)

4 EXECUTIVE DIRECTOR JONES: Thank you.

5 And Merry Christmas.

6 I just want to let you know that this is
7 an honor and a privilege for me, and I will work
8 hard and I hope that we will accomplish great
9 things. Thank you.

10 CHAIRPERSON PFANNENSTIEL: Thank you,
11 Melissa. We know you'll work hard.

12 Commissioner Byron.

13 COMMISSIONER BYRON: If I could just
14 add, you know, I think this is one of the most
15 important things we probably do, and you all have
16 done a number of times already. And I was really
17 impressed how my fellow Commissioners took this
18 very seriously.

19 Ms. Jones, you stood out and it's going
20 to be a great pleasure to have you as our
21 Executive Director. And I look forward to working
22 with you over the next couple of years -- my
23 tenure. Thank you.

24 CHAIRPERSON PFANNENSTIEL: Further
25 comment? Yes, Mr. Chamberlain.

1 MR. CHAMBERLAIN: Are you ready for my
2 report?

3 CHAIRPERSON PFANNENSTIEL: I am. If
4 there's nothing else on -- Commission report, yes,
5 Chief Counsel report.

6 MR. CHAMBERLAIN: Well, I have need of a
7 brief closed session to discuss a litigation
8 matter with you.

9 CHAIRPERSON PFANNENSTIEL: Will do.

10 MR. CHAMBERLAIN: It's the only thing I
11 have to report.

12 CHAIRPERSON PFANNENSTIEL: Thank you.
13 Executive Director report.

14 EXECUTIVE DIRECTOR JONES: I have
15 nothing to report today.

16 CHAIRPERSON PFANNENSTIEL: Thank you.
17 Leg Director. Michael.

18 MR. SMITH: Very brief. First, let me
19 offer my congratulations to Ms. Jones; excellent,
20 excellent choice.

21 COMMISSIONER ROSENFELD: Mike, do you
22 have your mike turned on?

23 MR. SMITH: Yes, I do. Is that better?

24 COMMISSIONER ROSENFELD: Yeah.

25 MR. SMITH: Just a couple of quick notes

1 to remind you that we have two bills that we are
2 analyzing that are set for hearing January 14th.
3 I reported on them last time, AB-1327, which would
4 extend the ECA loan term 15 years, out to 30
5 years.

6 And AB-1075, which would -- excuse me,
7 AB-1675, which does several things. It requires
8 the Department of Transportation, Caltrans, to
9 develop specs for medium- and heavy-duty vehicles,
10 fuel economy and emission specifications.

11 And also requires the Department of
12 Transportation to look at cement blending
13 specifications in an effort to reduce greenhouse
14 gas emissions at the manufacture of the concrete.

15 Another bill that has surfaced recently
16 is AB-1075, which is one of three bills from last
17 year that is trying to address this issue of
18 conversion, transformation for biogasification
19 systems.

20 1075 was recently amended significantly
21 and looks to be a fairly serious attempt to
22 address this definitional problem between our
23 statutes and the statutes of the Integrated Waste
24 Board.

25 So we're taking a very close look at

1 that in consultation with our friends over at the
2 Waste Board, to see if this is the sort of
3 language that perhaps once and for all will
4 address this issue.

5 Lastly, I just want to remind you also
6 that the hearing the Assembly Commerce Committee
7 wants to have on the summer 2008 outlook is set
8 for, almost set for the week of January 21st.

9 So not clear what day. They typically
10 meet on Monday, so it's possible that it could be
11 Monday, the 21st, but the date hasn't been set.
12 And it looks as if it's a one-agency show, but
13 we're trying to get confirmation on that from Mr.
14 Randolph over at the Committee.

15 And that's all I have, unless you folks
16 have questions.

17 CHAIRPERSON PFANNENSTIEL: Mike, is
18 there any further word from Assembly utilities on
19 their oversight hearing on the Energy Commission
20 that was scheduled for some time in December and
21 then canceled?

22 MR. SMITH: No word on that at all. The
23 consultant that was working on that has been out
24 most of December. With the starting session just
25 around the corner, the fiscal issues that they're

1 going to have to tackle, the Governor's fiscal
2 emergency declaration, et cetera, --

3 CHAIRPERSON PFANNENSTIEL: Probably
4 unlikely.

5 MR. SMITH: -- probably unlikely.

6 CHAIRPERSON PFANNENSTIEL: Other
7 questions? Thank you.

8 Public Adviser report.

9 MR. BARTSCH: Madam Chair, Members, Nick
10 Bartsch, Public Adviser's Office. Nothing to
11 report at this time. Thanks.

12 CHAIRPERSON PFANNENSTIEL: Thank you,
13 Nick.

14 Anything further? Any public comment?
15 Seeing none, we'll be adjourned. Thank
16 you.

17 (Whereupon, at 10:40 the business
18 meeting was adjourned into executive
19 session.)

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CERTIFICATE OF REPORTER

I, DEBI BAKER, an Electronic Reporter, do hereby certify that I am a disinterested person herein; that I recorded the foregoing California Energy Commission Business Meeting ; that it was thereafter transcribed into typewriting.

I further certify that I am not of counsel or attorney for any of the parties to said meeting, nor in any way interested in outcome of said meeting.

IN WITNESS WHEREOF, I have hereunto set my hand this 9th day of January, 2008.



DEBI BAKER