

BUSINESS MEETING
BEFORE THE
CALIFORNIA ENERGY COMMISSION

DOCKET	
Business Meeting	
DATE	OCT 07 2009
RECD.	OCT 19 2009

In the Matter of:)
)
Business Meeting)
_____)

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

WEDNESDAY, October 7, 2009

10:00 A.M.

Reported by:
Peter Petty

COMMISSIONERS PRESENT

Karen Douglas, Chair

James D. Boyd, Vice Chair

Jeffrey Byron

Julia A. Levin

STAFF PRESENT

Claudia Chandler, Deputy Executive Director

Bill Chamberlain, Chief Counsel

Loreen McMahan

Harriett Kallemeyn, Secretariat

Eric Solorio

Terry O'Brien

Alan Solomon

Mike Monasmith

Mike Gravely

Philip Misemer

John Sugar

Gabriel Herrera

Also Present

Peter Weiner, Paul Hastings

Alice Harron, Solar Millennium, LLC

Scott Galati, Galati & Blek

Scott Busa, Nextera Energy

Susan Patterson, Natural Gas Institute

Lisa Van de Water, San Joaquin Valley Air

Pollution Control District

I N D E X

	Page
Proceedings	5
Items	
1 Consent Calendar (Removed)	
A. Golden State Water Company	
2 Ridgecrest Solar Power Project 09-AFC-09	5
A. Possible approval of the Executive Director's recommendation that the Contract be found compliant	
B. Possible appointment of a siting Committee for the Ridgecrest project	
3 Blythe Solar Power Project 09-AFC-6	16
A. Possible approval of the Executive Director's data adequacy recommendation	
B. Possible appointment of siting committee for the Blythe project	
4 Palen Solar Power Project 09-AFC-7	18
A. Possible approval of the Executive Director's data adequacy recommendation	
B. Possible appointment of a siting committee for the Palen project	
5 Genesis Solar Energy Project 09-AFC-8	19
A. Possible approval of the Executive Director's data adequacy recommendation	
B. Possible appointment of a siting Committee for the Genesis project	
6 United Innovations, Inc. (Contract 500-09-011)	28
7 Cambria Solutions (Contract 500-09-013)	30

I N D E X

	Page
8 Gas Technology Institute (Contract 500-09-004)	32
9 Revised Energy Efficiency and Conservation Block Grant Program Guidelines	38
10 Minutes	
A. Possible approval of the September 23, 2009, Business Meeting Minutes	50
B. Possible approval of the September 30, 2009, Business Meeting Minutes	51
11 Commission Committee Presentations/Discussion	51
12 Chief Counsel's Report	51
13 Executive Director's Report	53
14 Public Advisor's Report	56
15 Public Comment	57
Lisa Van de Water, San Joaquin Valley Air Pollutant Control District	46
Adjournment	57
Certificate of Reporter	58

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G S

OCTOBER 7, 2009

10:04 a.m.

CHAIRPERSON DOUGLAS: Welcome to the California Energy Commission Business Meeting of October 7th, 2009.

Please join me in the Pledge.

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

CHAIRPERSON DOUGLAS: All right. The only change to the agenda that I have is Item 1 has been removed from the agenda, so we will begin with Item 2. Ridgecrest Solar Power Project, 09-AFC-09. Mr. Solorio.

MR. SOLORIO: I am Eric Solorio, Project Manager for the Energy Commission. Good morning, Chairman and Commissioners. I am assigned to the Ridgecrest Power Project, here to provide a brief background, followed by Staff's data adequacy recommendation.

On September 1st, 2009, Solar Millennium submitted an Application for Certification to develop Ridgecrest Solar Power Project, which is a 250 Megawatt solar thermal electric generating facility. The project would utilize parabolic trough technology to generate electricity. The project is proposed to be developed on a 3,920 acre site of federal land administered by Bureau of Land Management. The project would be located in Northeastern Kern County, along U.S. Highway 395, just west of the China Lake

1 Boulevard Exit. The site is approximately four miles
2 southwest of Ridgecrest, California.

3 Staff has completed its data adequacy review for
4 the ALC and found that, of the 23 technical areas reviewed,
5 we believe the information contained in the AFC is
6 inadequate in nine areas. Staff has been in contact with
7 the Applicant and discussed the data inadequacies. Based
8 on our conversations with the Applicant, staff understands
9 it is the Applicant's intention to file a Supplemental AFC
10 no later than October 15th. If staff receives the
11 Supplemental filing by October 15th, then staff will work to
12 complete its subsequent data adequacy review and may be
13 able to address this item at the November 4th business
14 meeting. For the purposes of today's meeting, staff asks
15 the Commission not to accept the AFC and find the AFC to be
16 data inadequate.

17 CHAIRPERSON DOUGLAS: Thank you. Can we hear
18 from the Applicant?

19 MR. WEINER: Chair Douglas and members of the
20 Commission, I am Peter Weiner, representing Solar
21 Millennium. We are very pleased with our interactions with
22 staff. Rather than speak myself, I am going to turn this
23 over to Alice Harron, who is the Senior Director of Project
24 Development and Permitting for Solar Millennium and, with
25 your indulgence, she is going to give a brief -- very brief

1 -- talk on all three projects that are before you today so
2 that we do not have to repeat ourselves on the other items.
3 Thanks very much.

4 MS. HARRON: As Peter said, I am Alice Harron. I
5 am the Senior Director of Development for Solar Millennium.
6 First, I really want to thank the Commission and staff for
7 their time to help California achieve renewable generation
8 goal. Solar Millennium is committed to developing good
9 projects in California. Solar Millennium has submitted
10 three solar trough technology projects to the Commission.
11 Staff is clear about its needs. We are working hard to
12 give staff the information it needs. Our goal is to
13 provide information in time to achieve data adequacy by
14 November 4th. Again, Solar Millennium appreciates staff's
15 time and efforts in its review of our projects. We look
16 forward to continuing our dialogue to develop renewable
17 energy in California. If you have any questions...

18 CHAIRPERSON DOUGLAS: Commissioner Byron.

19 COMMISSIONER BYRON: Yes, I think I have a number
20 of questions, and because it applies to all three projects,
21 maybe we could spend just a few minutes on this if that is
22 all right. I guess, first of all, I would just like to
23 understand from counsel, I was -- it is extraordinary, we
24 got four of these in one day. I do not know that we have
25 ever had four data adequacy reviews simultaneously, I

1 understand three from one company. Is that correct? Yes.
2 So I am interested in knowing, Mr. Chamberlain, if we are
3 compelled to provide a data adequacy review within so many
4 days, correct? When we receive an application?

5 MR. CHAMBERLAIN: That is correct. The
6 Commission needs to provide that review within 45 days.

7 COMMISSIONER BYRON: And does it need to be a
8 thorough review? Or is it -- do we only need to identify a
9 single deficiency before we declare it data inadequate?

10 MR. CHAMBERLAIN: One deficiency would be enough.

11 COMMISSIONER BYRON: And are we obligated, once
12 they resubmit, to respond again within 45 days?

13 MR. CHAMBERLAIN: Actually, I am not sure. I do
14 not believe there is a 45-day clock on a response a second
15 time.

16 COMMISSIONER BYRON: Mr. O'Brien may have a
17 response. I notice him just behind you there.

18 MR. O'BRIEN: Commissioner, I think it is 30 days
19 in terms of a --

20 COMMISSIONER BYRON: That is what I understood.

21 MR. O'BRIEN: -- yeah. And let me just say that
22 the staff, you know, given the nature of these projects and
23 the ARRA deadline, we are committed to reviewing the
24 supplements that come in as expeditiously as we can. That
25 has not been the case in the past, given our workload, and

1 we have been telling Applicants we are going to take the
2 full 30 days because, as you well know, we have got 30
3 projects in-house. But given the nature of the ARRA
4 deadline next year, we have informed these applicants that
5 we will expeditiously review their supplements.

6 COMMISSIONER BYRON: Well, and so what I am
7 concerned about, and the direction of my questioning is
8 that I believe that we have got nine to 13 deficiencies on
9 these first three applications. I am just curious if the
10 Applicant was aware that they were that deficient when they
11 submitted the application, or if indeed you had some
12 deadline or something because this obviously takes a great
13 deal of staff time to conducts these data adequacy reviews.
14 It involves the entire division, is my understanding, and
15 30 days is a difficult deadline for them to meet. When we
16 find this much inadequacy in the application, it just
17 concerns me. Other projects have been affected, or are
18 affected as a result of this. Now, I would be happy to
19 hear from my Siting Division Deputy Director, as well,
20 maybe I am making a mountain out of a molehill, but this is
21 quite alarming for us, and now we are going to go through
22 this again when you resubmit here, hopefully by November
23 4th. So I know there are a few questions buried in there,
24 let me give you a chance to respond, Ms. Harron -- or, I am
25 sorry, Mr. Weiner.

1 VICE CHAIR BOYD: Before old friend Peter Weiner
2 responds, let me put my cleats on and jump on you also.
3 Peter, you are going to get pummeled today, obviously, by
4 this Commission, you and your company. You do not have to
5 sit here month in and month out and deal with the large
6 number of applications, particularly solar, which is a very
7 high priority for this state, and this Governor, and this
8 Commission, and listen to folks complain about how long it
9 is taking us to deal with their applications. As you
10 heard, we have a record number in the history of this
11 agency, a record number of applications to review at a time
12 when there is incredible pressure on getting renewable
13 energy, and we all want to share in that, but also terrible
14 financial and resource pressure on all agencies, including
15 this one. And so we take a lot of grief for the time it is
16 taking, and it took a lot of time to process these three
17 applications to this point, only to find them data
18 inadequate. And that time took away from the time that
19 some people in this audience, maybe their representatives
20 are here perhaps listening, hoped, you know, they had a
21 whip and a chair, hoped we were processing their
22 applications. So you have put us in a deeper hole, and now
23 you are going to cache these up and the staff will
24 diligently process them. So this message is to you, but it
25 is also to anyone else who puts us in this position. This

1 is hurtful, this is unproductive, and it is something that
2 we would like to control better, but we have no choice. It
3 is up to the applicants to know what needs to be done to
4 have an application complete. So I hope this message is
5 heard by people far and wide. I know you are fighting your
6 own kinds of deadlines, and I will not reference what they
7 might be, could be financial, and we are fighting our
8 deadlines. So the only way we are going to make this work
9 together is for folks to find out from our staff ahead of
10 time exactly what does it take to make a totally complete
11 application so you can do your utmost to try to make it
12 complete, and thus allow the review that takes place to
13 result in a positive recommendation. So enough said.
14 Maybe others want to jump on you also.

15 CHAIRPERSON DOUGLAS: I think I will let them
16 respond. Please.

17 MR. WEINER: Well, Commissioner Byron and
18 Commissioner Boyd, and Commissioner Douglas, and
19 Commissioner Levin, on behalf of the company, let me first
20 apologize. Solar Millennium is not a utility that has been
21 at this for years and years, so there is some learning as
22 they go along. We certainly hired a reputable consultant
23 to do this, someone who knows how to do it. I think the
24 other thing that is happening is that solar projects
25 present new challenges for all of us, and whether it be on

1 one project, cultural resources, or another project, water
2 use, or in this project the fact that the utilities have
3 not located a substation, so it is kind of hard to know
4 where the gen-tie is, these are issues that become new when
5 you are dealing with some renewable projects, and we are
6 learning how to do it, frankly. And we have had marvelous
7 experience with your staff, they have been terrific at
8 letting us know, but there were some glitches in the
9 original submission in that Solar Millennium thought that
10 certain submissions and absence of data was appropriate,
11 and we have learned, of course, that that is not true. So
12 we are scrambling, but we are doing, I think, a very good
13 job at curing those data inadequacies. Several of them, of
14 the number, were very minor.

15 COMMISSIONER BYRON: Good.

16 MR. WEINER: And so many of them had to do with
17 some mapping issues that, frankly, there was just a
18 misunderstanding on. So I think I am very hopeful that we
19 will be data adequate by November 4th. We are doing all we
20 can to do it, but there are new challenges with these
21 projects that you do not face with fossil fuel projects
22 that locate right next to transmission and load. So we
23 apologize very much.

24 VICE CHAIR BOYD: Well, I appreciate your
25 comments, and just speaking for myself and perhaps other

1 Commissioners, I am very appreciative of the fact of your
2 compliments of the staff, we feel very highly about them,
3 as well, and I will be sure to sign you up in the column
4 that says, "I like the CEC staff," as we have to defend
5 ourselves on occasion.

6 MR. WEINER: We think you need more staff, and we
7 are supportive of that.

8 COMMISSIONER BYRON: We do too. So a couple more
9 questions if I may, and they apply probably to all three
10 projects, but if the answer is different for them, I will
11 ask them again. Do you have a Power Purchase Agreement for
12 this project?

13 MS. HARRON: We have Power Purchase Agreements
14 for two out of the three projects.

15 COMMISSIONER BYRON: Okay, and so this one is one
16 of the ones?

17 MS. HARRON: Yes.

18 COMMISSIONER BYRON: And this is my own failure
19 to thoroughly read everything, is this project on Bureau of
20 Land Management land?

21 MS. HARRON: Yes, all three are.

22 COMMISSIONER BYRON: All three. And another key
23 issue that has come up on a number of our cases, and I
24 cannot help but make sure that you are aware of this
25 Commission's policies around water use with regards to

1 power plants. I do not believe we had an opportunity to
2 meet prior to your submitting the application, that is one
3 of the things I try to make clear to our Applicants as the
4 Chairman of the Siting Committee, that we take a very
5 aggressive approach on the use of fresh water in any power
6 plant, and I just want to make sure that you are aware of
7 that policy.

8 MS. HARRON: Yes, sir. We want to make sure that
9 we comply with the rules, regulations and overall policy
10 when it comes to water use. And all three projects, I am
11 not sure you know, are dry cooled.

12 COMMISSIONER BYRON: Ah hah, see, that is my
13 failure to read all the material. That is all right, there
14 is plenty of time. Thank you --

15 MS. HARRON: But could I make one more comment?

16 COMMISSIONER BYRON: Absolutely.

17 MS. HARRON: I do not want to make any excuses,
18 but I am new to Solar Millennium, and I just want you to
19 know that we are going to make every effort to make sure
20 that our re-submittal is done correctly. We are very
21 appreciative of staff taking our calls, returning them,
22 trying to explain to us what is not fulfilling their needs.
23 So I heard you, I heard you very loud and clear, and we are
24 going to make every effort to make sure that we resolve
25 those issues.

1 COMMISSIONER BYRON: Well, I appreciate that, Ms.
2 Harron and I can tell you that this Commission is very
3 dedicated to trying to move forward as quickly as we can on
4 all of our projects, but of course, particularly the solar,
5 or the renewable projects, I should say. We understand
6 fully there is a great deal of pressure -- "pressure" is
7 not the right word -- "incentive" for these projects to
8 move forward, and we value those incentives, as well, for
9 the state. And there is a fourth project we will be
10 dealing with here this morning, as well. But we have
11 tremendous demands on our resources. I would encourage you
12 to resist getting into that other column with how you deal
13 with our staff. Be as responsive as you can to their data
14 requests, they are attempting to do their jobs as quickly
15 as they can, and because you have elected to put this on
16 Bureau of Land Management land, you have got additional
17 issues. We met -- the Chairman and I met this morning with
18 the new Director of Bureau of Land Management, and
19 discussed some of these issues with him. We are very
20 pleased to see BLM seems to be much more fully staffed than
21 they have been recently, and their dedication -- his stated
22 dedication towards meeting the Administration's goals for
23 renewables for this country is certainly consistent, in
24 line with ours. But these are single use applications of
25 land, and it makes for very challenging permitting at that

1 agency, as well as ours. So I encourage you to be as
2 responsive as you can because we will go up and down, I
3 suspect, your company and our Commission over the next year
4 or more, but I am giving my commitment that we very much
5 want to try and move forward on all of these solar -- I
6 keep saying "solar", but these renewable applications, as
7 quickly as we can. I apologize for the terse questions
8 early on.

9 MS. HARRON: No apology. You will find with me,
10 being direct is the best policy. Thank you.

11 CHAIRPERSON DOUGLAS: Commissioner Levin?

12 COMMISSIONER LEVIN: Yeah, I want to support what
13 my fellow Commissioners have said. I think we are all very
14 concerned about the state's ability to bring more stimulus
15 dollars, more renewable projects online, you know, to get
16 the stimulus dollars to meet our RPS goals. And our staff
17 is unfortunately really in the middle of a perfect storm
18 now with the budget cuts and furlough days, and
19 unprecedented siting demand, and ARRA deadlines. Having
20 said all that, we certainly will not approach November 4th
21 with any prejudice. We understand that you are a
22 relatively new applicant and it is a complicated world that
23 you are operating in. Having said that, though, I would
24 say more generally, I think all of us are operating in a
25 somewhat new and challenging world, and that is a good

1 thing in many ways, where there is so much more emphasis on
2 recognition and incentives for renewable energy. I think
3 we are all struggling to figure out how to do it more
4 quickly in the right places, to collaborate more between
5 agencies, and with applicants and others, the local
6 governments. I have met with a number of renewable
7 companies and I welcome any other renewable applicants or
8 not to come in and talk to us about how we can accelerate
9 the process on our end, and give you our thoughts about
10 what you all can do, so that we do not use up very very
11 precious and limited staff time, and where we do not have
12 to, so that where we really can nudge projects forward in
13 time for stimulus dollars, that is actually critical. The
14 Governor has been very clear about that priority, and I
15 think we all share that priority. So work with us, please,
16 as much as you can going forward, but I do want to make
17 clear, we will not approach the next deadline with any
18 prejudice, despite the scolding. And I am sorry you kind
19 of walked into this perfect storm at the moment, but we are
20 hearing from other applicants whose applications have
21 already found data adequacy, that they feel like they are
22 suffering as a result of all these new applications coming
23 in, and they are not convinced anymore that their
24 applications will meet the ARRA deadline. So we have to
25 keep those moving forward. Anyway, it is a long way of

1 saying work with us, no grudges, let's move forward
2 quickly, and thank you to the staff for doing the best you
3 can under really hard circumstances.

4 VICE CHAIR BOYD: Madam Chair, I presume when we
5 get to Item 4, we can just say "ditto."

6 COMMISSIONER BYRON: I think that Applicant would
7 appreciate that, don't you?

8 CHAIRPERSON DOUGLAS: Mr. Weiner.

9 MR. WEINER: Thank you for those words. I just
10 want to -- since we have this forum today, just indicate
11 Sola Millennium has been trying to help, both to coordinate
12 with BLM, and Fish & Wildlife Services, as well as Fish &
13 Game. We met with Bob Abbey, as well, last week in
14 Washington, and Sam Hamilton who is head of Fish & Wildlife
15 Service, and the company is very involved in the Desert
16 Solar Working Group, which unites some of the companies and
17 some of the environmental organizations trying to
18 coordinate these things. It is a huge challenge. One of
19 the challenges is, and I am not going to give a big talk
20 here, but one of the challenges is that the Energy
21 Commission's process is front loaded, you want a lot of
22 information ahead of time. BLM's project is back-loaded,
23 they give a Notice of Intent, they go to do NEPA, and they
24 get all the information as they go along, but the result is
25 that, the way these are being coordinated now, they do not

1 do their scoping until you have found data adequacy. And
2 so, since they are back-loaded, and they may be doing
3 things after you are done, or at least it kind of looks
4 that way from some of the time diagrams, that is one of the
5 reasons why we are trying to get there as quickly as we
6 can, and as best we can because coordinating with BLM has
7 been a challenge. You have probably seen time charts of
8 how this works, and so on, but we have been working closely
9 with Mr. O'Brien, who has been very involved in these
10 things, as well, and we really appreciate your help.

11 CHAIRPERSON DOUGLAS: Well, I appreciate that
12 perspective and the efforts to help make this work and, of
13 course, I hope you take our comments in the manner
14 intended. We absolutely want development, more renewable
15 energy development in California. We welcome you to our
16 process and other developers through our process. We want
17 good projects in California. I think the point has been
18 made, and re-made, that just for us coming in with three
19 applications at the same time, that add numerous
20 deficiencies, created a workload bump that put some things
21 back. Now, that is water under the bridge, and we are glad
22 that you will be moving forward to correct those
23 inadequacies and hope to see you in November.

24 COMMISSIONER BYRON: Madam Chair, I would like to
25 move Item 2, staff's recommendation, we find Ridgecrest

1 Solar Power Project data inadequate at this time.

2 VICE CHAIR BOYD: Second.

3 CHAIRPERSON DOUGLAS: All in favor?

4 (Ayes.)

5 That motion is approved.

6 Item 3. Blythe Solar Power Project, 09-AFC-6.

7 Mr. Solomon.

8 MR. SOLOMON: Good morning, Commissioners. My
9 name is Alan Solomon. I am a Project Manager with the
10 Siting Division, and with me is Lisa DeCarlo, staff
11 attorney with her Legal Division. We are here this morning
12 to discuss the Blythe Solar Power Project.

13 On August 24th, the Energy Commission received an
14 Application for Certification from Solar Millennium and
15 Chevron Energy Solutions. This filing was for the Blythe
16 Solar Power Project. This project is a concentrated solar
17 thermal electric generating facility and would have a total
18 amount of local capacity of 1,000 Megawatts. This project
19 would be located in the Southern California Inland Desert,
20 or approximately eight miles west of the City of Blythe,
21 and two miles north of the I-10 Freeway in Riverside
22 County. The Applicants have applied for a right-of-way for
23 approximately 9,400 acres of land owned by the Federal
24 Government and managed by BLM. Construction in operation
25 of the project would disturb a total of 7,030 acres. Staff

1 has completed its data adequacy review of the AFC and found
2 that it is inadequate in 12 areas, this includes the
3 transmission system design, where the Applicant has not
4 identified a route. I have been in contact with the
5 Applicant and discussed the areas that are inadequate.
6 Based on our conversation, the Applicant understands the
7 outstanding areas, and we are looking forward to continuing
8 to work with them. But for today's meeting, we ask that
9 you find the project data inadequate. And I am happy to
10 take any questions.

11 COMMISSIONER LEVIN: Mr. Solomon, just one
12 clarification. Do you expect this application to come back
13 November 4th, as well?

14 MR. SOLOMON: Based on what the Applicant has
15 told me, their intent is to get me the supplement on or
16 around October 15th, which would mean it would be on the
17 November 4th agenda item.

18 COMMISSIONER LEVIN: Okay, thank you.

19 VICE CHAIR BOYD: I would move approval of the
20 staff recommendation.

21 COMMISSIONER BYRON: Before I second, a quick
22 question. I am going to guess, this is the one without the
23 PPA?

24 MS. HARRON: Yeah, I always confuse the two, but
25 I believe so.

1 COMMISSIONER BYRON: Okay, I second the motion.

2 CHAIRPERSON DOUGLAS: All in favor?

3 (Ayes.)

4 Motion carries.

5 Item 4. Palen Solar Power Project 09-AFC-7. Mr.
6 Solomon.

7 MR. SOLOMON: Yes, Lisa and I are here this
8 morning to discuss the Palen Solar Project, as well.
9 Similar to Blythe, this was filed on August 24th and, again,
10 this is with Solar Millennium and Chevron Energy Solutions,
11 and this is the filing that is for Palen Solar Power Plant.
12 Similar with technology, this facility would have a total
13 capacity of 500 Megawatts. This project would be located
14 in the Southern California Inland Desert in Eastern
15 Riverside, approximately half way between the Cities of
16 Indio and Blythe, about three miles east of the Joshua Tree
17 National Park. Similar, this project is on BLM land, and
18 the Applicants have filed for a right-of-way grant of
19 approximately 5,200 acres, and construction operation of
20 this project would disturb a total of about 2,970 acres.
21 Staff has completed its data adequacy review of this AFC
22 and found that it is inadequate in 13 areas, which also
23 includes the transmission design, where the Applicant has
24 not identified a route. Similarly, I have been in contact
25 with the Applicant and discussed these areas that are

1 inadequate and, based on our conversation, the Applicant
2 understands the outstanding areas, and staff are looking
3 forward to working with them, but for today's hearing, we
4 ask that you find this project data inadequate.

5 CHAIRPERSON DOUGLAS: Questions, comments?

6 COMMISSIONER BYRON: Yes. The Applicant, is
7 there a chance you changed the pronunciation on this one so
8 we would not refer to it as the Solar Palen Project?

9 MS. HARRON: I am unaware of that change.

10 COMMISSIONER BYRON: I would move we accept
11 staff's recommendation to find this project data
12 inadequate, however, I think, as I say that, the question
13 might apply as well -- are we expecting re-submittal data
14 requests for this project by November 4th meeting, as well?

15 MS. HARRON: Yes.

16 COMMISSIONER BYRON: Thank you. So I move the
17 item.

18 VICE CHAIR BOYD: Second.

19 CHAIRPERSON DOUGLAS: All in favor?

20 (Ayes.)

21 The motion passes.

22 MR. SOLOMON: Thank you.

23 CHAIRPERSON DOUGLAS: Thank you. Item 5.
24 Genesis Solar Energy Project, 09-AFC-8. Mr. Monasmith.

25 MR. MONASMITH: Thank you, Chairman,

1 Commissioners. Mike Monasmith, Project Manager, Siting
2 Division, and Robin Mayer, Legal Staff Counsel.

3 On August 31st, 2009, the California Energy
4 Commission received the Genesis Solar Energy Project AFC
5 from Genesis Solar LLC, subsidiary of Nextera Energy.
6 Project Genesis is a concentrated solar energy generating
7 facility, with a proposed 250 Megawatts. It would be
8 located in Riverside County, approximately 25 miles west of
9 Blythe. As proposed, construction and operation of Project
10 Genesis will occupy a total of 1,800 acres of BLM land, a
11 transmission line access road and natural gas pipeline will
12 be co-located along a six and a half mile linear corridor,
13 running south from the project site, with a gen-tie
14 crossing Interstate 10 and connecting to the Blythe Energy
15 Project transmission line.

16 Staff has completed its initial data adequacy
17 review of the AFC and found it inadequate in nine of 23
18 areas, air quality, bio-cultural, geological,
19 paleontological, visual resources, soil, water, and
20 transmission system design. I received the draft data
21 adequacy supplement from the Applicant this morning.
22 Depending on staff's review and approval time, the
23 Executive Director may be able to recommend this AFC data
24 adequate in time for your next business meeting on October
25 21st, however, for today's business meeting, we ask that you

1 find Genesis Solar Energy Project data inadequate. If you
2 have any questions, we are happy to answer.

3 CHAIRPERSON DOUGLAS: Can we hear from the
4 Applicant?

5 MR. GALATI: Scott Galati representing Nextera.

6 MR. BUSA: I am Scott Busa, Project Director with
7 Nextera Energy Resources.

8 MR. GALATI: Madam Chair, members of the
9 Commission, we have reviewed staff's data adequacy and we
10 agree with the recommendation at this stage. We have
11 already worked hard to provide a draft. I think that we
12 are in very good shape here. I want to let you know that
13 the Applicant has been working with BLM for over two years
14 to define their original application, and moving it around
15 to avoid impacts. The project is going to be
16 interconnecting into an existing corridor that is already
17 permitted, it has some advantages in that area, and we very
18 much appreciate -- the staff has been very clear, and we
19 look forward to getting into the cue and we believe that
20 our data adequacy supplement as it is right now is pretty
21 close to being finished.

22 COMMISSIONER LEVIN: I have a question for Mr.
23 Monasmith, and I probably should have asked of the previous
24 applications, as well. If these four projects are found
25 data adequate in the next month, is it still possible that

1 we could complete the 12-month process in time for stimulus
2 dollars? Mr. O'Brien, are we -- is that a relevant reality
3 at this point? How close are we here? How on the edge of
4 that timeline are we?

5 MR. O'BRIEN: Well, I would say, taking direction
6 from the Governor's Executive Order that he signed in
7 November of last year, to give the highest priority to
8 renewable projects, the staff has been doing that, and will
9 continue to do that. It is going to be a huge challenge, a
10 greater challenge than we have ever had in the Siting
11 Division, to move all of these projects, assuming they are
12 data adequate, on or about November 4th through the review
13 process, in 12 months. And it is going to be a challenge
14 for a number of reasons, one, stating the obvious, is that
15 we have got 30 projects in-house, and we have never had
16 this type of sustained workload in the history of the
17 Energy Commission. We had a momentary blip during the
18 energy crisis, but this workload right now is basically the
19 greatest we have had. And, of course, the Commissioners
20 are well aware of the recruitment and retention
21 difficulties that the Division has labored under for the
22 last three or four years, and then, in addition, we have
23 challenges with the furlough system. So we have a number
24 of unique challenges in front of us that we have never had
25 before. The other thing is that these solar projects have

1 proved extremely difficult because of the type of impacts
2 associated with them. We are talking about many square
3 miles in the desert being impacted, raising issues
4 regarding, for example, impacts to rare and endangered
5 species, and to numerous cultural resources. In the pre-
6 filing meetings that I have held over many many months with
7 these Applicants, I have tried to stress to them that we
8 are not going to be able to, in my opinion, move these
9 projects forward in an expeditious manner if we have
10 protracted disagreements in these and any other technical
11 areas. The Applicants or the Project Developers have
12 indicated that they understand; having said that, it is one
13 thing to nod in agreement, and it is another thing down the
14 road to see if, in fact, we get to that point. I have also
15 stressed to the developers that the staff will do
16 everything in its power to try to move these projects
17 forward in a timely manner. Four out of the five projects
18 that just filed with the Commission in the last couple of
19 months are located on BLM land, so it is not just a matter
20 for the Energy Commission to process these applications, it
21 is also an issue of our BLM partners and, of course, they
22 like us are struggling under the same constraints of
23 inadequate resources, and huge workloads. So, Commissioner
24 Levin, can we do it? I hope we can. We are certainly
25 committed to doing it. Can I stand here today and give you

1 any guarantees that we will be able to do it? No, I
2 cannot. I think in the conversations that I have had with
3 all of you, you know, I have made clear what the division,
4 the limitations we have, and how we have to address those
5 to have any reasonable chance. So we are going to do
6 everything we can. I think we have demonstrated over these
7 many years the capacity to take on enormous challenges, I
8 think we have been very successful. Commissioner Boyd
9 earlier mentioned the fact that we are having obvious
10 challenges in terms of timelines, processing these
11 projects, that is certainly true, but at the same time, the
12 fact that we are getting them through at all, and that the
13 delays have not been overwhelming -- perhaps the Applicants
14 would disagree -- I think is an indication of the
15 remarkable job that the staff within the division has done,
16 and I think those staff deserve a lot of kudos. So we are
17 going to do everything we can. We look forward to a
18 productive working relationship with these applicants, that
19 is the only way things are going to get achieved, and we
20 will see what happens going forward.

21 COMMISSIONER LEVIN: Thank you very much, Mr.
22 O'Brien. And, definitely, a huge thanks to the whole
23 Siting staff for just the really heavy lifting that they
24 have been doing lately. Mr. Galati, and Applicant, I think
25 we will spare you the lecture we gave the previous

1 applicant --

2 COMMISSIONER BYRON: I -- I do not think we will.

3 COMMISSIONER LEVIN: Okay, we will not. I will
4 just say I think it all bears repeating, I mean, given that
5 context, why it is so critical that we not spin any
6 unnecessary wheels on data adequacy findings, we just do
7 not have the time.

8 CHAIRPERSON DOUGLAS: Commissioner Byron.

9 COMMISSIONER BYRON: When I say that,
10 Commissioner, it is only because I think we need to dish it
11 out equally here. First of all, Mr. O'Brien --

12 VICE CHAIR BOYD: You mean "ditto" just does not
13 do it?

14 COMMISSIONER BYRON: No. Mr. O'Brien, thank you,
15 and my compliments, as well, to you and your staff. I
16 think you are doing an extraordinary job. And I want you
17 to know that I will be instituting a policy whereby none of
18 your staff, including you, will be allowed to do early
19 retirement unless you get this Commissioner's approval.
20 And you will have to schedule your going away dinner, and
21 of course, the calendar is very booked up. So you know,
22 actually I am quite concerned about this, Mr. O'Brien, and
23 I know you are too, that the staff is doing an
24 extraordinary job and we want to try to give you all the
25 tools that we can to continue meeting your obligation

1 deadline. And I note also, Commissioner that I think in
2 today's Siting Committee, there is an item where we are
3 going to look at a revised schedule in working with BLM on
4 these joint projects, and I am looking forward to that
5 discussion. I believe it is later this afternoon. But I
6 think we do need to ask the Applicant to respond to some of
7 the same concerns we expressed earlier, just in fairness
8 here. And I do have a couple specific questions.
9 Obviously, this is on BLM land, I want to make sure that
10 you are well aware of this Commission's policies around
11 water use. I am interested in knowing if you have a PPA.
12 And I would also like you to please respond to the fact
13 that this had nine deficiencies and was substantially data
14 inadequate, and the impact that has on other projects.

15 MR. BUSA: Yeah, the first one, the PPA question,
16 yes, this project does have a PPA that will be going to the
17 Public Utilities Commission hopefully later this month and
18 we will be able to talk more fully on that at that time.
19 On the data inadequacies, we are an experienced Applicant,
20 right now we have the Beacon Energy Project, a solar energy
21 project before the Commission, and we have also proposed
22 other projects, including the Blythe Energy Transmission
23 Line, which we thank the Commission for approving, that is
24 under construction right now. And actually, some of that
25 right-of-way will be utilized for the Genesis Solar Energy

1 Project, too. So hopefully -- we have been working very
2 closely with staff, we have been able to address, we
3 believe, all of the inadequacies, we believe them to be
4 pretty minor, we were able to turn that around in just a
5 few days, or a few weeks time in a few cases. We really do
6 not believe that there were major inadequacies with our
7 application, and as Mr. Monasmith said, hopefully we will
8 be able to be back here at your next business meeting and
9 have all of those cleared up at that point in time.

10 MR. GALATI: Yes, I would like to echo that, as
11 well. You know, staff does a very thorough review, and
12 some of the inadequacies are that the figures prepared were
13 not of the right size so that staff could see what they
14 were looking at. This is common. And some of the
15 inadequacies were to provide input that did not get into an
16 Appendix. But I just wanted to let you know from the
17 perspective of water, that is not an inadequacy, and I
18 think that we have put forth a very good reason why we
19 comply with the policy. The policy as we understand it at
20 the Energy Commission is not that you cannot wet cool, it
21 is that, if you are going to wet cool, you must use very
22 poor quality water, and not fresh water. And, again, just
23 to point out a specific that you may have missed, our water
24 has 5,000 TDS, we are using extremely bad water, it is
25 water that cannot even be used for agricultural purposes,

1 it is something that is new, it is something that the
2 Commission has recommended other projects use, water as bad
3 as this. So this project should be distinguished from that
4 perspective and that is our wet cooling strategy, we
5 believe that it is very consistent with your IEPR 2003
6 Report, and we can continue to explore that with staff, but
7 we do not intend to make this an issue that causes us a
8 fight that delays ARRA funding.

9 COMMISSIONER BYRON: And you have more than
10 answered my question. We are not going to get into the
11 details. I certainly have not begun to review the project
12 at that level of detail. But as long as you are aware of
13 that policy, I think at this point that is what is
14 important.

15 I am prepared to move staff's recommendation to
16 find the Genesis Solar Energy Project as data inadequate at
17 this time.

18 VICE CHAIR BOYD: Second.

19 CHAIRPERSON DOUGLAS: All in favor?

20 (Ayes.)

21 The motion carries.

22 MR. GALATI: Thank you.

23 MR. BUSA: Thank you.

24 CHAIRPERSON DOUGLAS: Item 6. United
25 Innovations, Inc. Possible approval of Contract 500-09-011

1 for \$226,691 with United Innovations, Inc., for production
2 of an operating photovoltaic sub-module. Mr. Gravely.

3 MR. GRAVELY: Good morning, Madam Chairman,
4 Commissioners. I am Mike Gravely from the R&D Division.
5 In many cases, we have brought before you small grants that
6 were selected for the initial small grant phase. This is
7 an example of a company that received a small grant in 2001
8 to demonstrate a concept, or a feasibility of developing a
9 new way of building a collector box that uses high
10 efficiency pv and mirrors in a box to increase the ability
11 of the technology to capture the energy. They have gone
12 forward and brought to you a team of individuals, both
13 themselves and Raytheon and Arizona Science Foundation to
14 put together a .136 scale demonstration, so their grant was
15 successful and they have put together a prototype concept.
16 We expect this project to be a good opportunity to
17 demonstrate this technology. It has the potential of
18 bringing forth in a solar collector environment an
19 efficiency of 10-20 percent higher than we can get today.
20 The grantees' partners are putting in over \$900,000 in cost
21 share and we view this as a good example of where a concept
22 was developed in a small grant program, and now they are
23 moving forward into the commercialization phase of doing a
24 prototype. The ultimate goal from this phase would be a
25 commercial product. I will be glad to answer any

1 questions. This has been approved by the R&D Committee and
2 we recommend your approval of this contract.

3 VICE CHAIR BOYD: If no questions, on behalf of
4 the R&D Committee, I will move approval of this item and
5 just, again, commend the staff and point out, as Mike has
6 done, the success of one of our small grant applicants,
7 which Ms. Chandler is deserving of some form of notoriety
8 by this agency, I believe.

9 COMMISSIONER BYRON: I agree. Mr. Gravely, you
10 get all the interesting projects. I would be more than
11 happy to second the item.

12 CHAIRPERSON DOUGLAS: All in favor?

13 (Ayes.)

14 The item is approved.

15 Item 7. Cambria Solutions. Possible approval of
16 Contract 500-09-013 for \$179,762 with Cambria Solutions to
17 develop a comprehensive administrative policies and
18 procedures manual for the Public Interest Energy Research
19 (PIER) Program. Mr. Gravely.

20 MR. GRAVELY: Good morning, Madam Chairman and
21 Commissioners. In 2008, the Commission chartered the
22 Department of Finance to do an audit of the PIER Program
23 and they completed that audit in the beginning of this year
24 of 2009, and where there were no substantial findings, what
25 they did recognize was there were a lot of policies and

1 procedures that were not in a cohesive, easy to find, easy
2 to use document. So they recommended that we get a
3 document together that is a policies and procedures manual
4 that captures all the information for the Project Managers
5 and for the staff, and the one cohesive document, and to
6 use that document for training. This Contractor will help
7 us in that process, they will also train the staff in using
8 the document, and they will also train the staff to
9 maintain the document, so this will be a case where they
10 will develop it for us, and then they will train our staff
11 to use it, and then, going forward, we will maintain the
12 document, as well as use the document. And this was one of
13 the findings that they recommend that we do, and so we are
14 completing this as a finding of that audit.

15 VICE CHAIR BOYD: Move approval of the item.

16 CHAIRPERSON DOUGLAS: Commissioner Byron?

17 COMMISSIONER BYRON: You addressed my question
18 about the training aspect, but, Mr. Gravely, was there a
19 chance I could sneak my policy into your manual about the
20 early retirement prior to my approval? Could I get it in
21 this manual, perhaps, for the PIER Division, as well?

22 MR. GRAVELY: I think I will defer to the
23 Executive Officer that question, sir.

24 COMMISSIONER BYRON: All right, I will work on
25 that. I will second the item.

1 VICE CHAIR BOYD: It does appear we should not
2 invite Commissioner Byron to any of the forthcoming
3 retirement parties.

4 CHAIRPERSON DOUGLAS: All in favor?

5 (Ayes.)

6 The motion is approved.

7 MR. GRAVELY: Thank you.

8 CHAIRPERSON DOUGLAS: Item 8. Gas Technology
9 Institute. Possible approval of Contract 500-09-004 for
10 \$992,903 with Gas Technology Institute to develop and test
11 a cost-effective technology to produce transportation-
12 quality liquefied natural gas (LNG) from landfill gas. Mr.
13 Misemer.

14 MR. MISEMER: Good morning, Chairman Douglas,
15 Commissioners. My name is Philip Misemer. I work in the
16 Energy Research and Development Division. The project
17 before you is a proposed sole source contract with the Gas
18 Technology Institute to perform research that would
19 evaluate a novel gas clean-up system being developed by the
20 Gas Technology Institute, and provide information that will
21 assist us in understanding the economics of smaller scaled
22 LNG liquefaction equipment and projects. This project is
23 consistent with the State Alternative Fuels Plan to assist
24 in bringing on alternatives to petroleum. It is also
25 consistent with the Energy Commission's natural gas vehicle

1 research roadmap, which has as one of its recommendations
2 research to lower the cost, resolve the cost barriers of
3 increased use of liquefied natural gas. This project uses
4 a relatively abundant resource in the state; currently, the
5 potential for landfill gas is approximately 137 billion
6 cubic feet per year, and this project and its capacity has
7 the potential to displace about 2.8 million gallons of
8 diesel use. We are joining other state agencies, the
9 California Integrated Waste Management Board, South Coast
10 Air Quality Management District, and the California Air
11 Resources Board in funding this project. Our funding
12 represents about 8 percent, 78 percent is being funded by
13 the private sector, that would be Waste Management, and
14 BOC, Lindy, or just BOC, that is the industrial gas people.
15 I would be happy to answer any questions I can.

16 COMMISSIONER LEVIN: Mr. Mesimer, this looks like
17 a very very important project and it is really exciting to
18 see projects like this that connect the dots between
19 different goals, reducing emissions from landfills, and
20 also reducing emissions from the transportation sector. So
21 I am very excited about it, very supportive. I am just
22 curious, you mention a number of state partners and there
23 is obviously a very high level of private investment in
24 this. It is in Livermore, which is in the backyard of
25 Sandia National Lab, which does a lot of research and

1 development into alternative fuels and engine technologies.
2 Commissioner Boyd does not know, but he and I are going to
3 go have a tour there sometime soon. His Advisor and I were
4 briefed on a lot of the work they are doing, and it is very
5 exciting. Given the close proximity, I would just like to
6 pass on a message to the Applicant, I hope they coordinate
7 with the National Lab, as well as the state and private
8 partners because there could be a lot of additional
9 benefits from that.

10 CHAIRPERSON DOUGLAS: And actually, Commissioner
11 Levin, I believe the applicant, or GTI, is here and has
12 given me a blue card. Is that correct, Susan Patterson?

13 MS. PATTERSON: Correct.

14 CHAIRPERSON DOUGLAS: So you passed it on,
15 directly, in fact. Please come forward.

16 MS. PATTERSON: Good morning, Commissioners,
17 Chairwoman Douglas, and Commissioners. Susan Patterson
18 with the Gas Technology Institute and on behalf of the
19 project team of GTI, Lindy, BOC, and Waste Management, I
20 just wanted to express our enthusiasm over this important
21 research project. This project, as Mr. Misemer pointed
22 out, has also received funding from CARB, California
23 Integrated Waste Management Board, and the South Coast
24 AQMD. And we believe it is important because it addresses
25 so many of the energy and environmental issues facing

1 California today, not only will the conversion of landfill
2 gas to a liquid fuel create an alternative transportation
3 fuel, but it will significantly address California's
4 stringent greenhouse gas reduction goals by reducing carbon
5 emissions by nearly 30,000 tons annually. In fact, the Low
6 Carbon Fuel Standard encourages the use of renewable gas
7 and discourages the use of diesel and petroleum for
8 transportation, so we are hoping that this project leads to
9 the long-term increased use of biogas from landfills as a
10 transportation fuel, rather than the way it is currently
11 flared.

12 Generally, landfill gas at Waste Management's
13 Altamont Landfill will be converted to LNG using a
14 liquefaction technology developed by GTI, and licensed to
15 Lindy. The LNG will be used to fuel Waste Management's
16 trash haulers, and will be the largest producer of landfill
17 gas-based LNG in the world. The goal of the project is to
18 produce 13,000 gallons of LNG each day. Specifically, this
19 research will design a biogas clean-up system for landfill
20 gas that will serve an LNG production plant. We will be
21 trying a variety of methodologies, materials, and process
22 approaches for achieving the desired purity levels from
23 clean-up system. The results are of the research will
24 assist in designing future clean-up systems more
25 efficiently and cost effectively, and hopefully will

1 encourage the widespread use of landfill gas as a
2 transportation fuel.

3 I would also like to take this opportunity to
4 thank the PIER Project Management staff for their support
5 of the project. Phil and Tony Tully, and David Effross,
6 and also thanks to Office Manager Ken Koyama, Division
7 Chief Tom Kelly, and a special thanks to Commissioner Boyd
8 and his Advisor, Kelly Birkinshaw. We look forward to
9 working with you on this exciting research. I will pass on
10 the message to the Waste Management people who, from what I
11 understand, Waste Management and Lindy, they have formed a
12 joint partnership to do more of these projects at other
13 Waste Management landfills, the privately owned waste
14 management landfills, and I will be glad to pass that
15 information on to them. And there is a dedication, a
16 groundbreaking on November 2nd, to which you are all
17 invited, and if you have not received an invitation yet,
18 you will shortly, a save the date invitation, November 2nd,
19 there will be a tour and a switch-flipping, or however they
20 are planning to do it, and we understand the Governor has
21 been invited, but he -- he is available, but he may be
22 waiting for a better offer, I do not know. So, anyway,
23 thank you again for this -- we are looking forward to this
24 research. And if you have any questions, I would be glad
25 to answer them.

1 COMMISSIONER LEVIN: I will just reiterate,
2 please do get in touch with Sandia and National Lab, it is
3 literally down the street.

4 MR. MISEMER: Is Dr. Stoltz still -- is that who
5 you will be seeing?

6 COMMISSIONER LEVIN: I do not remember the name,
7 but I am happy to go look them up and pass them on in the
8 comment information.

9 MR. MISEMER: Thank you.

10 VICE CHAIR BOYD: I am sure PIER will follow from
11 that since we have such a strong relationship with the
12 National Labs. I would like to thank Ms. Peterson for her
13 comments, and thank all involved with this. I think Ms.
14 Peterson --

15 CHAIRPERSON DOUGLAS: Patterson.

16 VICE CHAIR BOYD: Patterson -- Susan, I do not
17 know why I did that to you. I was about ready to say you
18 worked here, you were a SMUD Director, I have known you for
19 years, and I changed your name, so forgive me. In any
20 event, this project, I am glad to see here today. I want
21 to move its approval. This has been like pushing one of
22 the biggest rocks I have ever seen up a very steep hill. I
23 will not take my fellow Commissioners through the agony of
24 this project, only the ecstasy of this day, and we are
25 finally going to approve it. It is a case study of why it

1 is so difficult in some government agencies to get things
2 done. But in any event, it is very important for a future
3 for landfill gas, which is a very difficult gas to deal
4 with. And Waste Management has been incredibly patient
5 with us, with regard to getting this project moving. So it
6 hopefully is seen by some as a banner day. And I recommend
7 approval.

8 COMMISSIONER BYRON: Commissioner Boyd, thank
9 you. That answers some of the questions I was going to ask
10 with regard to the background on this project,
11 sufficiently. So --

12 VICE CHAIR BOYD: It is not pretty.

13 COMMISSIONER BYRON: -- I will be glad to accept
14 that answer and second the item.

15 CHAIRPERSON DOUGLAS: All in favor?

16 (Ayes.)

17 The item is approved.

18 MR. MISEMER: Thank you, Commissioners.

19 CHAIRPERSON DOUGLAS: Item 9. Revised Energy
20 Efficiency and Conservation Block Grant Program Guidelines.
21 Possible adoption of Revised Guidelines for the Energy
22 Efficiency and Conservation Block Grant Program. Mr.
23 Sugar.

24 MR. SUGAR: Thank you, Madam Chairman,
25 Commissioners. I am John Sugar from the Fuels and

1 Transportation Division, and covering me is Gabe Herrera
2 from the Chief Counsel's Office. The Guidelines before you
3 this morning would direct the Small Jurisdiction Energy
4 Efficiency and Conservation Block Grant Program. These are
5 an amended version of the Program Guidelines that the
6 Commission approved on September 16th. At that time, the
7 ARRA Ad Hoc Committee was concerned that those adopted
8 guidelines did not allow for small jurisdictions to partner
9 with larger jurisdictions in municipal finance programs.
10 These programs provide a financing mechanism to assist
11 property owners to install energy efficiency measures. The
12 guidelines before you now include that option. So the
13 program now includes grants for jurisdictions to purchase
14 and install specified energy efficiency equipment, grants
15 to undertake more comprehensive energy efficiency projects,
16 and grants to participate in these municipal finance
17 programs.

18 The changes to these Guidelines also include more
19 specific guidance on how much the program may pay for some
20 specific efficiency equipment. It requires explanation
21 where installation costs for this equipment exceed the cost
22 of the equipment itself. These changes are to ensure that
23 the purchases are cost effective, as required in state law.
24 Staff has discussed these revised guidelines with the ARRA
25 Ad Hoc Committee and has received their approval. The

1 Department of Energy requires that we complete all of these
2 grant agreements with local governments by mid-March. If
3 you approve these revised guidelines today, staff plans to
4 release the solicitation and the application materials
5 tomorrow.

6 CHAIRPERSON DOUGLAS: Thank you, Mr. Sugar.
7 Questions from Commissioners? I think your last comment
8 really encapsulated the timelines, that you are certainly
9 working under, and it is the case more and more, certainly
10 here, but I am very pleased to see that you have met these
11 timelines, you have brought this to us today, you are ready
12 to go tomorrow and, of course, our 60-day clock is ticking.
13 How far are we into our 60 days?

14 MR. SUGAR: We have, well, the six-month -- we
15 are about three weeks into it now.

16 CHAIRPERSON DOUGLAS: Six months, that is right.
17 That is better than 60 days.

18 MR. SUGAR: Yes.

19 COMMISSIONER BYRON: I ran into Mr. Sugar
20 yesterday and he gave me an impromptu briefing on this
21 item, and I am prepared to move its approval.

22 MR. HERERRA: Commissioners, before you vote on
23 this, if I could just make some comments on the record
24 concerning the California Environmental Quality Act?

25 COMMISSIONER BYRON: I doubt that it will cause

1 me to withdraw my motion.

2 MR. HERERRA: Thank you, Commissioner Byron. As
3 was the case when the Commission first considered the
4 adoption of these Guidelines, the Legal Office is taking a
5 look at the provisions to see if they constitute a project
6 under the California Environmental Quality Act, or CEQA.
7 In this case, the revisions do not constitute a project
8 under CEQA. They are exempt and they fall within an
9 exemption specified in Title 14 of the California Code of
10 Regulations, Section 15378, Subdivision B(2) and B(4), in
11 that the activity relates to General Policy and Procedure
12 making, and creation of a governmental funding mechanism
13 which in itself does not involve any commitment to a
14 specific project, which may result in a potentially
15 significant physical impact on the environment. In
16 addition, the adoption of the guideline revisions is exempt
17 under CEQA from what is known as the Common Sense
18 Exception, and that exception is provided in Title 14 of
19 the California Code of Regulations, Section 15061(B)(3).
20 And with that, I will let you move on the item. Thank you.

21 COMMISSIONER LEVIN: I would like to thank staff
22 very much --

23 MR. SUGAR: I am sorry --

24 CHAIRPERSON DOUGLAS: We have public --

25 MR. SUGAR: We do have a representative of the

1 San Joaquin Air Pollution Control District here, who would
2 like to make a comment.

3 CHAIRPERSON DOUGLAS: We have Lisa Van de Water.

4 MS. VAN DE WATER: Good morning, Madam
5 Chairperson Douglas and members of the Commission. I am
6 Lisa Van de Water. I am with the San Joaquin Valley Air
7 Pollution Control District, and I am also representing the
8 San Joaquin Valley Clean Energy Organization. Our two
9 agencies have combined into a partnership to be able to
10 assist the small jurisdictions within San Joaquin Valley,
11 that is separate counties, in obtaining these Block Grant
12 Funds, and assisting them in the ongoing administration and
13 implementation of the programs that fall out of these
14 funds. I first need to thank your staff. John Sugar has
15 been working with us since the beginning. We have badgered
16 him at all the workshops that were held within the San
17 Joaquin Valley and Sacramento, and he has helped us
18 understand the draft guidelines, the ARRA requirements, and
19 anything else we asked of him, and we certainly appreciate
20 that. In putting together this partnership, our goal is to
21 help those jurisdictions in our valley that are very
22 economically hard hit, as jurisdictions across the nations
23 are. And the state requirements for cost effectiveness
24 have presented some challenges for these small
25 jurisdictions and for the partnership. I am sure you are

1 aware that this cost effectiveness criteria was not imposed
2 on the large jurisdictions that received direct funding
3 from the DOE, so we are having to come up with ways to get
4 those feasibility studies done prior to the application.
5 Again, for the small jurisdictions without the resources,
6 it is a difficult challenge to have those viable
7 assessments prior to the application. And John and his
8 staff have been working with us in an attempt to make that
9 as easy as possible, and I hope to see that continue with
10 the application. We are also asking that, given the
11 challenges of getting that application in with those
12 feasibility studies that there is some flexibility with
13 regard to those costs after the application is submitted.
14 And John has spoken with us and assured us that their
15 office will make every effort to help in that regard. I
16 wanted to say that, in the San Joaquin Valley, many of the
17 jurisdictions were not going to apply for this money, given
18 the challenges, given the reporting requirement, they just
19 do not have the staff resources to take that on, but
20 because of the partnership between the Air District and the
21 Clean Energy Organization, they have signed on, we have at
22 least 27 jurisdictions, I think, signed up, as committed to
23 joining the partnership, and we are still working to add to
24 that out of a total of 45 jurisdictions possible in the
25 Valley. So our goal is to get as much of that money, and

1 as much of that energy savings into the San Joaquin Valley
2 as possible. We look forward and are a little bit scared
3 of the application to be released, we know we have a lot of
4 work ahead of us, but it is for the benefit of the Valley.
5 Thank you.

6 COMMISSIONER LEVIN: We really appreciate the Air
7 District's and the -- I am sorry, I did not catch the name
8 -- the Clean Energy --

9 MS. VAN DE WATER: The San Joaquin Valley Clean
10 Energy Organization.

11 COMMISSIONER LEVIN: -- the Clean Energy
12 Organization's efforts to help facilitate this
13 collaboration so that more jurisdictions in the Valley can
14 participate. I also wonder whether that collaboration
15 could also lead to further collaboration under municipal
16 financing programs, if you want to even enlarge that
17 umbrella.

18 MS. VAN DE WATER: Well, frankly, we are ahead of
19 you on that. We are looking at potential applications for
20 the SEP funding, both in municipal financing and the
21 residential -- the Comprehensive Residential Retrofit
22 Program, expanding our coalition into other agencies and
23 jurisdictions in the Valley to tap into that money, as
24 well, in establishing those districts.

25 COMMISSIONER LEVIN: Well, thank you even more.

1 That is incredibly helpful for you to do. Are other air
2 districts aware of what you are doing? Do you know of
3 other air districts that are going to do something similar?

4 MS. VAN DE WATER: We are the only air district
5 that I know of that is kind of taking the lead on this kind
6 of effort. I now there are other regional kind of
7 applications that are being put together, but I am not
8 aware that any of those are -- that there is air district
9 support in any of that.

10 COMMISSIONER LEVIN: Well, thank you.

11 VICE CHAIR BOYD: I want to join in commending
12 the District for your leadership in this area. Some of us
13 who have dealt with some of the grant programs of late, and
14 have looked at the geographical disposition of those funds,
15 have been quite concerned that there seems to be a void in
16 the San Joaquin Valley, and I really think it is great that
17 you have stepped in to help folks who are obviously
18 intimidated by a lot of this, as you have indicated. So
19 hopefully in the future, as we see the distribution of
20 funds, you will have been successful in helping even out
21 what some of us, at least, have seen as a paucity of funds
22 going into the Valley, which probably needs them as great
23 as, if not greater than, some parts of the state. So good
24 work.

25 MS. VAN DE WATER: Thank you.

1 COMMISSIONER BYRON: Ms. Van de Water, before I
2 reiterate my motion to approve, I am concerned, as well,
3 about the onerous reporting requirements. This subject
4 came up yesterday and I believe my fellow Commissioners are
5 concerned about this, as well, but most of these
6 requirements, I understand, are coming from the Federal
7 Government for good reason, and we will be obliged to
8 fulfill our obligations in that regard, I hope, and not add
9 to the onerousness of that as reporting requirements, but
10 certainly this Administration is going to keep track of
11 where its funds go. There was a bad experience last year.

12 MS. VAN DE WATER: And the Air District is
13 prepared to maintain the transparency that the Federal
14 Government is looking for, and all the requirements that
15 are being stipulated with these monies.

16 COMMISSIONER BYRON: Thank you. Thank you for
17 being here. So I can reiterate my motion to approve.

18 COMMISSIONER LEVIN: And I would happily second.

19 CHAIRPERSON DOUGLAS: All in favor?

20 (Ayes.)

21 The item is approved.

22 MS. VAN DE WATER: Thank you.

23 CHAIRPERSON DOUGLAS: Item 10. Minutes. 10A is
24 possible approval of the September 23, 2009 Business
25 Meeting Minutes.

1 VICE CHAIR BOYD: Move approval.

2 COMMISSIONER LEVIN: Second.

3 CHAIRPERSON DOUGLAS: All in favor?

4 (Ayes.)

5 The minutes are approved. Item B, 10B, possible
6 approval of September 30, 2009 Business Meeting Minutes.

7 COMMISSIONER LEVIN: I move approval.

8 COMMISSIONER BYRON: Second.

9 VICE CHAIR BOYD: I will be abstaining.

10 CHAIRPERSON DOUGLAS: All in favor?

11 (Ayes.)

12 The item is approved.

13 Item 11. Commission Committee Presentations and
14 Discussion.

15 COMMISSIONER LEVIN: I would just like to
16 announce that we have a hearing on Television Efficiency
17 Standards next week on October 13th, I believe, all day, or
18 starting at 9:00 A.M., and a large part of the day, in this
19 room. And we are looking forward to it.

20 VICE CHAIR BOYD: And I noticed apparently we
21 have to work on the LA Times on that subject.

22 CHAIRPERSON DOUGLAS: Yes. Item 12. No more
23 presentations? Item 12. Chief Counsel's Report.

24 MR. CHAMBERLAIN: Thank you, Madam Chairman. I
25 am very pleased to introduce to the Commission the newest

1 attorney for our office, Jonathan Knapp. Could you stand
2 up, Jonathan? Jonathan comes to us from the University of
3 California at Berkeley, Boalt Hall School of Law, where he
4 graduated in 2008, and he was an articles editor for the
5 Ecology Law Quarterly, a journal which will celebrate the
6 anniversary of its founding 40 years ago in just a few
7 weeks. For a recent graduate, Jonathan has quite a bit of
8 relevant experience to us, he spent a year clerking for the
9 Honorable John E. Munter in the San Francisco County
10 Superior Court in their Complex Litigation Department. He
11 was also a Research Assistant for Professor Richard Frank
12 who, as you may know, rose to be the number 2 person in the
13 Department of Justice before moving to Boalt Hall School of
14 Law and founding the Center for Law, Energy and the
15 Environment. Rick Frank started his career in my office
16 and actually left the office just shortly before I arrived
17 to go to the Attorney General's Office. Jonathan also
18 worked as a Summer Intern in the City of San Francisco's
19 City Attorney's Office in their Affirmative Litigation Task
20 Force, and he was a Judicial Extern for the Honorable
21 Felton E. Henderson during his second year of law school in
22 the U.S. District Court, Northern District of California,
23 so quite a bit of experience for a one-year attorney at
24 this point. And I know he is going to be a great asset to
25 our office. We have been working with the attorneys on air

1 matters right now, and we will probably be broadening his
2 experience in the near future.

3 CHAIRPERSON DOUGLAS: Well, thank you for that.
4 And welcome to the Energy Commission. You have got a
5 tremendous background already.

6 COMMISSIONER BYRON: I could not help but notice,
7 Chief Counsel, there is going to be some reminiscing in
8 some of his remarks there with regard to his introduction.

9 VICE CHAIR BOYD: Oh, he was just probably
10 feeling good about another Cal Bear working here.

11 MR. CHAMBERLAIN: Boalt Hall, of course, as you
12 know, is now sometimes referred to as Berkeley Law for the
13 sake of East Coasters who do not know where it is.

14 The other matter that I have is I need a brief
15 closed session with the Commission on a personnel matter.

16 CHAIRPERSON DOUGLAS: All right. Item 13.
17 Executive Director's Report.

18 MS. CHANDLER: Good morning, Commissioners.
19 Commissioner Byron, I could not agree with you more about
20 your edict about closing the door on retirements, I think
21 we need to address that to the gentleman on my left.

22 COMMISSIONER BYRON: Good, done.

23 MR. CHAMBERLAIN: He said early retirement.

24 MS. CHANDLER: He just meant retirements. Before
25 I enter into the ARRA Report and let you all know how we

1 have been doing, I would be remiss if I did not acknowledge
2 that, although people are leaving, we are welcoming back to
3 the Commission a former advisor back into the Advisor
4 Office, we are welcoming back Sarah Michaels. She left as
5 the Chairman's Advisor and is coming back as Vice Chair
6 Boyd's Advisor, so we are delighted that Sarah is bringing
7 her expertise back into the organization.

8 VICE CHAIR BOYD: Thank you, Ms. Chandler, for
9 correcting my error, I should have introduced her at the
10 beginning of this meeting to a large audience, but I am not
11 functioning well today, as you have noticed, I have
12 mispronounced names, etc. etc.

13 MS. CHANDLER: To go on with the ARRA update, we
14 on October 2nd were required to report to the OCIO all of
15 our four reports for the SEP, the Block Grant, the
16 Appliance Rebate Program, and the Energy Assurance Program.
17 The OCIO is combining all the ARRA reports and will be
18 reporting singly to the Federal O&B, so we successfully
19 uploaded three of our four reports, the fourth report we
20 determined that we had an improper number for one of our
21 sub-applicants, so we are straightening that out. So we
22 are moving forward there.

23 The Department of Energy has issued a Request for
24 Information for program ideas to develop a new funding
25 opportunity notice, which is called the Competitive Energy

1 Efficiency Conservation Block Grant Program. It is for
2 \$154 million, they anticipate that there is going to be
3 between six and eight awards to those entities that are
4 eligible to respond onto the large block grant. The PG&E
5 and CPUC have expressed interest in partnering with the
6 Energy Commission, as have other local jurisdictions
7 related to Municipal Financing Districts, as have the
8 Treasurer's Office, so we are looking at that, with the
9 opportunities there. The funding opportunity announcement,
10 we anticipate, will be in the November-December timeframe.

11 You heard today and passed on the Energy
12 Efficiency Conservation Block Grant Program, that moves now
13 over \$36 million to small counties and cities. The
14 Guidelines in the Application will be posted tomorrow, that
15 is 265 cities and 44 counties that are eligible to apply.
16 The awards range from \$25,000 to \$826,000. That does not
17 include what we heard today about those that would
18 collaborate and join together, but that was the individual
19 awards. The cities and counties have until September 2012
20 to complete their projects.

21 The State Energy Program Guidelines Program, the
22 staff plans to issue and post the three solicitations
23 tomorrow for the following programs, the Municipal
24 Financing Program, the Comprehensive Residential Building
25 Retrofit Program, and the Municipal and Commercial Building

1 Targeted Measures Retrofit Program. The briefing
2 conference on this is scheduled for October 20th and we
3 anticipate the proposals will be due on November 30th. We
4 will issue our Notice of Proposed Awards in late December
5 with those awards being heard by the full Commission in the
6 first quarter of 2010.

7 The last thing that I have is that we
8 successfully, as you know, last week you all signed off on
9 the DGS \$25 million Revolving Loan Program, the DGS has
10 processed that contract in record time, and it is
11 implemented already, so that is complete. Later today, we
12 -- Mark Hutchison will be representing the Energy
13 Commission at a meeting with the Inspector General, Laura
14 Chick. It will be to better understand the statewide
15 perspective required for monitoring oversight and
16 compliance activities for all departments receiving ARRA
17 funds. So that is the completion of my report.

18 COMMISSIONER BYRON: Madam Chair, I think this is
19 too good of an opportunity to publicly state that we
20 appreciate DGS' responsiveness and moving that contract
21 forward so quickly. So my thanks to DGS.

22 CHAIRPERSON DOUGLAS: Thank you, Commissioner
23 Byron. Other questions or comments? Item 14. Public
24 Advisor's Report.

25 MS. McMAHON: Good morning, Commissioners. The

1 only thing that I have to report is that I wanted you to be
2 aware, the Public Advisor's Office has complete rewritten
3 and reformatted our website in the planning of making it
4 more user friendly to the public when they access it and
5 define easier information that is specific to a lot of
6 requests that we get in our office on calls and through e-
7 mail, and it has been given to the Webmaster, but it is in
8 the cues, so I do not know how long it is going to be
9 before that is actually going to be live.

10 VICE CHAIR BOYD: Probably crushed by ARRA --

11 MS. McMAHON: Funny, that and PIER, and a few
12 other things, it has not quite risen up yet, although I
13 begged because it will really help alleviate a lot of the
14 work that we have, if we can just direct people to the
15 website for the information.

16 COMMISSIONER BYRON: good.

17 MS. McMAHON: Other than that, we do not have any
18 issues.

19 CHAIRPERSON DOUGLAS: Thank you. Item 15.
20 Public Comment. Seeing none, we will adjourn the meeting
21 and move to closed session.

22 (Whereupon, at 11:21 a.m., the business meeting was
23 adjourned.)

24 --o0o--

25

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 _____ day of October, 2009.

PETER PETTY