

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:)
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Business Meeting)
)
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CALIF ENERGY COMMISSION
JUL 15 2008
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CALIFORNIA ENERGY COMMISSION
HEARING ROOM A
1516 NINTH STREET
SACRAMENTO, CALIFORNIA

WEDNESDAY, JULY 2, 2008

10:06 A.M.

ORIGINAL

Reported by:
Peter Petty
Contract Number: 150-07-001

COMMISSIONERS PRESENT

Jeffrey D. Byron, Acting Chairperson

Arthur H. Rosenfeld

Karen Douglas

STAFF and CONTRACTORS PRESENT

Melissa Jones, Executive Director

William Chamberlain, Chief Counsel

Marni Weber, Legislative Director

Harriet Kallemeyn, Secretariat

David Vidaver

Lisa DeCarlo

George Gaborek

Rachel Grant

Dave Michel

PUBLIC ADVISER

Elena Miller

ALSO PRESENT

Hari Modi

Northern California Power Agency

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1 P R O C E E D I N G S

2 10:06 a.m.

3 ACTING CHAIRPERSON BYRON: Good morning
4 and welcome to the regular business meeting of the
5 California Energy Commission for July 2, 2008.

6 Please join me in the pledge of allegiance.

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

9 ACTING CHAIRPERSON BYRON: Thank you.
10 You can tell, we're a little short-shifted on the
11 Commissioners this morning, so I'll be chairing
12 the meeting at the Chairman's request.

13 I don't believe there's any changes to
14 the agenda, okay. So unless there's any
15 disagreement on the consent calendar, do I have a
16 motion?

17 COMMISSIONER ROSENFELD: I move the
18 consent calendar.

19 COMMISSIONER DOUGLAS: Second it.

20 ACTING CHAIRPERSON BYRON: Thank you.

21 All in favor?

22 (Ayes.)

23 ACTING CHAIRPERSON BYRON: Item 2, I
24 believe, is correctly worded, should be Northern
25 California Power Agency. Compliance determination

1 regarding the emission performance standard for
2 Northern California Power Agency, NCPA, contract
3 with Western GeoPower. The Commission is asked to
4 rule on the compliance contract between NCPA and
5 Western GeoPower for delivery of as-available
6 energy from a geothermal facility at the Geysers
7 with the emissions performance standard for
8 publicly owned utilities. We have Mr. Vidaver and
9 Ms. DeCarlo.

10 MR. VIDAVER: Good morning,
11 Commissioners. Dave Vidaver with the electricity
12 analysis office of the Commission.

13 In May the Northern California Power
14 Agency entered into a long-term power purchase
15 agreement with Western GeoPower, Incorporated, for
16 the output of a new geothermal facility to be
17 located at the Geysers in Sonoma County.

18 This facility is expected to come online
19 in 2010 and generate 25 to 35 megawatts of
20 baseload energy. NCPA has secured the rights to
21 all output and environmental attributes for a 20-
22 year period, with a mutual option to extend the
23 agreement for an additional five years.

24 As the PPA is for more than five years,
25 and it's for energy from a baseload facility of 10

1 megawatts or more in size, it must comply with the
2 emission performance standard for local publicly
3 owned electric utilities established by this
4 Commission and set forth in Title 20, sections
5 2900 to 2913 of the California Code of
6 Regulations.

7 These regulations also require that NCPA
8 submit a compliance filing to the Energy
9 Commission; and that the Commission rule upon the
10 compliance of the agreement with the standard.

11 Staff has reviewed the compliance filing
12 and recommends that the agreement be found
13 compliant with the emissions performance standard.

14 The geothermal facility is a renewable
15 electricity generation facility, as defined in
16 chapter 8.6 of division 15 of the Public Resources
17 Code. Section 2903, subsection (b) of the
18 aforementioned regulations declares that such
19 facilities are determined to be compliant with the
20 standard.

21 The Natural Resources Defense Council
22 has asked that we bring to your attention two
23 facts that NCPA failed to meet public noticing
24 requirements contained in section 2908 of the
25 regulations, which requires that any local

1 publicly owned utility considering an investment
2 that is covered by the regulations, notify the
3 Commission of the time and place of public
4 discussion of the investment.

5 And that NCPA also failed to submit the
6 compliance filing within ten days of entering into
7 the PPA, as required by section 2909 of the
8 regulations.

9 NRDC does not question, however, that
10 the investment is compliant with the EPS.

11 In NCPA's defense, staff would like to
12 point out that public noticing requirements
13 imposed on local public authorities led to
14 consideration of this investment in perhaps as
15 many as a dozen noticed forums. And that NCPA has
16 a long history of cooperation and occasional
17 collaboration with the Commission and its staff.

18 Thank you.

19 ACTING CHAIRPERSON BYRON: Yes, I
20 noticed, as well, that they were a little bit
21 late. Commissioners, any questions on this item?

22 This was originally going to be on the
23 consent agenda, and we asked in the Siting
24 Committee, that it be put on full -- as a full
25 agenda item for discussion.

1 Since it's required by the regulations
2 in 1368 that the Commission approve all of these,
3 it seems as though, if I recall, this is the first
4 one?

5 MR. VIDAVER: Yes, sir.

6 ACTING CHAIRPERSON BYRON: It seems as
7 though it would be a good idea to make it clear to
8 the Commissioners what was behind all of this. I
9 think in the future we'd be inclined to put these
10 on consent. The Siting Committee will make that
11 determination, but I suspect that'll be the case
12 unless there's any objection or problem.

13 It was the Electricity and Natural Gas
14 Committee --

15 MR. VIDAVER: Yes, sir.

16 ACTING CHAIRPERSON BYRON: -- my
17 mistake. So, there's no further questions. I
18 don't believe anyone here is from -- anyone here
19 from NCPA --

20 COMMISSIONER ROSENFELD: There is, yes.

21 ACTING CHAIRPERSON BYRON: Would you
22 like to speak, please?

23 MR. MODI: No, this is fine.

24 ACTING CHAIRPERSON BYRON: Please come
25 to the microphone. And identify yourself, please.

1 MR. MODI: My name is Hari Modi from
2 Northern California Power Agency. We recognize
3 the fact that we inadvertently failed to file, and
4 we are sorry for that. But as soon as it was
5 brought to our attention, we made the filing.

6 ACTING CHAIRPERSON BYRON: Thank you. I
7 think NRDC's concern is not with regard to a
8 geothermal power plant, obviously. So I thank you
9 for being here and addressing that issue.

10 MR. MODI: Thank you.

11 ACTING CHAIRPERSON BYRON: Okay, if
12 there's no further questions.

13 COMMISSIONER ROSENFELD: I move the
14 item.

15 COMMISSIONER DOUGLAS: I second it.

16 ACTING CHAIRPERSON BYRON: All in favor?

17 (Ayes.)

18 ACTING CHAIRPERSON BYRON: Okay, thank
19 you.

20 Item 3, Andes Consulting, LLC. Possible
21 approval of purchase order 08-409.00-001 for
22 \$250,000 with Andes Consulting, LLC, for
23 programming services and database development for
24 the Energy Commission's essential information
25 technology systems. This is ERPA funding. Mr.

1 George Gaborek.

2 MR. GABOREK: Good morning,
3 Commissioners. My name is George Gaborek and I am
4 the Manager of the project development and support
5 office of IT.

6 We are seeking your approval for a two-
7 year, \$250,000 contract awarded to Andes
8 Consulting, a limited liability company, to
9 provide programming services for application and
10 database development and support.

11 And the support contract will only cover
12 services rendered for short-term projects and/or
13 overflow from current projects in which there is a
14 need for additional resources.

15 Information technology services branch
16 is responsible for administering, supporting and
17 maintaining numerous applications and databases
18 throughout the Commission. These systems are used
19 by staff in the financial services branch and
20 human resources and support services branch to
21 perform numerous financial and personnel
22 management functions, as well as staff in the
23 program divisions to perform functions such as
24 data collection, analysis, forecasting, generate
25 simulations, reports and administration of

1 petroleum fuels.

2 With this contract ITSB will be in the
3 position to solve immediate application and
4 database problems, and process requests for
5 modification and enhancements from CEC Staff.

6 ACTING CHAIRPERSON BYRON: Any
7 questions?

8 COMMISSIONER DOUGLAS: No.

9 COMMISSIONER ROSENFELD: No.

10 ACTING CHAIRPERSON BYRON: Okay.

11 COMMISSIONER ROSENFELD: I move the
12 item.

13 COMMISSIONER DOUGLAS: Second.

14 ACTING CHAIRPERSON BYRON: Thank you.

15 All in favor say aye.

16 (Ayes.)

17 ACTING CHAIRPERSON BYRON: Opposed?

18 Good. Thank you.

19 EXECUTIVE DIRECTOR JONES: Commissioner,
20 I have one item on the consent items that were
21 just approved. There is an error in item number
22 4. We might want to pull that --

23 COMMISSIONER ROSENFELD: Item d?

24 EXECUTIVE DIRECTOR JONES: I mean item
25 f, excuse me. Item f. The contract should be

1 with the University of California, not the
2 Lawrence Berkeley National Laboratory.

3 MS. GRANT: Actually, -- I'm sorry --
4 but I just talked to them on the phone; it's the
5 University of California/Lawrence Berkeley
6 National Laboratory instead of DOE/Lawrence
7 Berkeley National Laboratory.

8 EXECUTIVE DIRECTOR JONES: Okay,
9 University of California.

10 MS. GRANT: Yes.

11 EXECUTIVE DIRECTOR JONES: I'm sorry for
12 the confusion here. So, if we could just --

13 COMMISSIONER ROSENFELD: That's called
14 just in time, right.

15 EXECUTIVE DIRECTOR JONES: Pardon?

16 ACTING CHAIRPERSON BYRON: Just in time.

17 COMMISSIONER ROSENFELD: That's called
18 just in time.

19 EXECUTIVE DIRECTOR JONES: Yes, that's
20 called just in time, right.

21 So, if you wanted to pull it as an item,
22 and then we could read it into the record and we
23 could take action on it, since this is a change to
24 it.

25 ACTING CHAIRPERSON BYRON: All right.

1 So, we will pull item 1.f., without objection,
2 from the consent calendar.

3 COMMISSIONER ROSENFELD: And take it up?

4 ACTING CHAIRPERSON BYRON: And take it
5 up in this meeting?

6 EXECUTIVE DIRECTOR JONES: Yes.

7 ACTING CHAIRPERSON BYRON: Okay.

8 EXECUTIVE DIRECTOR JONES: You could
9 take it up after the last item on the agenda.

10 ACTING CHAIRPERSON BYRON: Okay.

11 EXECUTIVE DIRECTOR JONES: Again, I
12 apologize for the confusion.

13 ACTING CHAIRPERSON BYRON: All right.
14 Help remind me to come back to it.

15 All right, so I think we're on item 4.
16 This is an energy innovation small grant program.
17 Possible approval of \$860,822 for ten proposals
18 from solicitation cycle 07-02 of the energy
19 innovations small grant program. This is PIER
20 funding. Mr. Michel.

21 MR. MICHEL: Good morning,
22 Commissioners. Item 4 on the agenda contains ten
23 competitively selected small grant projects that
24 have been approved by the Commission for
25 Commission consideration by the RD&D Committee.

1 The projects have been selected from 52
2 grant applications received from the 28
3 solicitation, 07-02. Twenty-seven have passed our
4 initial screening process and advanced to our
5 technical review. Seventeen exceeded the minimum
6 score in technical review, and then advanced to
7 our program and technical review board to conclude
8 our scoring.

9 Three projects were approved at an
10 earlier business meeting and are back as amended
11 projects. In the first two cases the researchers
12 changed their institutions, and one changed
13 researchers.

14 In all cases we've cleared this process
15 with Legal. The one case, item e is the one where
16 we changed researchers. And the initial
17 researcher will be an unpaid consultant to the
18 work, and it went through our scoring committee
19 just to make sure that the process was scored
20 properly and done according to our process.

21 In terms of PIER areas, six projects are
22 in the renewables technology; two are in the
23 environmentally preferred advanced generation
24 technologies; one in the business and use-related
25 area; and one in the energy systems integration

1 area.

2 In terms of applicants, five
3 technologies are offered by the academic
4 community; three by individuals; and two by small
5 businesses.

6 The total funding request for the ten
7 projects is \$860,822, which is well within our
8 available program budget.

9 I recommend the ten grant projects for
10 Commission consideration and approval.

11 Do you want me to name the ten projects?

12 ACTING CHAIRPERSON BYRON: I don't think
13 that's necessary. I'll take a correction, though,
14 if that's the case.

15 COMMISSIONER ROSENFELD: These went
16 through the R&D Committee after all, so --

17 ACTING CHAIRPERSON BYRON: Do you want
18 to comment on any of them in particular?

19 COMMISSIONER ROSENFELD: No. We were
20 happy with all ten.

21 ACTING CHAIRPERSON BYRON: Good. I have
22 a question or two.

23 MR. MICHEL: Sure.

24 ACTING CHAIRPERSON BYRON: Maybe I
25 don't. I think I got my -- I received answers to

1 my questions earlier. I was going to ask you,
2 though, you have a very strong technical review
3 board here.

4 MR. MICHEL: Yes.

5 ACTING CHAIRPERSON BYRON: And I wanted
6 to ask in particular, are any of these folks
7 volunteers, or are most of them in a paid
8 capacity?

9 MR. MICHEL: Most of them are in a paid
10 capacity. Their stipend is not very big. That's
11 all I can say. If there's any issue with that,
12 I'd like to bring that up with that Board.

13 ACTING CHAIRPERSON BYRON: No, no issue
14 at all. I think it's excellent to have this kind
15 of outside review of projects. And clearly this
16 is an important part of the PIER program, these
17 innovative grants.

18 MR. MICHEL: What we're trying to do
19 with that same Board is leverage that knowledge
20 base, and help us with recommendations for follow-
21 on funding, recommendations that come out of
22 successful projects that come out of that program.

23 So we're trying to include them and use
24 them for that -- in the same meetings to do
25 additional work and get better utilization from

1 them.

2 ACTING CHAIRPERSON BYRON: Um-hum.

3 Well, my thanks to them. Obviously we benefit
4 from having their oversight on the selection of
5 these projects.

6 So, if there's no further questions.

7 COMMISSIONER ROSENFELD: I move all ten.

8 COMMISSIONER DOUGLAS: I'll second it.

9 ACTING CHAIRPERSON BYRON: All in favor?

10 (Ayes.)

11 MR. MICHEL: Thank you.

12 ACTING CHAIRPERSON BYRON: Thank you.

13 EXECUTIVE DIRECTOR JONES: Commissioner

14 Byron, would you like me to prepare a letter of

15 thanks to the individuals who participate in

16 scoring these?

17 ACTING CHAIRPERSON BYRON: Well, if

18 that's not inappropriate. I think this may be the

19 only recognition they get, besides Mr. Michel's

20 thanks. And I --

21 EXECUTIVE DIRECTOR JONES: I'd be happy

22 to do that.

23 ACTING CHAIRPERSON BYRON: -- I think

24 the program really benefits from this kind of

25 review.

1 MR. MICHEL: And just to add, we've, in
2 the past, just to mention that we are also doing
3 natural gas research and transportation research
4 with just -- we currently have our first
5 transportation solicitation currently open.

6 ACTING CHAIRPERSON BYRON: All right,
7 thank you.

8 I'd like to go back to the consent item
9 l.f. And I'll read the corrected language, at
10 least the initial portion of it. It should read:
11 Lawrence Berkeley National Lab, possible approval
12 of contract 500-08-001 for \$10,000 with University
13 of California-Lawrence Berkeley National Lab" and
14 the rest is unchanged.

15 So, do I have a motion for this item?

16 COMMISSIONER ROSENFELD: I so move item
17 l.f. to be reworded.

18 COMMISSIONER DOUGLAS: Second that.

19 ACTING CHAIRPERSON BYRON: Thank you.

20 All in favor?

21 (Ayes.)

22 ACTING CHAIRPERSON BYRON: I believe,
23 moving to item 5, that we do not have a quorum of
24 attendees for the May 21st business meeting
25 minutes. But we do for June 18, is that correct?

1 Good.

2 So, do I have a motion?

3 COMMISSIONER DOUGLAS: Move approval.

4 COMMISSIONER ROSENFELD: Second.

5 ACTING CHAIRPERSON BYRON: All in favor?

6 (Ayes.)

7 ACTING CHAIRPERSON BYRON: Thank you.

8 Item 6, Commission Committee

9 presentations or discussions. Commissioner, did
10 you have an announcement?

11 COMMISSIONER ROSENFELD: Oh, yes. Some
12 people were probably expecting a good bye
13 recognition of John Wilson, but we're going to get
14 more people at 2:30 on the second -- 2:00, thank
15 you, 2:00 correction, at 2:00 for an ice cream
16 social on the second floor of the atrium.

17 ACTING CHAIRPERSON BYRON: Good.

18 Item 7, Chief Counsel's report.

19 CHIEF COUNSEL CHAMBERLAIN: Mr.

20 Chairman, I need a brief closed session with the
21 Commission for an item of potential litigation.

22 ACTING CHAIRPERSON BYRON: Okay, that'll
23 be in my office. And, thank you.

24 Executive Director's report.

25 EXECUTIVE DIRECTOR JONES: I do have a

1 short report this morning. It was hard to miss
2 the fun in the sun activities last week for the
3 Commissioners and for our staff. Several of you
4 participated whether it was playing golf, scooping
5 ice cream or attending the picnic or playing some
6 of the games.

7 I want you all to know how much the
8 staff appreciated the fact that Commissioners were
9 there and participated in this. They commented to
10 me that it was great to see you guys there having
11 fun.

12 In our mission statement at the
13 Commission we state that the Energy Commission's
14 most valuable resource is its personnel. Each
15 person is to be treated with dignity and respect,
16 fairness and understanding. Managers and
17 supervisors strive to recruit, train, develop and
18 retain employees who are skilled, motivated,
19 creative, intelligent and reflective of the
20 cultural diversity of the public that the Energy
21 Commission serves.

22 Commissioners and managers are committed
23 to providing the leadership to create a positive
24 work environment for Energy Commission employees
25 that offers opportunities for superior

1 performance, some of which we acknowledged at our
2 last business meeting, recognition, rewards and
3 professional fulfillment.

4 Last week's activities were designed to
5 honor our staff. To build relationships, and to
6 create a positive working environment. It has
7 often been said that we spend more time here with
8 our colleagues working than we do with our own
9 families. And by creating a positive work
10 environment we not only make a difference in the
11 work that we do, we enjoy ourselves in the
12 process.

13 I want to thank you all for
14 participating in the fun in the sun activities in
15 the past week. We will be planning additional
16 activities to continue team building and to build
17 the morale of the staff. We have a wonderful
18 staff. We saw some very talented individuals at
19 the picnic. I was very impressed and thank Bill
20 Chamberlain for pulling together the musicians.
21 We had four different bands.

22 It's wonderful to see our employees in a
23 different light, and see that, you know, there's
24 more to each of us than just what we do here at
25 work.

1 So, I wanted to thank you in helping me
2 to foster a good working environment for our
3 staff.

4 With that, that's my report.

5 COMMISSIONER ROSENFELD: Good report.

6 ACTING CHAIRPERSON BYRON: Yeah, I think
7 that's excellent. And I'm really glad to see
8 that. I understand that we will have more of
9 those throughout the year, more of those kind of
10 events, and hopefully a similar event next year.

11 EXECUTIVE DIRECTOR JONES: Yes.

12 ACTING CHAIRPERSON BYRON: I also
13 understand some of the Commissioners that were in
14 attendance were hardly recognized as they
15 participated in games.

16 (Laughter.)

17 ACTING CHAIRPERSON BYRON: In jeans
18 and -- and I know that there's -- I participated
19 in the golf tournament on Wednesday and a couple
20 of my team members are here. We had an excellent
21 team that carried this Commissioner to a second-
22 place finish.

23 Okay, well, that's great. Thank you.

24 Legislative Director's report, Ms.

25 Weber.

1 LEGISLATIVE DIRECTOR WEBER: Good
2 morning, Commissioners. A short one this morning.
3 As you know, we've passed the deadline for policy
4 committees and bills are now heading off to
5 appropriations.

6 The Legislature is supposed to go on
7 vacation tomorrow, but because the budget has not
8 been passed they've been asked to stick around
9 until that happens. As such, there are
10 appropriations committees scheduled for the next
11 couple of weeks, and floor sessions.

12 So we could be seeing some bills on
13 their way to the Governor's Office very soon. And
14 we'll be doing reports for those bills.

15 Also, as I reported to you previously,
16 we've had two propositions qualify for the ballot,
17 and the Secretary of State has now assigned
18 numbers for those propositions. Proposition 7,
19 the renewable energy ballot initiative. And the
20 bond alternative fuels initiative is proposition
21 10.

22 And that should do it for my report
23 today. Thank you.

24 ACTING CHAIRPERSON BYRON: Thank you.
25 Do we have a Public Adviser's report?

1 COMMISSIONER ROSENFELD: We have a
2 Public Adviser.

3 PUBLIC ADVISER MILLER: A very short
4 one. Good morning. Elena Miller on behalf of the
5 Public Adviser's Office. Tomorrow will be my
6 first day as Public Adviser.

7 I have nothing new to report. I
8 anticipate hopefully having an Associate Public
9 Adviser soon, so we will soon have an up-and-
10 running office, almost fully staffed.

11 Nothing else to report, thank you.

12 ACTING CHAIRPERSON BYRON: Good, thank
13 you.

14 Is there any public comment? Seeing
15 none, I believe that we're complete for the
16 morning. Let's adjourn for a closed session in my
17 office to discuss potential litigation.

18 (Whereupon, at 10:28 a.m., the business
19 meeting was adjourned into closed
20 session.)

21 --o0o--

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CERTIFICATE OF REPORTER

I, PETER PETTY, 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 14th day of July, 2008.

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