

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of: )  
 )  
Business Meeting )  
\_\_\_\_\_ )

<b>DOCKET</b>	
<b>BUS MTG</b>	
DATE	<u>July 15 2009</u>
RECD.	<u>July 22 2009</u>

CALIFORNIA ENERGY COMMISSION  
HEARING ROOM A  
1516 NINTH STREET  
SACRAMENTO, CALIFORNIA



WEDNESDAY, July 15, 2009  
10:00 A.M.

Reported by:  
Peter Petty CER\*\*D-493

COMMISSIONERS (and their advisors) PRESENT

Karen Douglas, Chair

Jeffrey D. Byron

Julia A. Levin

Arthur H. Rosenfeld

STAFF PRESENT

Claudia Chandler, Chief Deputy Director

Arlene Ichien, Assistant Chief Counsel

Chris Davis

Eric Knight

Bill Pennington

Sylvia Bender

Mike Smith

Ray Tuvell

Alicia Macias

Guido Franco

Ken Koyama

Norm Bourassa

Chris Scruton

Virginia Lew

Linda Spiegel

ALSO PRESENT

Scott Galati, Esq., Galati & Bleck

Jon Maring, Pacific Gas & Electric

Tiffany Rau, Hydrogen Energy

Joseph Fischer, CA EPA: Air Resources Board

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

2 JULY 15, 2009

10:05 a.m.

3 CHAIRPERSON DOUGLAS: Good morning. Welcome to  
4 the California Energy Commission Business Meeting of July  
5 15<sup>th</sup>, 2009.

6 Please join me in the Pledge.

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

9 CHAIRPERSON DOUGLAS: Thank you. Welcome back,  
10 Commissioner Levin. It's good to have you here. We will  
11 begin with the consent calendar. Is there a motion?

12 COMMISSIONER ROSENFELD: I move the consent  
13 calendar.

14 COMMISSIONER BYRON: Second.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 That item is approved.

18 Item 2. Colusa Generating Station, 06-AFC-9C.

19 Possible approval of Pacific Gas & Electric  
20 Company's petition to modify the Colusa Generating Station  
21 Project. Mr. Davis.

22 MR. DAVIS: Good morning. My name is Chris Davis  
23 and I am the Compliance Project Manager for the Colusa  
24 Generating Station. With me here this morning,  
25 representing Energy Commissioner Quality Staff is Matthew

1 Layton, and staff counsel, Kevin Bell.

2 Colusa is a 660 megawatt natural gas-fired  
3 combined cycle facility owned by Pacific Gas & Electric  
4 Company, and was certified on April 23<sup>rd</sup> of 2008. The  
5 project is located in Colusa County about an hour north of  
6 Sacramento, just off of I-5, and is currently under  
7 construction; it is approximately 34 percent complete.

8 The petition filed on August 15<sup>th</sup>, 2008 recommends  
9 or requests a number of project modifications revising the  
10 Emission Reduction Credit Package List, moving things  
11 around on the side a bit, roads, equipment, eliminating the  
12 diesel emergency generator and auxiliary boiler,  
13 eliminating or replacing the diesel fire pump with electric  
14 fire pump, adding a natural gas water evap heater system,  
15 and a wet surface air cooler. That last item, only because  
16 Energy Commission staff is recommending two new conditions  
17 of certification for it, AQSC 10 and AQSC 11. The Air  
18 District did not have any new or revised conditions to do  
19 with the wet surface air cooler, but did propose revising  
20 10 of its conditions, revisions which Energy Commission  
21 staff recommends you approve, and they have to do with  
22 changes in the Emission Reduction Credit package and the  
23 expected emissions from the project, and the equipment  
24 changes.

25 Staff is proposing changes to Condition of

1 Certification AQSC 7 and its reference to Appendix ERC or  
2 Emission Reduction Credit package list; they account for  
3 the project owner's requested modifications and also  
4 clarify how that package can be adjusted in the future,  
5 should it be necessary. The Notice of Receipt of this  
6 Amended Petition was filed or docketed, posted to the  
7 Energy Commission website, and mailed to the post-  
8 certification mailing list on September 19<sup>th</sup> of 2008. The  
9 staff analysis of these proposed modifications was  
10 docketed, mailed to the post-certification mailing list,  
11 and posted on the Energy Commission website on April 8<sup>th</sup> of  
12 this year. We have received no comments. With the  
13 recommended revised and added conditions of certification,  
14 the project modifications will actually result in an air  
15 quality benefit compared to the original project design,  
16 and staff is recommending your approval. Any questions?

17 CHAIRPERSON DOUGLAS: Thank you. First, can we  
18 hear from the Applicant?

19 MR. GALATI: Scott Galati representing PG&E.

20 MR. MARING: Jon Maring, Senior Director of PG&E.  
21 We would like to thank Scott for processing this amendment.  
22 We think that the reason that this amendment came before  
23 you, as you may recall, is the original Applicant was E&L  
24 [3:59] West Coast. We were up to acquire the project at  
25 the end, after it was constructed. At some point right

1 before actually evidentiary hearings, we acquired the  
2 project because E&L West Coast was not going to go forward  
3 with the project. We did, we came in and we did the  
4 evidentiary hearings, we think we solved some issues, and  
5 went quickly to construction. These changes are due to our  
6 final design, as I think all projects have minor  
7 amendments. I think that we are acutely aware of the  
8 Commission's stance on trying to avoid bringing lots of  
9 amendments to projects. One of the things that we are  
10 trying to do in our current cases, me personally, is trying  
11 to allow flexibility in the conditions where things do  
12 change a little bit and they are not going to result in any  
13 non-compliance with LORS or any additional impacts, that  
14 they be able to handle administratively through the  
15 compliance -- and there are several places where we are  
16 recommending that we do that. In this case, there is a  
17 condition that says, if you modify your air quality permit,  
18 you bring that to the Energy Commission staff, and if the  
19 air quality permit was all that was done, we probably --  
20 and no conditions change -- we probably would not have had  
21 to come before you, but what we did was we optimized the  
22 site and some of these things moved around, and so that is  
23 why we had to do that amendment. The Energy Commission's  
24 project descriptions are very very specific and we are  
25 going to be recommending in the future, on behalf of my

1 firm, that where specificity is not necessary, that we  
2 allow some flexibility so we do not have to do some of  
3 these things. We still would have had to come, eliminating  
4 some emission sources and replacing them with others, but  
5 we are working our best not to have to do this. But this  
6 was an optimized design change that resulted in air quality  
7 benefits, so we ask your approval. We agree to the  
8 conditions.

9 CHAIRPERSON DOUGLAS: Thank you, Mr. Galati, and  
10 I appreciate your comments about trying to -- recognizing  
11 that the Commission would like to see the projects when we  
12 approve them complete and able to go forward without need  
13 for returning for amendments. And at the same time, we  
14 recognize that sometimes you do have to return for  
15 amendments. Are there questions from the Commission?

16 COMMISSIONER BYRON: A comment only. I think the  
17 staff has done a good job reviewing this, and Mr. Galati  
18 has addressed my concern. So I am prepared to move the  
19 item.

20 COMMISSIONER ROSENFELD: Second.

21 CHAIRPERSON DOUGLAS: All in favor?

22 (Ayes.)

23 This item is approved.

24 COMMISSIONER BYRON: Thank you very much.

25 CHAIRPERSON DOUGLAS: Item 3. Hydrogen Energy

1 California, 08-AFC-8. Mr. Jones, I will just say there is  
2 one change to sub (a) under this item. This is not  
3 possible approval of the revised application; this is  
4 possible acceptance of the revised application. In your  
5 introduction, please clarify that, as well.

6 MR. KNIGHT: Sure. My name Eric Knight. I am  
7 the Manager of the Siting and Dockets Office, filling in  
8 for Eileen Allen this morning. With me is Kerri Willis,  
9 staff counsel, and Rod Jones, the project manager, sitting  
10 back here in the first row here. Thank you for the note.  
11 It should read "3(a), Possible Acceptance of the AFC." We  
12 are not asking for approval of the project at this time, we  
13 are just starting.

14 On May 28<sup>th</sup>, 2009, Hydrogen Energy International  
15 submitted a revised Application for Certification to the  
16 Energy Commission to construct and operate an Integrated  
17 Gasification Combine Cycle Power Generating Facility called  
18 the Hydrogen Energy California Project. The revised AFC  
19 docket no. 08-AFC-8 replaces, in its entirety, the original  
20 AFC, which was filed on July 31<sup>st</sup>, 2008, for the same  
21 project but with a different siting. The Applicant decided  
22 to move the project when it discovered the existence of  
23 previously undisclosed biological resources at the prior  
24 site.

25 The proposed project would gasify petroleum coke

1 or blends of petroleum coke and coal, as needed, for its  
2 hydrogen to fuel a combustion turbine operating in combined  
3 cycle mode. The combined cycle power plant would have a  
4 net power output of 250 megawatts. In addition,  
5 approximately 100 megawatts of natural gas-fired peaking  
6 power would be available for the project. The gasification  
7 component of the project would capture approximately 90  
8 percent of the carbon dioxide produced, which would be  
9 transported to a point within the Elk Hills Oil Field for  
10 enhanced oil recovery and site restriction. The proposed  
11 project would be located on a 473-acre site located in  
12 Western Unincorporated Kern County, approximately seven  
13 miles west of the city of Bakersfield.

14 Staff's initial review of the AFC, as reflected  
15 in the Executive Director's June 25<sup>th</sup>, 2009 Memorandum,  
16 found the AFC deficient in four technical areas. Those are  
17 air quality, biological resources, cultural resources, and  
18 transmission system design. On the afternoon of July 13<sup>th</sup>,  
19 2009, the Applicant submitted a supplement to the AFC to  
20 correct the deficiencies. Staff has not had a chance to  
21 review the supplement. It is our intention to schedule a  
22 second Commission determination of the adequacy and  
23 possible committee assignment for the project for the  
24 August 12<sup>th</sup> Business Meeting.

25 For today's meeting, we ask that you find the AFC

1 inadequate and adopt the list of deficiencies attached to  
2 the Director's Memorandum in your packets. That concludes  
3 my presentation. I am available for any questions you may  
4 have.

5 CHAIRPERSON DOUGLAS: Thank you very much. May  
6 we hear from the Applicant?

7 MS. RAU: Yes, hello. I am Tiffany Rau with  
8 Hydrogen Energy International. I just wanted to take a  
9 moment to thank the staff for their interest and  
10 cooperation as we lead up to the earlier submittal and the  
11 recent revision. And, as Mr. Knight pointed out, we have  
12 provided a Supplemental Response and look forward to a  
13 final determination at the August meeting. We consider the  
14 Hydrogen Energy California project an important source of  
15 low carbon base load power for California's grid, and we  
16 wanted to make you aware of the Department of Energy's  
17 recent decision to select Hydrogen Energy California for an  
18 important award to be a commercial demonstration of the  
19 application and implementation of carbon capture and  
20 sequestration in the power sector. So, again, we thank you  
21 very much for your time and consideration and staff's  
22 interest and cooperation.

23 CHAIRPERSON DOUGLAS: Thank you very much. We  
24 are always excited to see California companies going to  
25 DOE, especially in this time of stimulus, and looking for

1 funding and grants to help carry out important projects. I  
2 am sure that -- I am pleased to hear that you are having a  
3 great experience working with our staff and I am sure we  
4 will move forward expeditiously. Other comments and  
5 questions?

6 COMMISSIONER BYRON: Ms. Ichien, do we need to  
7 make a determination on data inadequacy today? Or can we  
8 wait until the next Business Meeting?

9 MS. ICHIEN: I think it is advisable to make a  
10 determination today. That way, the Applicant has a list of  
11 the actual deficiencies that it could shoot for, to make  
12 sure that it completes the application. And, also, we are  
13 supposed to make a determination within 45 days of receipt  
14 of the application.

15 COMMISSIONER BYRON: Okay. Well, I am prepared  
16 to accept the staff's recommendation and I move that we  
17 find the application data inadequate at this point, but I  
18 am hopeful that we will be making a different motion in two  
19 weeks.

20 COMMISSIONER LEVIN: Seconded.

21 COMMISSIONER ROSENFELD: Second.

22 CHAIRPERSON DOUGLAS: All in favor?

23 (Ayes.)

24 Thank you very much. That item is approved.

25 Item 4. I will give Bill a chance to get to the

1 table. Item 4. City and County of San Francisco.  
2 Possible approval of the City and County of San Francisco's  
3 locally adopted energy standards for newly constructed  
4 commercial and residential buildings and major renovations.  
5 Mr. Pennington.

6 MR. PENNINGTON: Hi. I am Bill Pennington, the  
7 manager of the High Performance Buildings and Standards  
8 Development Office at the Commission. The City and County  
9 of San Francisco had previously adopted a local ordinance  
10 to have an ordinance that requires the buildings to exceed  
11 the 2005 Building Energy Efficiency Standards by a  
12 considerable amount that the Energy Commission had  
13 previously approved. And they wanted to stay ahead of us  
14 and so, basically, they have gone through the process of  
15 updating that ordinance with respect to the 2008 standards.  
16 We have had a very good dialogue with the City about this.  
17 They basically are implementing their ordinance through  
18 administrative guidelines. And we had a little bit of  
19 concern about the clarity of what their guidelines said, so  
20 we actually spent a fair amount of time working with them  
21 and suggested ways to make their guidelines more clear, and  
22 to make it obvious that they were going to be exceeding the  
23 2008 standards, and also to highlight an emphasis on  
24 enforcement of both the state standards and their  
25 ordinance. And the City has been very forthcoming in

1 talking to us about that, and agreeing to revise their  
2 administrative guidelines for that purpose. So we will  
3 like that was a very good series of discussions and we  
4 think this is a very appropriate thing, the City really  
5 wants to be one of the most noteworthy cities in the U.S.  
6 related to energy efficiency and green buildings, and so  
7 this is a very assertive action on their part to do this.  
8 So we would recommend approval.

9 CHAIRPERSON DOUGLAS: Questions, comments?

10 COMMISSIONER ROSENFELD: I move the item.

11 COMMISSIONER LEVIN: Seconded.

12 CHAIRPERSON DOUGLAS: All in favor?

13 (Ayes.)

14 That item is approved. Thank you.

15 Item 5. AB 1103, Order Instituting Rulemaking.

16 Possible approval of an Order instituting rulemaking to  
17 develop and adopt new regulations for a non-residential  
18 building energy performance rating system. Mr. Pennington,  
19 Ms. Brooks?

20 MR. PENNINGTON: So AB 1103, which was passed in  
21 2007, requires electric and gas utilities to maintain  
22 records of their energy consumption data for all their non-  
23 residential buildings and that basically was a milestone in  
24 January of this year. And then, for the coming year,  
25 January 1<sup>st</sup> of 2010, the Bill requires all non-residential

1 building owners to disclose Energy Star portfolio manager  
2 benchmarking data and ratings to a perspective buyer or a  
3 lessee, or lender. The Bill kind of just flatly makes  
4 those statements and there is not very much in the Bill  
5 about how those get implemented, or how questions about how  
6 you do those things gets taken care of. And so we, the  
7 Efficiency Committee, directed staff to start working with  
8 the working group to work through how this Bill would be  
9 complied with, and Martha co-chaired that working group  
10 with Doug Mahone of the Heschong Mahone Group, who was  
11 sponsored by Southern California Edison. And that working  
12 group really felt that it was important for the Energy  
13 Commission to adopt regulations that would specify the  
14 details of how this implementation would be done. There  
15 are issues with some of the notions in the Bill, the notion  
16 that you would use portfolio manager to cover all of the  
17 buildings in California is a difficult to accomplish notion  
18 because the scope of that tool would cover about half of  
19 the buildings in California, now. So Martha and the PIER  
20 Buildings Program have been working for quite some time to  
21 develop a California tool that would cover all the  
22 buildings in California and have been in discussions with  
23 EPA about coordinating the use of that tool with the  
24 portfolio manager tool. So that is one of the issues;  
25 there are actually several issues with the Bill.

1           So what we are before you today with is  
2 requesting approval of an Order instituting rulemaking  
3 where we will start conducting a rulemaking proceeding to  
4 develop these regulations. It would start with a pre-  
5 rulemaking workshop where we would discuss issues with the  
6 parties and come to resolution of those issues in putting  
7 together draft regulations. We are actually working on  
8 draft regulations right now and we are pretty close to  
9 having sort of a straw draft, but we would be approving  
10 those through a workshop process. And then, after that, a  
11 rulemaking proceeding -- a formal rulemaking proceeding --  
12 would be started and we would go through the process of  
13 doing the hearings and the formal filings, and so forth, to  
14 have regulations adopted. So this is a request for you to  
15 approve an order to start that process.

16           CHAIRPERSON DOUGLAS: Questions, comments?

17           COMMISSIONER LEVIN: Move to approve.

18           COMMISSIONER ROSENFELD: Second.

19           CHAIRPERSON DOUGLAS: All in favor?

20           (Ayes.)

21           That item is approved.

22           Item 6. Net System Power Report. Possible  
23 approval of the 2008 Net System Power Report, as required  
24 by the Power Content Disclosure Program. And Ms. Bender,  
25 please take us through the report.

1 MS. BENDER: Yes, thank you. I am Sylvia Bender,  
2 the Deputy for the Electricity Supply Analysis, and I am  
3 here to request approval for this Annual Report, which has  
4 been recorded by state law since 1999.

5 The Net System Power Report is actually comprised  
6 of several uniquely different tabulations of California's  
7 power mix, and I will walk through what those differences  
8 are with you. First is the total system power mix, which  
9 is an annual calculation of the total electricity  
10 generation and imports that serve California's need in the  
11 past year; second is the annual total of specified  
12 electricity generation by source that each utility claims  
13 in their Power Source Disclosure filings with the Energy  
14 Commission. Transactions that can be traced to specific  
15 generation sources are known as specific purchases or  
16 claims. All generators of 1 megawatt and larger report  
17 actual generation and fuel use to the Energy Commission.  
18 The California Control Areas, or the Balancing Authorities,  
19 report the annual amounts of electricity crossing  
20 California's borders as imports and exports.

21 The In-State Values are a reasonably accurate  
22 snapshot of the entire California power mix for the year,  
23 but since we have no public west-wide data tracking  
24 mechanism for generation sources of imported power, those  
25 imported power allocations are estimates. The ARB is

1 charged with addressing this issue in their implementation  
2 of AB 32, including regulations for first deliverers to  
3 report on specified imports. The third tabulation, Net  
4 System Power, the name of the report, on the other hand,  
5 actually represents the residual electricity that was used  
6 by California customers, but for which no retailers  
7 specifically claimed the source of generation. So it  
8 becomes the total system power minus claims of specific  
9 purchases and self-generation.

10           Unfortunately, on the power content labels, which  
11 appear quarterly in our electric bills, Net System Power is  
12 referred to as the California Power Mix. Retailers have a  
13 choice of disclosing their specific purchases, or using  
14 this California Power Mix as a proxy for their generation.  
15 By disclosing the specific purchases, a retailer can  
16 demonstrate to its customers who its power mix might be  
17 greener, perhaps, than this proxy.

18           As California energy service providers specify  
19 larger and larger shares of their power sources over the  
20 years since this report has started, Net System Power has  
21 changed in two very important ways. It is now a smaller  
22 share of total generation and is characterized by a higher  
23 percentage of unclaimed coal and natural gas generation.  
24 The Net System Power calculation gives consumers the  
25 impression that coal generation represents 34 percent of

1 the statewide mix instead of the 18 percent that is shown  
2 in the total system power, and that renewable generation is  
3 only two percent instead of nearly 11 percent of total  
4 system power. For this reason, the power content label is  
5 not a good source of monitoring progress toward the RPS  
6 goals and misleads consumers.

7 Total system power also represents the entire  
8 state generation mix, including Muni's, the RPS applies  
9 only to industrial-owned utilities and is dependent upon a  
10 percentage of retail sales. The 2008 Net System Power  
11 Report also corrects two errors that were made in the 2007  
12 Report. The 2007 Report did over-estimate the amount of  
13 Northwest generation from small hydro, which over-estimated  
14 the amount of renewable generation of both the total system  
15 power and the net system power. With this correction to  
16 the report, our renewable amount rises slightly between  
17 2007 and 2008. The second 2007 error over-estimated self-  
18 generation, which resulted in an increased share for  
19 natural gas in the net system power mix. So I wanted to  
20 point out those two errors that are corrected in this  
21 report.

22 This morning, we also discovered one other error,  
23 the last page in our findings, the third of the three  
24 bullets there, that sentence is missing the word "not" and  
25 we will correct that, also, in our final version of this

1 report. And that goes back to the point that total system  
2 power, again, is not a good representation of our progress  
3 toward RPS goals.

4 CHAIRPERSON DOUGLAS: I am glad you caught that  
5 "not."

6 MS. BENDER: With those caveats and those  
7 corrections, I submit this report for approval.

8 COMMISSIONER LEVIN: Ms. Bender, I just wanted to  
9 confirm, none of the changes or corrections have any  
10 implications for SB 1368?

11 MS. BENDER: No, they do not. Those apply only  
12 going forward into new contracts.

13 COMMISSIONER LEVIN: Okay. And if your concerns  
14 about the value of net system power are substantial, have  
15 we raised those with the Legislature or the Governor's  
16 Office? I mean, it seems like, with furlough days and  
17 budget constraints, with the best of intentions, the  
18 Legislature may not always know what are the most valuable  
19 work products, and we should communicate back where some  
20 may be less valuable than others.

21 MS. BENDER: We have communicated this in the  
22 past and we will continue to communicate this, but actually  
23 there is a Bill in the Legislature now, AB 162 by Ruskin,  
24 which will eliminate the requirement for this report -- not  
25 for disclosure of the mixes, but for this preparation.

1 COMMISSIONER LEVIN: Okay, thank you.

2 CHAIRPERSON DOUGLAS: Commissioner, you are  
3 absolutely right to raise that issue. At a time of  
4 furloughs and also mandatory reductions in the contracts  
5 that we sign to assist the staff in doing its work, I think  
6 it is going to be important to have an exercise where we go  
7 through and look hard at what the Energy Commission does  
8 and, where appropriate, set some priorities. And I think  
9 this report, by way of being not only not helpful, but  
10 actually misleading the consumer, if it is not top on my  
11 list for what we would drop, I do not know what else would  
12 be. So I think we will have some of these discussions  
13 going forward and, in the mean time, I will reluctantly  
14 entertain any motions to allow us to produce this report  
15 timely as we are required to do by law. Commissioner  
16 Byron?

17 COMMISSIONER BYRON: Commissioners, this is, I  
18 think, my third time through the re-do of this report and  
19 we have struggled with it in lectures to Natural Gas  
20 numerous times before, I suspect, and I know the staff  
21 struggles with it, too. They do a very good job of trying  
22 to work with very limited data, and even how that data is  
23 used and the assumptions are made have changed over the  
24 years, and that has made it somewhat problematic. There  
25 have been misinterpretations of this report. I noted there

1 was an article in the California Energy Markets on July 10<sup>th</sup>  
2 that I would not say was incorrect, it is just how they  
3 interpreted this data. We have tried to throw this thing  
4 out numerous time, there have been recommendations to do  
5 so, we are under an obligation to produce it, and I commend  
6 the staff because I do not think they are very appreciative  
7 of it, either. So I would like to recommend we change it  
8 to the Nutty System Power Report and maybe we will get some  
9 more legislative attention there, but that is not a  
10 reflection on the staff in any way. I hope Mr. Ruskin's  
11 Bill AB 162 is successful this year, otherwise I am sure we  
12 can add this to the list of perhaps other things that we do  
13 that staff efforts might be spent better elsewhere. But  
14 good report, Ms. Bender.

15 CHAIRPERSON DOUGLAS: Is that a motion?

16 COMMISSIONER BYRON: Yes, that is a motion.

17 CHAIRPERSON DOUGLAS: Commissioner, is "nutty" a  
18 part of your motion or --

19 COMMISSIONER BYRON: No, I move the item, Net  
20 System Power Report.

21 COMMISSIONER ROSENFELD: Second.

22 CHAIRPERSON DOUGLAS: All in favor?

23 (Ayes.)

24 Thank you.

25 Item 7. Smithers Scientific Services. And

1 before I go on, I will just say that we have made a  
2 decision to put the rest of the items that are contracts  
3 have all been -- they are either all consistent with the  
4 Governor's Executive Order, or they have received fiscal  
5 approval to go forward pursuant to the Executive Order, and  
6 at that, we will begin with Item 7, Smithers Scientific  
7 Services, Inc. Possible approval of Amendment 1 to  
8 Contract 600-07-006 with Smithers Scientific Services,  
9 Inc., adding \$500,000 and a one-year time extension for  
10 continuing technical support for the Energy Commission's  
11 Fuel Efficient Tire Program. Mr. Smith.

12 MR. SMITH: Good morning, Chair and  
13 Commissioners. My name is Mike Smith. I am the Deputy  
14 Director for Fuels and Transportation. The contract  
15 amendment before you will provide additional support for  
16 staff to continue its investigation and examination of tire  
17 efficiency issues through our Fuel Efficient Tire Program.  
18 Just by way of a quick update, staff has completed draft  
19 regulations for the Consumer Information phase of the Fuel  
20 Efficient Tire Program, and has presented this material at  
21 a Transportation Policy Committee Workshop on June 10<sup>th</sup>.  
22 Staff is now in the process of finalizing the regulations  
23 for consideration and adoption by the full Commission, and  
24 which would also start the more formal ruling process under  
25 the purview of the Office of Administrative Law. In

1 addition, we are beginning to look forward over the horizon  
2 a bit to anticipation of work that may be required in the  
3 minimum standards phase of the Fuel Efficient Tire Program,  
4 as well. So this contract will provide very important  
5 support functions and support services to staff as we move  
6 through the consumer information phase and finalize that,  
7 and begin to think about the need for the minimum standards  
8 phase.

9           In the past, this contract with Smithers has been  
10 used to test over 900 Passenger and light truck tires and  
11 develop a comprehensive database for analysis and program  
12 development. We have also used this contract to analyze  
13 and develop recommendations on rolling resistance test  
14 protocols. And lastly, we have used this contract to  
15 conduct in-depth analyses of the logistics in costs for  
16 proposed mandated testing and reporting requirements in the  
17 Consumer Information Program. With this amendment going  
18 forward, we would anticipate using the contract to  
19 undertake a more comprehensive tire testing and research  
20 program to identify and examine potential trade-offs  
21 between tire tread wear, safety, rolling resistance,  
22 technical feasibility, and cost effectiveness in support of  
23 the overall program and, in particular, again, looking  
24 forward to the possibility of minimum standards in the  
25 future for tires.

1           And lastly, I would like to point out that the  
2 agenda identifies that this \$500,000 augmentation will be  
3 funded out of the ERPA Program; in actuality, that has been  
4 changed and the funding will come from the PIER Program.  
5 And with that, I will be happy to answer any questions.

6           CHAIRPERSON DOUGLAS: Thank you, Mr. Smith. As a  
7 member of the Transportation Committee, I have had the  
8 opportunity to work with staff and participate in the  
9 workshop on the tire regulations. Staff has done a very  
10 good job of bringing the issue forward as far as we have  
11 made it and this contract has been very important with  
12 that. It is also, I think, a very good thing that, by  
13 funding this out of PIER, this is research and it is also a  
14 very direct link between the research that we do in PIER  
15 and the standards and regulations that we carry forward at  
16 the Commission. So thank you for that. Are there  
17 questions or comments by Commissioners?

18           COMMISSIONER ROSENFELD: Uh -- my -- is there  
19 federal legislation to compliment what we are doing at all?

20           MR. SMITH: I am going to ask Ray Tuvell, who is  
21 the Program Manager, to step forward. We have been working  
22 closely with our legal staff on the interplay between what  
23 the state statute requires of us and what the federal  
24 statute requires of the Department of Energy, in  
25 particular, the NTSA, National Transportation Safety

1 Administration, I think, is the -- there is some overlap,  
2 but we find -- I should not say "overlap," there is  
3 actually a number of areas where the two programs are  
4 complimentary, and we have been working very closely with  
5 representatives from NTSA as we develop this program, and  
6 as the NTSA folks are developing their consumer information  
7 program, as well. And I will ask Ray to add any further  
8 detail to that.

9 MR. TUVELL: Yes, as Mike stated correctly, we  
10 have been coordinating with NTSA very very well, since Day  
11 1, that they received the directive at the federal level to  
12 develop an emission-wide program. Now, their directive is  
13 much more comprehensive than ours, to go beyond just fuel  
14 efficiency, but also to consider safety and durability of  
15 tires. They have recently released their proposal and,  
16 during the 60-day comment period, we anticipate working  
17 with the transportation committee to submit comments in  
18 that federal proposal. But even now at my discussions with  
19 the staff at NTSA, and looking at our program and what they  
20 have proposed, they agree that we are both compatible and  
21 complimentary in our programs, and we are basing them on  
22 the same technical metrics and test protocols. So we  
23 believe there is a good possibility, I mean, these programs  
24 can work very very well together.

25 COMMISSIONER ROSENFELD: Thank you.

1           CHAIRPERSON DOUGLAS: Commissioner, I will add  
2 that, as NTSA goes forward, and has put forward its draft,  
3 the Committee is having to look at what they are proposing,  
4 obviously, to comment on it and, at the end of the day, we  
5 want to make sure that what we do is complimentary with and  
6 makes sense and leverages what they do. And so the  
7 question will be how do we do that, and we are going to  
8 have to continue that work. Your question was spot on in  
9 terms of where we are and what we are thinking about in the  
10 development of that program.

11           COMMISSIONER ROSENFELD: I move the item.

12           COMMISSIONER BYRON: Second.

13           CHAIRPERSON DOUGLAS: All in favor?

14           (Ayes.)

15           That item is approved. Thank you.

16           MR. SMITH: Thank you.

17           CHAIRPERSON DOUGLAS: Item 8. California  
18 Community Colleges Chancellor's Office. Possible approval  
19 of Contract 600-08-009 for \$4.5 million with the California  
20 Community Colleges to develop training programs in  
21 Transportation Technology and Alternative Fuel Use for  
22 California Community Colleges. Mr. Smith.

23           MR. SMITH: Thank you very much. I want to start  
24 out by saying this is actually the second workforce  
25 training-related contract that the Commission may approve

1 today, funded through the AB 118 Program relating to  
2 alternative and renewable fuels. And it is actually our  
3 third project that we funded through the program, so we are  
4 happy that we are starting to bring projects forward for  
5 the Commission's consideration.

6           Through this agreement, the Community Colleges  
7 Chancellor's Office will create training programs and  
8 curricula geared towards the alternative and renewable  
9 fuels industry in California. The Advanced Transportation  
10 Technology and Energy Program, an entity that is part of  
11 the Community Colleges Chancellor's Office, is widely  
12 recognized in the transportation industry as a leading  
13 provider of relevant training and has developed strong  
14 relationships with the industry over its 15-years of  
15 existence. Through this inter-agency agreement, the ATTE  
16 will perform a preliminary needs assessment of the  
17 alternative and renewable fuels and vehicle technology  
18 industry to identify immediate training needs and establish  
19 programs to meet those needs. The ATTE also will identify  
20 existing programs at the community colleges and report to  
21 the Commission on programs that can be expanded, and  
22 regions that can benefit from the implementation of  
23 alternative and renewable fuels and vehicle training  
24 programs.

25           The ATTE will develop curriculum to establish

1 courses and certification programs that prepare individuals  
2 for quality career opportunities in the green  
3 transportation sector. The ATTE also will prepare colleges  
4 to deliver the training by offering the trainer services  
5 and supplying an Instructor's Guide and other course  
6 materials. In addition, the Chancellors Office's Centers  
7 of Excellence will expand on data from the Employment  
8 Development Department's Labor and Market Information  
9 Division to provide statewide and regional labor market  
10 information for the alternatives and renewable fuels  
11 industry. In collaboration with EDD, the ATTE and the  
12 transportation industry and the Centers of Excellence will  
13 perform formal analyses and provide detailed reports to the  
14 Commission, capturing the current and future workforce  
15 needs of the transportation industry. Additionally, they  
16 will provide the Energy Commission with California-specific  
17 industry cluster maps that will identify transportation  
18 industry trends in areas such as business growth and job  
19 opportunities.

20 As a result of this inter-agency agreement, the  
21 Energy Commission will receive uniform training modules  
22 that can be implemented statewide. And we will also be  
23 provided with in-depth analyses that can help the Energy  
24 Commission staff and other state agencies identify future  
25 funding and training for its development training needs.

1           I might also add that this inter-agency agreement  
2 is part of a larger initiative, the Clean Energy Workforce  
3 Partnership Initiative that we are working on with EDD, and  
4 hope to implement using ARA funding, as well. So we are  
5 hoping that this particular inter-agency agreement will be  
6 part of the catalyst for a larger workforce training  
7 program throughout the state. And with that, I will answer  
8 any questions.

9           COMMISSIONER LEVIN: I do not know if it is part  
10 of the stimulus funding or not, but I am curious whether  
11 the Chancellor's Office is looking at the -- I think it is  
12 \$12 billion -- there was an additional sum that President  
13 Obama announced just in the past week or two for community  
14 colleges nationwide, and whether this could help to  
15 leverage some of that. I think it sounds like a great  
16 program for many many different reasons that you  
17 articulated, but it would be great to think that we could  
18 leverage it even more.

19           MR. SMITH: I am going to ask Alicia Macias to  
20 step forward. She may have more detailed information on  
21 the President's initiative.

22           MS. MACIAS: The funding for this inter-agency  
23 agreement and also for the Employment Development  
24 Department inter-agency agreement will be used in part to  
25 provide match funding and show supportive efforts towards

1 the Department of Labor solicitation. So those, I do not  
2 know how they match up with the opportunity that you  
3 mentioned, but we are, as the Energy Commission, showing a  
4 strong effort to work for workforce development services by  
5 offering up these two inter-agency agreements as potential  
6 match share for the state applications for the Department  
7 of Labor solicitations.

8 COMMISSIONER LEVIN: Great. Thank you.

9 CHAIRPERSON DOUGLAS: I will just add that I am  
10 very pleased and impressed with staff's work with the  
11 workforce development and labor agencies, and I think that  
12 between the 118 effort matched with the stimulus effort, we  
13 will be talking some about that this afternoon in our  
14 workshop on stimulus, we have put together with them a  
15 really first class program, and I hope that at some point  
16 staff slows down in its frantic running to get everything  
17 we have done, before that is done, to both tell the world  
18 what we are doing and just also, you know, take a deep  
19 breath and feel good about a real accomplishment because I  
20 think this program will make a real difference to people  
21 and to the state.

22 COMMISSIONER LEVIN: I just wanted to say, I do  
23 not know if there is anyone from the community college  
24 system here or on the phone, but I want to thank them for  
25 really stepping up very aggressively on a whole range of

1 green workforce training programs and needs. I think it is  
2 really exciting to see the community colleges moving  
3 forward so quickly on this. I know that one of the  
4 community college directors in Central California came to a  
5 siting case and talked about all of his students who were  
6 moving into the renewable energy field and it is a great  
7 wave for the future in California. So thanks.

8 MR. SMITH: We will certainly pass along your  
9 sentiments, Commissioner.

10 COMMISSIONER LEVIN: Thanks.

11 COMMISSIONER ROSENFELD: I have a question.  
12 Mike, I cannot tell from what you said whether the typical  
13 student in this training is a community college student, or  
14 whether this is sort of an extension program for unemployed  
15 or skilled or --

16 MS. MACIAS: Uhm, we are through this program  
17 trying to address both incumbent workers that need to be  
18 up-skilled and/or the individuals that are pursuing a new  
19 path in clean energy, so because it is based on module  
20 development, we are hoping to expand on programs where  
21 people might just need one or two courses in order to  
22 complete a certificate that makes them eligible for a clean  
23 energy program, and then also for students that are just  
24 getting into the workforce and want to pursue a path into  
25 clean energy; we would like to also address them with these

1 types of certificate programs. And we are building into  
2 this inter-agency agreement a requirement for the community  
3 colleges to work with the Curriculum Approval Boards to  
4 make sure that there is a path waiting for higher  
5 education, as well, through the universities.

6 COMMISSIONER ROSENFELD: Thank you. I move the  
7 item.

8 COMMISSIONER LEVIN: Seconded.

9 CHAIRPERSON DOUGLAS: All in favor?

10 (Ayes.)

11 The item is approved. Thank you very much for  
12 your work on this.

13 MS. MACIAS: Thank you.

14 CHAIRPERSON DOUGLAS: Item 9. Tetra Tech Inc.  
15 Possible approval of Contract 600-09-003 for \$400,000 with  
16 Tetra Tech Inc. -- and I did read a different contract  
17 number than what is written in our agendas -- with Tetra  
18 Tech Inc. to provide engineering and technical support for  
19 the Alternative and Renewable Fuel and Vehicle Technology  
20 Program. Mr. Smith.

21 MR. SMITH: Thank you very much. Rather than  
22 repeat, your description accurately describes the contract  
23 in its scope. I will add that this contract is typical of  
24 the technical support services that the Commission uses for  
25 its major funding programs in assisting staff to evaluate

1 projects not only for funding opportunities, but also,  
2 after projects are funded, help troubleshoot projects and  
3 identify issues and resolve problems with projects that we  
4 have funded. These contracts and this one, in particular,  
5 is important to us because, in many cases, we do not have  
6 the expertise on board to deal with the technical issues.  
7 And in this case, this contract is particularly important  
8 to us in that AB 118, and then as subsequently modified by  
9 AB 109, provides a very large waterfront of eligible  
10 activities and eligible fuels and technologies for the  
11 program. And so, being able to accurately and reliably  
12 review proposals, as well as provide the necessary support  
13 post-funding support to projects, is very critical. And  
14 so, given the myriad types of fuels and technologies that  
15 we will be funding through this program, having this sort  
16 of technical support available to staff is very critical to  
17 the success of this program. So, with that, I will answer  
18 any questions with respect to this contract that you might  
19 have.

20 CHAIRPERSON DOUGLAS: Questions?

21 COMMISSIONER BYRON: None.

22 COMMISSIONER LEVIN: I will move the item.

23 COMMISSIONER ROSENFELD: Second.

24 CHAIRPERSON DOUGLAS: All in favor?

25 (Ayes.)

1           That item is approved. Item 10.

2           MR. SMITH: Thank you very much.

3           CHAIRPERSON DOUGLAS: Thank you, Mr. Smith.

4           Item 10. California State University Fullerton.  
5 Possible approval of Contract 500-09-007 for \$600,000 with  
6 California State University Fullerton to measure fugitive  
7 methane emissions from the different components of the  
8 natural gas system. Mr. Franco.

9           MR. FRANCO: Good morning, Commissioners. My  
10 name is Guido Franco. I am with the [inaudible] [46:53]  
11 Program. In 2005, the PIER Program released a report on  
12 options to reduce [inaudible] [47:00] to greenhouse gases.  
13 That report suggested that reducing fugitive methane  
14 emissions from the natural gas system could be a cost-  
15 effective option. However, the [inaudible] [47:15]  
16 estimate greenhouse gas emissions from this source are  
17 highly uncertain for several reasons; in one of the  
18 studies, emission factors were developed with measurements  
19 in the early '90s and, also, the measurements were taken  
20 mostly from facilities located outside California. We have  
21 been trying to improve the way we estimate fugitive methane  
22 emissions in California for several years, but we realize  
23 the only way to do it is to actually go to the field and  
24 measure emissions. Recently, the Air Resources Board  
25 adopted its Scoping Plan which identified [inaudible]

1 [47:58] methane emission from the natural gas system, and  
2 while the options that would have to be implemented comply  
3 with AB 32, we have been working very closely with ARB in  
4 designing this project and they would be using the  
5 information that we are going to be generating to develop  
6 our emissions. Here with me is Mr. Joe Fischer from the  
7 Air Resources Board. He would like to say a few words.

8 MR. FISCHER: Thank you, Commissioners, for  
9 allowing me to speak today. My name is Joe Fischer. I am  
10 with the California Air Resources Board. On behalf of our  
11 agency, we would like to state that our agency fully  
12 supports this project and we have been working closely with  
13 your staff in the selection of a contractor and in  
14 developing the scope of work. We intend to use the results  
15 to develop two fugitive methane control measures which were  
16 identified in the AB 32 Scoping Plan approved by our Board  
17 last year. The measures are scheduled to be heard by our  
18 Board in 2010. And in closing, the ARB would like to ask  
19 that you approve this project.

20 MR. FRANCO: With that, we are ready to answer  
21 any questions that you may have.

22 CHAIRPERSON DOUGLAS: Questions?

23 COMMISSIONER BYRON: Thank you. I am going to  
24 recommend approval of the project, but I appreciate Mr.  
25 Fischer being here. It is very much appreciated when the

1 Air Resources Board weighs in on this. I have a related  
2 question, if I may take advantage of you being here,  
3 however, and that is that the methane -- forgive me if I  
4 use the wrong word -- methane capture procedures that you  
5 are considering development, will those ultimately be  
6 mandatory? Or will they be something that the Board might  
7 consider being credits towards GHG reduction?

8 MR. FISCHER: That is an interesting question.  
9 At this point, you know, the majority is going to be  
10 mandatory requirements, but there could be additionality  
11 that could be used as offsets and we are not quite sure  
12 where the bar is going to be set at this point.

13 COMMISSIONER BYRON: Right. Well, I appreciate  
14 that very much. Like I said, just taking advantage of your  
15 being here, I appreciate it, and I move the item.

16 COMMISSIONER ROSENFELD: Second.

17 CHAIRPERSON DOUGLAS: All in favor?

18 (Ayes.)

19 That item is approved. Thank you.

20 Item 11. Summers Consulting, LLC. Possible  
21 approval of Grant PIR-08-041 for \$999,925.00 to Summers  
22 Consulting, LLC to develop independent scientific  
23 performance data related to dairy biogas power systems.  
24 Mr. Koyama.

25 MR. KOYAMA: Thank you, Commissioners. I am Ken

1 Koyama with the Energy Generation Research Office. This  
2 project is going to monitor six of our dairies that we have  
3 sponsored in the state. It will gather data on this  
4 project for gas volume and energy flows, cost of  
5 installation and operational maintenance of the digesters.  
6 It is also going to gather data on emissions and other  
7 environmental factors. The following report, we expect,  
8 will include some cost benefit analysis of dairy digesters  
9 and what the potential return on investments might be for  
10 future dairy digesters. We request your approval of this  
11 project.

12 COMMISSIONER ROSENFELD: I move the item.

13 COMMISSIONER BYRON: Second.

14 CHAIRPERSON DOUGLAS: All in favor?

15 (Ayes.)

16 That item is approved.

17 Item 12. Gas Technology Institute. Possible  
18 approval of Grant PIR-08-044 for \$1 million to Gas  
19 Technology Institute to develop a heavy duty natural gas  
20 engine using advanced technologies to improve performance  
21 and reduce emissions. Mr. Koyama.

22 MR. KOYAMA: Thank you. This project is a result  
23 of our sole expectation for advanced heavy duty natural gas  
24 engine research and development and we released in January  
25 of 2009. We received 10 proposals and passed five of them

1 on technical merit. Our proposal is to fund three, this  
2 project and the next project, and the third project will be  
3 on a subsequent business meeting. The Gas Technology  
4 Institute project will -- sorry -- this project and the  
5 next will expand the number of natural gas engines for  
6 transportation, particularly in the heavy duty sector. It  
7 is going to modify an existing diesel engine to run on  
8 natural gas, and has the potential of having very low  
9 emissions, diesel comparable power, best-in-class fuel  
10 economy, and is specific to regional haul Class A truck  
11 duty cycles. We request your approval of this project with  
12 GTI.

13 CHAIRPERSON DOUGLAS: Questions?

14 COMMISSIONER BYRON: None.

15 COMMISSIONER ROSENFELD: I move the item. Ken,  
16 you are on a roll.

17 COMMISSIONER BYRON: Second.

18 CHAIRPERSON DOUGLAS: All in favor?

19 (Aye.)

20 That item is approved.

21 COMMISSIONER LEVIN: I am sorry to go backwards.  
22 I actually had a question about the previous item while you  
23 are still here, which will not change my vote, but I did  
24 want to confirm. Are you coordinating with the Department  
25 of Agriculture on this? And are we, or they -- my constant

1 question today -- looking at any potential stimulus  
2 dollars? Because the dairy digester was an area that they  
3 were very interested in, you know, particularly in some of  
4 the hardest hit regions of the state, have potential --

5 MR. TOYAMA: Right. We are in consultation with  
6 the Department of Food and Ag, as well as the Department of  
7 Water Quality Control. This project is to take a look at  
8 specific dairies that we have helped install, and gather  
9 data from those projects, and we actually hope that this  
10 will provide enough information that will allow future  
11 dairies to install dairy digesters, and what processes they  
12 have to go through to install them. So our hope is that,  
13 with this information, and with the coordination with these  
14 other state agencies, we will have a smoother road to  
15 putting some of these systems in.

16 COMMISSIONER LEVIN: So do the other agencies  
17 participate in the Project Advisory Council, PAC?

18 MR. KOYAMA: Uhm, I believe so. I actually have  
19 not been personally involved in those talks. I know Susan  
20 Brown has been actively involved with them.

21 COMMISSIONER LEVIN: Okay. I would just  
22 encourage you to keep them as closely involved as they have  
23 capacity to be, because I think that would be really  
24 helpful --

25 MR. KOYAMA: Absolutely.

1           COMMISSIONER LEVIN:  -- as you said, for the  
2 future implementation.

3           MS. CHANDLER:  Commission, I also wanted to  
4 address your question about the SEP dollars and loans, and  
5 in the Clean Energy Systems Component of the SEP Program,  
6 we are looking at various kinds of technologies, CHP dairy  
7 digesters would be one, DG, those types of things.  And  
8 then that is a program that we are developing, but we are  
9 definitely targeting for right now, or looking at the  
10 potential to target into that area.

11          COMMISSIONER LEVIN:  Okay, great.  Thank you.

12          COMMISSIONER BYRON:  Thank you, Ms. Chandler.  I  
13 was going to add something, as well, to help answer your  
14 question.  So I think we are all thinking the same way.

15          COMMISSIONER LEVIN:  Okay, thank you.  We moved  
16 so quickly, I suddenly realized I had a question, so...

17          CHAIRPERSON DOUGLAS:  Well, fortunately, Mr.  
18 Koyama had not yet left the building, so you were free to  
19 ask it.  In fact, you are here for one more item.

20                 Item 13.  Westport Power, Inc.  Possible approval  
21 of Grant PIR-08-045 for \$998,844.00 to Westport Power, Inc.  
22 to develop a low-cost natural gas engine technology with  
23 reduced emissions.  Mr. Koyama.

24                 MR. KOYAMA:  Thank you.  This project is to  
25 convert a 15-liter diesel engine to natural gas.  This

1 particular engine type is used frequently with long-haul  
2 waste transfer trucks, and there is a high demand for these  
3 kinds of trucks in California. This engine has the  
4 potential for improved efficiency, meeting the 2010  
5 Emissions Standards, while reducing unburned methane,  
6 which, as you know, is a greenhouse gas. It is consistent  
7 with our recently prepared Natural Gas Vehicle Research  
8 Roadmap and has very high potential for a very strong  
9 market. We request your approval of this particular  
10 project.

11 COMMISSIONER ROSENFELD: When you say "long-  
12 haul," that means -- it does not mean interstate, it means  
13 from the City to the dump? Or --

14 MR. KOYAMA: Yes, as you know, frequently the  
15 dumps are long hauls from where the dumping is, basically,  
16 so when these kinds of system, they gather their garbage  
17 from the transfer stations that are located in various  
18 parts of the community, and then send it off to a dump  
19 which is, you know, probably several miles, several hundred  
20 miles sometimes.

21 COMMISSIONER ROSENFELD: Good. I move the item.

22 COMMISSIONER BYRON: Second.

23 CHAIRPERSON DOUGLAS: All in favor?

24 (Ayes.)

25 Thank you, Mr. Koyama. That item is approved.

1           Item 14. Lawrence Berkeley National Laboratory.  
2 Possible approval of Contract 500-09-003 for \$636,000 with  
3 Lawrence Berkeley National Laboratory to develop a  
4 production quality version of energy IQ. Mr. Bourassa.

5           MR. BOURASSA: Good morning, Commissioners. My  
6 name is Norm Bourassa of PIER Buildings Energy and Use  
7 Program. This proposed \$636,000 contract for Lawrence  
8 Berkeley National Lab will finalize the remaining research  
9 issues and prepare the online energy IQ commercial building  
10 benchmarking tool. At this point, I was planning on going  
11 through a history of this tool, but Bill Pennington handled  
12 most of that for me in his previous item. This is the tool  
13 that he referred to as part of the GVI benchmarking working  
14 group. PIER initiated the development of this tool. It  
15 was in Contract 599-1013, which was building off the  
16 previous LBNL work with an online benchmarking tool that  
17 draws upon the Commercial End Use Survey data set, also  
18 known as CEUS. What this tool does is it adds to the  
19 mundane process of benchmarking buildings, which is  
20 comparing buildings against similar facilities and ranking  
21 their relative performance. This adds the added features  
22 of action-oriented directions for the building operators.  
23 It informs them and it taps in on the rich CEUS data set,  
24 their extensive information, and that helps the analysis  
25 methodologies of the energy IQ tool to identify ways that

1 they can take advantage of retrofit technologies, operation  
2 improvements, or whatnot, to improve the performance of  
3 their buildings. So it is an interactive benchmarking  
4 process that greatly helps the long-term performance of  
5 commercial buildings. This new contract will address the  
6 remaining gaps that have been identified to date, and  
7 extend the capabilities of energy IQ to all commercial  
8 building types. At the moment, the current tool deployed  
9 is on a website, EnergyIQ.LBNL.gov, it is fully accessible  
10 for the public, it is not operating in all commercial  
11 building types, and we have surveyed many users and we have  
12 identified the gaps, and this new project will address  
13 those gaps, fully implement the robustness in software for  
14 a permanent web deployment. Also some other information,  
15 as Bill Pennington pointed out, this tool will ultimately  
16 reside in the Standards Department here and will help  
17 support the AB 1103 goals. And additionally, lastly, LBNL  
18 has offered this project as cost-share in an ARA funded  
19 proposal that they have sent to Washington for some closely  
20 related research for a national context, doing largely the  
21 same thing with Energy Star and [inaudible] [61:02] and  
22 such. So with that, I will take any questions that you  
23 have.

24 COMMISSIONER ROSENFELD: I move the item.

25 COMMISSIONER LEVIN: I second it and thank you

1 for anticipating my usual question.

2 CHAIRPERSON DOUGLAS: All in favor?

3 (Ayes.)

4 The item is approved.

5 Item 15 has been removed to a future agenda.

6 Item 16, Benningfield Group. Possible approval  
7 of Grant PIR-08-016 for \$168,370 to Benningfield Group to  
8 obtain real world data to measure the performance of PIER  
9 developed, high performance packaged air conditioning  
10 systems. Mr. Scruton.

11 MR. SCRUTON: Good morning, Commissioners. I am  
12 Chris Scruton with PIER Buildings Program. And I would  
13 like to point out that this agenda item and the next two  
14 are part of a program opportunity noticed. It had received  
15 27 proposals and these are among the 11 that were  
16 recommended for funding by the R&D Committee.

17 So this first proposal by Benningfield. Earlier,  
18 small variable air volume systems were not particularly  
19 cost-effective, but a recent PIER project stimulated the  
20 development of a new unit that essentially took advantage  
21 of advances in component magnet fan motors and variable  
22 capacity compressors, and led to the development of a unit  
23 that actually has an internal rate of return of around 20-  
24 25 percent, so it is a very very effective and attractive  
25 energy pay-back. But schools for which this unit was

1 developed tend to be very heavily first cost-driven, and  
2 they also tend to be averse to being the first to try  
3 something. So the uptake in schools has not been nearly as  
4 rapid as we feel it should be, and we think that an  
5 unbiased energy investigation of the performance of these  
6 units will really lead to a higher uptake of these units.  
7 And I also want to mention that there are significant non-  
8 energy benefits in this. When we went out and talked to  
9 people in schools, one of the things that we found was that  
10 the level of sound in the school classrooms is extremely  
11 important to the teachers, and very often they would turn  
12 off the air conditioning units so that they could talk over  
13 them. And these variable air volume units can maintain a  
14 good quality of ventilation at a very very low noise level,  
15 and also improve the indoor air quality. So we think it is  
16 important and we also believe that there may be  
17 opportunities for federal funding for schools if we can get  
18 this study done fairly quickly. So we are recommending  
19 approval. I can take any of your questions.

20 COMMISSIONER ROSENFELD: Sounds wonderful. Even  
21 at high speeds, these things are quieter, at high capacity?  
22 Or is it just that they are running part low most of the  
23 time?

24 MR. SCRUTON: Well, I actually do not know how  
25 they would compare at high, you know, at full speed, but at

1 the lower speeds at which these units are very often  
2 running, especially in the colder seasons over winter, they  
3 are very quiet. So it is a significant benefit.

4 COMMISSIONER ROSENFELD: I move the item.

5 COMMISSIONER BYRON: I was curious to see that  
6 the sound issue, I do not believe, was in the write-up for  
7 this. This Commission is not just interested in improved  
8 energy efficiency, but also improved learning of our  
9 students. So that was a good addition.

10 MR. SCRUTON: Thank you for that.

11 COMMISSIONER BYRON: Did you want to comment? I  
12 will second the item.

13 CHAIRPERSON DOUGLAS: All in favor?

14 (Ayes.)

15 That item is approved. Thank you.

16 MS. CHANDLER: Excuse me. We also thought that  
17 this might be a good opportunity, as we look at the SEP  
18 program for our schools, and that we were talking, Chris  
19 and I, about how we might be able to offer something like  
20 this in terms of the schools packages. So we are  
21 continuing to try to weave together the research and  
22 development that we are doing, the verification, and then  
23 back into, you know, real street application.

24 CHAIRPERSON DOUGLAS: Well, thank you for that  
25 clarification. That is very interesting.

1           Item 17. ConSol Consulting. Possible approval  
2 of Grant PIR-08-021 for \$292,173 to ConSol Consulting, to  
3 study the most cost-effective ways to meet zero net energy  
4 goals for new residential buildings in California. Mr.  
5 Scruton.

6           MR. SCRUTON: So California has obviously set  
7 extremely high goals for itself in terms of the energy  
8 performance of new residential buildings, but at present,  
9 we really do not know how the production builders are going  
10 to meet these goals. So this project proposes to use  
11 simulation and to develop models for each of 16 climate  
12 zones for three different house sizes, and to work with the  
13 builders and to work with standards developers to come up  
14 with the most cost-effective ways to meet a goal of not  
15 total zero net energy for the building to begin with, but  
16 zero net cooling energy and also a second goal of zero net  
17 demand. So ConSol is a Build in America contractor and  
18 they have a very good standing with the production  
19 builders, and we feel that there is a significant  
20 opportunity for them to leverage this project and bring  
21 federal dollars in through the Build in America Program,  
22 which is a U.S. Department of Energy program. So we are  
23 recommending approval on this project.

24           COMMISSIONER LEVIN: Mr. Scruton, I cannot think  
25 of many things that would be more important than this work

1 right now. The only caveat or slight amendment is I think  
2 we should stop talking about these as extremely aggressive  
3 goals, and start talking about them as much achieve goals.  
4 I am impressed with how low the price tag is, given the  
5 scope of work and how important it is, and how necessary it  
6 is. I strongly support this item. I think it is really  
7 critically needed.

8 COMMISSIONER ROSENFELD: Chris, I have got to  
9 say, you talk about leveraging \$10 million with \$300,000,  
10 that is a 97:3 leverage ratio; if you can pull that off...

11 MR. SCRUTON: Well, okay. So there is a little  
12 caveat here. I think the \$10 million is for the whole  
13 Build in America Program. I do not think ConSol is going  
14 to get all of that, but they are one of, I think, five  
15 teams, so they will get a significant chunk of that, and so  
16 I wanted to, you know, in the interest of full disclosure,  
17 I think that was an error.

18 COMMISSIONER ROSENFELD: I think so, too. I move  
19 the item.

20 COMMISSIONER BYRON: If I may?

21 CHAIRPERSON DOUGLAS: Yes.

22 COMMISSIONER BYRON: Mr. Scruton, I concur with  
23 Commissioner Levin. This is an extremely important goal  
24 that we have set the net zero energy for residential, and I  
25 appreciate your candor that it is a very high goal, and

1 your statement that you also said we really do not know how  
2 to get there yet, and so I am pleased to see this kind of  
3 research, as well, because we do need to get to the bottom  
4 of this and begin to disclose to industry how we are going  
5 to set standards and what we are going to do, so I applaud  
6 this effort, as well. So I believe I can second it.

7 MR. SCRUTON: Thank you.

8 CHAIRPERSON DOUGLAS: All in favor?

9 (Ayes.)

10 Thank you very much. That item is approved.

11 Item 18. Bruce Wilcox PE. Possible approval of  
12 Grant PIR-08-019 for \$296,501 to Bruce Wilcox PE to provide  
13 baseline data on builder practices for new homes built  
14 under the 2005 Building Energy Efficiency Standards. Mr.  
15 Scruton.

16 MR. SCRUTON: So in order to develop the new  
17 building standards, we need to understand the  
18 characteristics of the buildings that are being built to  
19 the current energy standards. The last comprehensive  
20 survey of houses was done in 1995 by Bruce Wilcox. And so  
21 our baseline is really out of date. So what this standard  
22 would do is -- what this survey would do -- is to develop a  
23 statistically valid sample of 80 houses. It would look at  
24 air conditioning attributes, lighting, envelope  
25 characteristics, and to discover what is actually being

1 built based on the 2005 standard, and use that as the cost  
2 effectiveness criteria for further modifications in the  
3 2011 cycle. And as an example of the effectiveness of this  
4 approach, in 2008, this contractor working with Rick  
5 Chipwood, discovered through the survey that furnace fans  
6 were using twice the energy that we projected they would  
7 be, based on the SEER rating system, and that this work  
8 actually led to the first standards for furnace fan  
9 efficiency in the U.S. in the 2008 standards. So that is  
10 an example of how effective this line of investigation can  
11 be. So we are recommending approval of this project.

12 COMMISSIONER LEVIN: Move to approve.

13 COMMISSIONER BYRON: Yes, another very important  
14 project. I second.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 This item is approved. Thank you very much.

18 Item 19. Lawrence Berkeley National Laboratory.  
19 Possible approval of Contract 500-09-002 for \$865,000 with  
20 Lawrence Berkeley National Laboratory to conduct research  
21 demonstration projects for data centers. Ms. Lew.

22 MS. LEW: Good morning, Chairman Douglas and  
23 Commissioners. My name is Virginia Lew with the Energy  
24 Efficiency Research Office. But before I start, I want to  
25 clarify that U.C. San Diego is the entity that will be

1 applying for the ARRA funds, rather than LBNL, as stated in  
2 the agenda. As part of our work scope with LBNL, they will  
3 be assisting U.C. San Diego in doing a demonstration of a  
4 data center powered with DC, Direct Current, power, and  
5 along with other tasks. And so U.C. San Diego is assuming  
6 several of these tasks as part of the cost-share to their  
7 ARRA application at DOE.

8           And this contract continues our research on  
9 increasing the energy efficiency of data centers. Data  
10 centers in California use approximately three percent of  
11 all the electricity consumed, and that consumption is  
12 expected to double in the next five years. Data center  
13 operators are very interested in looking for ways to  
14 increase the energy efficiency of their data centers in  
15 reducing energy costs and greenhouse gas emissions, but  
16 they are reluctant to try things that are not proven and  
17 demonstrated. And so this contract will address some of  
18 those areas and it includes demonstrations of a unique  
19 cooling technology, as well as direct current for powering  
20 data centers, it would also look at using outside air  
21 economizers for cooling data centers, as well as evaluating  
22 the energy efficiency of modular data centers. It would  
23 result in the development of lead-type criteria for  
24 existing data centers, as well as demonstrating and  
25 documenting new technologies that have been demonstrated in

1 data centers in cooperation with the Silicon Valley  
2 Leadership Group. As a result of all these tasks, we are  
3 hoping that we can see up to a 25 percent reduction in  
4 energy use in data centers, and that is quite significant.  
5 That is about 2 billion kilowatt-hours a year, roughly the  
6 amount of energy that 375,000 homes in California would  
7 use. And so this project meets the goals of reducing  
8 energy efficiency in facilities, and the project has also  
9 been approved by the Research Development Demonstration  
10 Committee, and I recommend approval of the contract and I  
11 am also happy to answer any questions at this time.

12 COMMISSIONER ROSENFELD: I move the item.

13 COMMISSIONER LEVIN: Second.

14 CHAIRPERSON DOUGLAS: All in favor?

15 (Ayes.)

16 Thank you.

17 Item 20. H.T. Harvey and Associates. Possible  
18 approval of Grant PIR-08-027 for \$732,411 to H.T. Harvey  
19 and Associates for research of test techniques to assess  
20 nocturnal birds and bats activities at wind energy  
21 facilities. Ms. Spiegel.

22 MS. SPIEGEL: Good morning, Commissioners. I am  
23 Linda Spiegel with the PIER Program. We had a solicitation  
24 back in December and 16 proposals were received, reviewed,  
25 evaluated, and scored, and seven passed administrative and

1 technical merits, and the Notice of Proposed Ord was  
2 approved by the R&D Committee back in April. In addition,  
3 you recall that the Energy Commission Siting Division and  
4 Fish & Game developed guidelines for wind energy  
5 development in birds and bats back in '07. Part of the  
6 solicitation addresses those guidelines and are looking for  
7 ways to improve the methods or test the methods in those  
8 guidelines, and will be used for revisions to the  
9 guidelines in the future. So this first one is one of  
10 those that will be used for the guideline revisions.  
11 Determining the number of nocturnal birds and bats at wind  
12 sites and estimating their exposure to risk is much more  
13 difficult than for diurnal birds. And the techniques used  
14 to estimate this have not been consistently applied, and so  
15 you can get very different results. So this study is going  
16 to look at a suite of techniques and compare the techniques  
17 concurrently, including vertical radar, horizontal radar,  
18 acoustic detections, night visions, and infrared  
19 spotlights. This is going to be conducted at the high  
20 migration peak of between August and October, and this  
21 study is also going to look at new current acoustic  
22 deterrents and how well they may work to deter birds and  
23 bats away from the turbine sites. With that, I will answer  
24 any questions.

25 CHAIRPERSON DOUGLAS: Questions?

1           COMMISSIONER LEVIN: I move the item. I think  
2 this is very important to do.

3           COMMISSIONER BYRON: Second.

4           CHAIRPERSON DOUGLAS: All in favor?

5           (Ayes.)

6           That item is approved.

7           Item 21. California Wind Energy Association.  
8 Possible approval of Grant PIR-08-028 for \$422,078 for the  
9 California Wind Energy Association for research to improve  
10 the accuracy of methods for estimating the number of bird  
11 and bat fatalities at wind energy facilities. Ms. Spiegel.

12           MS. SPIEGEL: Yes. Assessing fatality from wind  
13 turbine strikes involves an estimate that takes into  
14 account the number found, the size of the areas searched,  
15 searcher air, removal of carcasses by the scavengers, and  
16 the frequency of searches, among other things.  
17 Investigators vary in the assumptions they apply and the  
18 equations they use, so you can get different fatality  
19 estimates from the same data set. So the objective of this  
20 research is to conduct field trials to test the variables  
21 that contribute to those fatality estimates, and use this  
22 information to evaluate the ability of various equations to  
23 accurately estimate the fatality. And this, again, will be  
24 used hopefully in future revisions of the guidelines.

25           COMMISSIONER LEVIN: So I have two questions,

1 actually, one that relates to this item and the previous,  
2 and then one specifically on this item. Ms. Spiegel, thank  
3 you, as usual, for all of your work on this issue. Having  
4 worked on it with you for many years before becoming a  
5 Commissioner, I do think it is very very important to move  
6 wind power forward in the right places, in the right ways,  
7 and protect wildlife. My question that relates to both  
8 this and the previous item is, is it your expectation that  
9 these two studies will help shape revisions to the wind and  
10 wildlife guidelines, or that the wind and bird and bat  
11 guidelines approved two years ago will wait for these two  
12 studies and others? How do you see them working together  
13 and shaping the future guidelines?

14 MS. SPIEGEL: I do not think the guidelines will  
15 be revised for a while. I think the guess was five years,  
16 and so this work will be done by then. And how they  
17 actually shape the guidelines, I think, will depend on how  
18 successful they are, or credible, or if they are peer  
19 reviewed, as a result of the peer review. If they are  
20 successful and everybody agrees that these are the better  
21 techniques, then I think that they would go into the future  
22 revisions of the protocols.

23 COMMISSIONER LEVIN: Okay. Well, that is a  
24 perfect segway to my second question, which is specifically  
25 on this grant to CalWEA. Given that CalWEA is an advocacy

1 organization and has a financial interest in the outcome of  
2 this sort of work, what are we going to do to ensure that  
3 the methodologies developed are really of the highest  
4 unimpeachable scientific credibility so that they can be  
5 used, not just at Altamont, but statewide, and in future  
6 revisions to the guidelines?

7 MS. SPIEGEL: All of these projects are going to  
8 have what we call a Project Advisory Committee and they  
9 will be made up of various stakeholders and scientists, and  
10 the Commission Contract Manager will be a co-chair on that  
11 committee, and the Commission Contract Manager approves  
12 everybody who can be on that committee. So we will make  
13 sure that it is very balanced and has a good mix of  
14 statistical people and biologists, as well. The other  
15 things are that their management safeguards are that they  
16 had to provide a research plan to us that will be approved  
17 by us and the PAC, the Advisory Committee. They are going  
18 to generate draft experimental designs and give those to  
19 the PAC for their approval, and there will be peer review.

20 COMMISSIONER LEVIN: Okay, great. Thank you.

21 COMMISSIONER BYRON: Excellent question,  
22 Commissioner. And I know that CalWEA has been critical of  
23 this commission in the past with regard to the development  
24 of our avian guidelines, so I am glad to hear that there  
25 will be that kind of oversight, and I am hopeful that they

1 will conduct excellent research. It will be helpful to the  
2 entire industry.

3 COMMISSIONER LEVIN: I will move the item.

4 COMMISSIONER ROSENFELD: Second.

5 CHAIRPERSON DOUGLAS: All in favor?

6 (Ayes.)

7 That item is approved.

8 Item 22. EDM International, Inc. Possible  
9 approval of Grant PIR-08-026 for \$165,516 to EDM  
10 International, Inc. to evaluate the effectiveness of an  
11 avian electrocution risk calculator. Ms. Spiegel.

12 MS. SPIEGEL: Yeah. This contract builds on  
13 earlier PIER work that we did with Southern California  
14 Edison, Pacific Gas & Electric, and a utility stakeholder  
15 group called Avian Power Line Committee, or APLC. We  
16 developed a risk calculator for utilities to use to  
17 determine potential electrocution risk on distribution  
18 poles based on various hardware components and landscape  
19 attributes where the pole was located. So the purpose of  
20 this agreement is to go back and test the calculator  
21 basically, and see, in fact, to validate it and make sure  
22 that it is working correctly. We are working with Southern  
23 California Edison on this project. And then another  
24 purpose of the agreement is to go back and look at the  
25 different ways we have retrofitted poles in the past to see

1 if, in fact, they did reduce electrocution and if they are  
2 holding up in the field. In the past, there has been a lot  
3 of various methods or gadgets used that degraded. So this  
4 effort is going to help provide a streamlined and cost-  
5 effective method for utilities to go in and focus on what  
6 ways to retrofit and what poles to retrofit, rather than  
7 retrofitting a lot of poles that do not really, in fact,  
8 need to be done.

9 COMMISSIONER LEVIN: I move the item.

10 COMMISSIONER ROSENFELD: Second.

11 CHAIRPERSON DOUGLAS: All in favor?

12 (Ayes.)

13 That item is approved.

14 Item 23. USDA Forest Service. Possible approval  
15 of Grant PIR-08-024 for \$550,948 to conduct research to  
16 improve the accuracy and cost-effectiveness of pre-  
17 construction and operations monitoring of birds and bats at  
18 wind energy facilities in California. Ms. Spiegel.

19 MS. SPIEGEL: Yes. This contract will also  
20 address techniques to improve surveys of bats and nocturnal  
21 birds. As I mentioned earlier, that has been one of the  
22 most difficult surveys to do. It will compare the  
23 effectiveness of two acoustic monitoring systems that  
24 detect bird and bat sounds, but this will concentrate on  
25 acoustic monitoring. They are also going to conduct

1 fatality searches on the nights after they do these use  
2 surveys to see if they can compare the level of use with  
3 the level of fatality and see if there is some correlation  
4 there. And then, finally, they are going to develop a web  
5 accessible software that will allow survey data to be input  
6 to create a standardized estimation of fatality rates for  
7 bats. And this, again, will hopefully inform future  
8 revisions of the guidelines.

9 COMMISSIONER LEVINSON: Again, I think this is  
10 very important work and it has national implications, so I  
11 strongly support it and I move the item.

12 COMMISSIONER ROSENFELD: Second.

13 CHAIRPERSON DOUGLAS: All in favor?

14 (Ayes.)

15 Thank you, Ms. Spiegel.

16 Item 24. Minutes. Approval of the July 1<sup>st</sup>, 2009  
17 Business Meeting Minutes.

18 COMMISSIONER ROSENFELD: I move the Minutes.

19 COMMISSIONER LEVIN: I cannot vote on that. I  
20 did not participate in that meeting.

21 COMMISSIONER BYRON: I second.

22 CHAIRPERSON DOUGLAS: All in favor?

23 (Ayes.)

24 Commissioner Levin abstained.

25 Item 25. Commission Committee Presentations and

1 Discussions. Is there any discussion by Commissioners  
2 relating to Committee oversight matters?

3 COMMISSIONER LEVIN: I just want to thank the  
4 staff for the incredible work that you all have been doing  
5 on the stimulus and just the huge additional workload under  
6 difficult circumstances. It is very impressive. I think  
7 you guys are doing a phenomenal job.

8 CHAIRPERSON DOUGLAS: Thank you. Moving on to  
9 Item 26, then. Chief Counsel's Report.

10 MS. ICHIEN: Nothing to report today.

11 CHAIRPERSON DOUGLAS: Item 27, Executive  
12 Director's Report.

13 MS. CHANDLER: Thank you, Commissioner Levin. I  
14 really appreciate the acknowledgement on behalf of staff; I  
15 know it will mean a lot to them. They have been moving at  
16 warp speed. When the President signed this on February 2<sup>nd</sup>,  
17 our lives changed and some may wonder if it was for the  
18 good, but in the end, it will be for the good. So I would  
19 like to kind of just bring you up to date on a lot of the  
20 activities that are happening. I probably will miss some,  
21 so feel free to ask questions at the end.

22 First of all, I do want to acknowledge the staff.  
23 The staff in the Public Programs Office led by John Sugar  
24 and the staff in the Energy Efficiency and Renewable  
25 Division led by Bill Pennington, Valerie Hall Martha Brook

1 and Angie Gould have done an amazing job in a very short  
2 period of time. I would be remiss if I did not thank John  
3 Butler, who is our application guru, who has brought in  
4 very appropriate applications, broadly written, that met  
5 the need so that we could continue to focus on the  
6 guidelines the kinds of programs that we are going to be  
7 bringing forward in both the block grant and SEP programs.

8 I wanted to share with you this brochure. We had  
9 heard from many of our stakeholders at the various  
10 workshops that we have been at that they are not familiar  
11 with energy efficiency programs. You know, these are local  
12 governments, small local governments that may not have ever  
13 followed, worked with us before on an energy efficiency  
14 program. And while our website is amazing and  
15 comprehensive, it is overwhelming for someone who is maybe  
16 not an energy expert. So Susanne Garfield-Jones and our  
17 own Michael Wilson produced this brochure. It is targeted  
18 as a way to get people in the door and to understand. It  
19 has case studies so that local jurisdictions can see what  
20 other local jurisdictions have done with the Energy  
21 Commission. It talks a little bit about what the program  
22 is, and then on the back page, it has got more information  
23 which is really a resource guide, and we will continue to  
24 put case studies on this so that folks can get an idea of  
25 what type of projects for local jurisdictions that they can

1 be bringing forward.

2           As you know, today we have a ad hoc committee  
3 workshop that is at 2:00 to 4:00. It is basically our  
4 kick-off, our launch of the whole program area. While  
5 although we have been out in California, I think we are  
6 approaching a dozen different stakeholder workshops at this  
7 point, this will be the first committee workshop, and that  
8 is from 2:00 to 4:00. It will cover both of the program  
9 areas in very broad perspective, and give people an  
10 opportunity on the phone through WebEx, or here in person,  
11 to ask questions.

12           This week, on the road already, we will have to  
13 adopt that theme song, *On the Road Again*, the block grant  
14 folks are out talking about the guidelines that were posted  
15 a couple of weeks ago, talking about the program  
16 development for the block grant program, we have more  
17 specificity in that, we are looking to get input from these  
18 local jurisdictions about how does this program work for  
19 them, are there things that we can be modifying. We are  
20 holding workshops in Ripon, San Diego, and Santa Ana, which  
21 are those regions that we have not covered before. The  
22 workshop in Ripon in their brand new City Council chambers  
23 will be WebEx'd and they are all the same workshop, so  
24 people do not have to travel to all those three different  
25 places. Our plan, then, is to discuss the guidelines and

1 specificity at these workshops, then we will be getting  
2 input over the next couple weeks. We are going to modify  
3 the guidelines, we will be posting the proposed final  
4 guidelines in mid-August with an adoption at a Business  
5 Meeting on September 16<sup>th</sup>. We anticipate that the funds  
6 from the Department of Energy will actually come to us in  
7 the September or October timeframe, so we expect to be  
8 poised to move the money out.

9           You may be aware that we chose to do, at  
10 committee direction, a per capita allocation for nearly 70  
11 percent of this block grant money, and it includes in it an  
12 unemployment escalator, or kicker, so that, depending on  
13 the unemployment in that local jurisdiction, county, or  
14 city, there is an escalator adaptor there.

15           COMMISSIONER ROSENFELD: But it is pretty mild,  
16 it is only -- 10 percent unemployment gets you a 10 percent  
17 increase.

18           MS. CHANDLER: Correct. And we also are taking  
19 that kicker out of the 40 percent that the Energy  
20 Commission had ability to appropriate, so we are doing  
21 that, so that it is not impacting the per capita  
22 allocation. We moved the per capita allocation up from the  
23 \$4.61 that you just did a straight division to \$5.00.

24           I will move on and talk a little bit about the  
25 next area that we are working on, which is the SEP

1 Guidelines. The staff will be out next week, July 27<sup>th</sup>, in  
2 workshops in San Francisco, Stockton, and San Diego. The  
3 SEP Guidelines will be posted tomorrow afternoon, after  
4 being reviewed internally. Staff will then be  
5 incorporating -- and I should say that we are looking at a  
6 fourth workshop in L.A. in the first week in August. Staff  
7 will be incorporating the comments and anticipates posting  
8 the final proposed guidelines in mid-August for adoption at  
9 the Business Meeting on September 23<sup>rd</sup>. We anticipate that  
10 we will get the federal monies in the September-October  
11 timeframe, so we were going to be poised and ready to go to  
12 put the money on the street as soon as we receive it.

13           The next area that we are working on is that the  
14 U.S. Department of Energy and the Treasury announced  
15 yesterday -- I am kind of getting my dates here -- but \$3  
16 billion for renewable energy projects. The Renewables  
17 Energy Office staff is working on this. We understand that  
18 these are going to be direct, competitive awards from the  
19 Department of Energy. As always, we are making sure that  
20 this information is on our website and is being broadcast  
21 out, and the Renewables staff is working on that. We do  
22 not see a role, necessarily, for the Energy Commission; we  
23 cannot apply for monies ourselves, but we want to make sure  
24 that our stakeholders are aware of this information.

25           Also yesterday, Secretary Chu announced a \$300

1 million appliance energy rebate program that we have been  
2 waiting for and hearing about. We now know that  
3 California's award is \$35 million. We will be evaluating  
4 how to approach the guideline development, whether we can  
5 piggyback off of the Department of Energy's Guidelines,  
6 whether we can piggyback off of the SEP Guidelines that are  
7 in process right now, or whether we will need to develop  
8 our own guidelines for this program. Staff has been  
9 working for the last, I would say, six weeks on monitoring  
10 this, working with the Department of Energy and the  
11 National Association of State Energy Offices to keep  
12 apprised of this, so this was not a surprise to us, and we  
13 are moving rapidly to deploy this program, as well.

14           So I will entertain any questions on any of these  
15 programs. We have moved at warp speed. We were not  
16 running, we were like flying on this one. And I am so  
17 proud of staff and all that they have accomplished.

18           COMMISSIONER LEVIN: I just want to add on the  
19 energy efficiency that we got a briefing from staff  
20 yesterday, the Energy Efficiency Committee, and it sounds  
21 like the guidelines are really very complicated in how they  
22 overlay with existing state programs, utility programs, and  
23 the various restrictions do not line up very cleanly and  
24 neatly, and I think it is going to be very very challenging  
25 for staff to figure out the best way to use these programs,

1 but they are actually making more --

2 COMMISSIONER ROSENFELD: And for Commissioners.

3 COMMISSIONER LEVIN: What's that? Oh, and  
4 Commissioners. On the renewable energy side, I am hoping  
5 that at the next renewable energy committee meeting we can  
6 really talk about what the Commission could do to help  
7 projects move forward more quickly, make sure that we can  
8 get signed decisions made in a timely manner. So even  
9 though we would not be the Applicant, to see if there is  
10 anything else the state can do to make California projects  
11 more eligible for those funds because that is a lot of  
12 money and we need more renewable energy projects. So I do  
13 think we need to look more creatively or move more  
14 aggressively, we need to help projects in California to tap  
15 into those funds, as well, even though we will not be the  
16 Applicant.

17 MS. CHANDLER: We also learned that these funds  
18 for geothermal biomass and wind, that it is our  
19 understanding, or staff's understanding at this time, that  
20 it does not include solar. So that is also a point to  
21 note.

22 COMMISSIONER LEVIN: Okay. Well, again, thank  
23 you and all of the staff. You have done an incredible job.

24 COMMISSIONER BYRON: Yeah.

25 CHAIRPERSON DOUGLAS: I really second that. We

1 appreciate your hard work and I think all of us are looking  
2 forward to the workshop this afternoon where we will have  
3 the opportunity to really hear from staff in detail and  
4 also hear from the public and from stakeholders. This has  
5 been a very intense process in developing these guidelines  
6 and these concepts, and I am very impressed with how staff  
7 have risen to the occasion.

8 COMMISSIONER ROSENFELD: Claudia, do you know how  
9 many stakeholders are going to actually appear this  
10 afternoon with their three-minute talks?

11 MS. CHANDLER: I do not know, but I have learned  
12 that about 90, at least as of yesterday, about 90 of them  
13 have signed up for the WebEx. So we know that it will be  
14 well attended from the standpoint of the WebEx. I should  
15 say that Pat Perez was down in Fresno at the Governor's  
16 California Recovery Task Force Regional Workshop, and he  
17 said that there were quite a few people interested in  
18 driving up to the workshop this afternoon to talk, so he  
19 has an indication that this will be well attended from that  
20 presentation he made down in Fresno where they had  
21 approximately 300 people at the Fresno workshops.

22 COMMISSIONER ROSENFELD: Karen, I guess you are  
23 going to have to get in early and count blue cards and  
24 divide by two hours or something.

25 CHAIRPERSON DOUGLAS: Well, we will hear from

1 those who wish to speak and I am sure we will have a stack  
2 of blue cards.

3 MS. CHANDLER: And we have also indicated to  
4 people to get in the timeframes, that we are limiting it to  
5 three minutes, and reminding them that the specifics of the  
6 guidelines and the specifics of the program and that type  
7 of development of the projects and program and guidelines  
8 is occurring at the regional workshops, and that is why we  
9 are moving around the state, and that is where we are going  
10 to deep dive into those areas. So we hope that they  
11 appreciate that, right now, they can give us their broad  
12 overview, but it is not the place to give us the  
13 specificity of their project and how is it going to fit in.

14 CHAIRPERSON DOUGLAS: Well, that is a helpful  
15 clarification. Other questions or comments from the  
16 Commission? Very good. We will move on to Item 28, the  
17 Public Advisor's Report.

18 UNIDENTIFIED SPEAKER: Good afternoon,  
19 Commissioners. I just have one quick announcement, that in  
20 the next two weeks, we have a site visit and informational  
21 hearing on the ALMA 2 power plant project, and that will be  
22 held at the Ceres Community Center, which is close, within  
23 five miles, I believe, to the City of Modesto. The bus  
24 will be leaving for the site visit at 4:00 p.m. and the  
25 informational hearing will begin at 5:00 p.m. at the

1 community center. And that is all I have. Thank you.

2 CHAIRPERSON DOUGLAS: Thank you very much. Is  
3 there any public comment at this time? Seeing none, this  
4 meeting is adjourned.

5 (Whereupon, at 11:44 a.m., the business meeting  
6 was adjourned.)

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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 20<sup>th</sup> day of July, 2009.

  
Peter Petty