

COMMISSIONERS PRESENT

Karen Douglas, Chair

James D. Boyd, Vice Chair

Jeffrey Byron

Julia A. Levin

STAFF PRESENT

Melissa Jones, Executive Director

Bill Chamberlain, Chief Counsel

Harriett Kallemeyn, Secretariat

	<u>Item Number</u>
Eileen Allen	1, 2
Norm Bourassa	3
Barbara Byron	5, 6
Atlas Hill	7, 8
Malachi Weng Gutierrez	9
Mike Gravely	10
Jonathan Blee	11
Kevin Bell	11

Also Present

Chris Ellison, Ellison Schneider & Harris

Greg Lamberg, Radback Energy

Scott Galati, Galati & Blek

Mark Krausse, PG&E

Robert Sarvey

Jim Swaney, (phonetic) San Juan Air Pollution Control
District

(Via WebEx)

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

2 SEPTEMBER 23, 2009 10:00 a.m.

3 CHAIRPERSON DOUGLAS: Good morning. Welcome to
4 the California Energy Commission Business Meeting of
5 September 3rd, 2009.

6 Please join me in the Pledge.

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

9 CHAIRPERSON DOUGLAS: Item 1. Abengoa Mojave
10 Solar Project, 09-AFC-05. Ms. Allen?

11 MS. ALLEN: Good morning, Chairman Douglas and
12 Commissioners. I am Eileen Allen. On August 10th, 2009,
13 the Energy Commission received an Application for
14 Certification from Mojave Solar LLC to construct and
15 operate the Abengoa Mojave Solar Project. The project site
16 is located approximately nine miles northwest of the Town
17 of Hinkley in Unincorporated San Bernardino County. It is
18 approximately half way between the City of Barstow and
19 Kramer Junction near the Highway 395 and Highway 58
20 Junction. The project would be located on approximately
21 1,700 acres. The project site is comprised of private
22 property that has been used for irrigated farming. It
23 would utilize solar parabolic trough technology and would
24 have a combined nominal electrical output of 250 Megawatts.
25 The existing solar electric generating stations 8 and 9,

1 which we commonly call SEGS 8 and 9, are located
2 immediately northwest of the project site. They have been
3 operating for some years and they were licensed by the
4 Commission in the 1980's. The Abengoa Mojave Project is
5 currently data inadequate in nine sections: air quality,
6 biological resources, land use, and so on. The Applicant
7 has been working with staff to provide a Supplemental
8 packet of information. The Applicant can update us on the
9 progress of their submittal. We are asking that you find
10 the project data inadequate today.

11 CHAIRPERSON DOUGLAS: Thank you. May we hear
12 from the applicant?

13 MR. ELLISON: Thank you, Chairman Douglas,
14 Commissioners. Chris Ellison, Ellison, Schneider & Harris
15 on behalf of the Applicant. We are putting together a
16 package to address staff's concerns. We are targeting
17 having that package done hopefully this week. We are
18 working very diligently to achieve that result. And we do
19 not oppose the staff's recommendation, but intend to work
20 with the staff on addressing their concerns.

21 CHAIRPERSON DOUGLAS: Thank you very much. And I
22 certainly do hope that you are able to do that and that we
23 will see you back before us very soon.

24 COMMISSIONER BYRON: Do we know how soon that
25 might be? Hard to tell?

1 MS. ALLEN: Hard to tell. It will depend on when
2 we receive the supplement, how many other things are in the
3 works, and how complicated it is for our review.

4 COMMISSIONER BYRON: Fair enough.

5 COMMISSIONER LEVIN: I would just encourage the
6 applicant to work as quickly as possible and, if this
7 project moves forward, in the hopes that it meets the
8 stimulus deadlines, we certainly want as many California
9 projects as possible to be eligible. I am not trying to
10 pre-judge the project, but timeliness really matters here.

11 MR. ELLISON: You are preaching to the choir. We
12 are very very interested in achieving that result. And I
13 appreciate your help. Thank you.

14 VICE CHAIR BOYD: Quick question, and if I might,
15 I could not pick out the material here, but I may have
16 missed it, is there a gas back-up for this facility? Or --
17 I do not expect to see energy storage yet, but Abengoa, I
18 know, is in energy storage, I have seen their facilities in
19 Spain and I am sure it would be good if we saw that some
20 day. But in any event, is there gas back-up?

21 MS. ALLEN: I did not mention that. You are
22 right. I believe there is a gas assist feature.

23 VICE CHAIR BOYD: Thank you.

24 COMMISSIONER BYRON: Madam Chair, I move we
25 accept the staff recommendation, data finding that it is

1 data inadequate at this point.

2 VICE CHAIR BOYD: Second.

3 CHAIRPERSON DOUGLAS: All in favor?

4 (Ayes.)

5 The motion is approved.

6 And before we read off Item 2, I forgot to
7 mention, there are two changes to the agenda. Item 4 will
8 be moved to the 30th, the business meeting on the 30th, and
9 we will take up the Minutes after going through Item 2 so
10 that Eileen Allen does not have to sit here while we take
11 up the Minutes, but I want to be sure that we take them up
12 early.

13 Item 2. Contra Costa Generation Station, 09-AFC-
14 04. Ms. Allen.

15 MS. ALLEN: On June 30th, 2009, Contra Costa
16 Generating Station, LLC filed an Application for
17 Certification for construction and operation of the Contra
18 Costa Generating Station. This facility is proposed as a
19 merchant natural gas-fired, combined cycle, rated at a
20 nominal generating capacity of 624 megawatts. The project
21 is located in Oakley in eastern Contra Costa County. On
22 August 12th of this year, the Energy Commission determined
23 that the AFC did not meet all the requirements listed in
24 Title 20 and the California Code of Regulations for the 12-
25 month process. Specifically, the AFC was deficient in five

1 of the 23 technical areas reviewed -- air quality, cultural
2 resources, project overview, transmission system design,
3 and waste management. On August 20th, the Applicant filed a
4 supplement to the AFC containing the additional information
5 for review. In addition, on September 9th, we received a
6 letter from the Bay Area Air Quality Management District
7 indicating that the application to the district is now
8 complete. The staff has now completed its review of the
9 supplemental information and believes that the AFC now
10 meets all the information requirements listed in Title 20
11 and the California Code of Regulations. We are
12 recommending that you find the application data adequate
13 and are requesting the appointment of a committee for the
14 project.

15 CHAIRPERSON DOUGLAS: Thank you. Can we hear
16 from the Applicant?

17 MR. GALATI: Scott Galati, representing Radback
18 Energy. Madam Chair, Members of the Commission, pleased to
19 be before you today. We agree with the staff
20 recommendation and I believe Mr. Lamberg has a few words to
21 say.

22 MR. LAMBERG: Yeah, we are very pleased with the
23 hard work done by staff in evaluating our application, and
24 very clearly and concisely sharing with us the areas where
25 we are deficient. As I shared with this Commission about a

1 month ago, we intend to work very diligently in submitting
2 a response, and we did do that and a lot of the Herculean
3 efforts of Doug Davy and Keith McGregor from CH2MHill, who
4 are here with us today in supporting our efforts on the
5 environmental side of the project. We are very pleased to
6 be before the Commission. We are excited about reaching
7 the data adequacy milestone. I just also wanted to briefly
8 introduce Jim McLucas, who is behind me, who is our project
9 engineer with Radback Energy and Brian Bertacchi, the
10 Project Executive with Radback Energy, as well. The
11 project will utilize state-of-the-art General Electric 7F
12 Rapid Response technology to meet the challenges of our
13 Grid going forward, and we are really excited about getting
14 the work and bringing forth the project to the benefit of
15 all Californians. Thank you.

16 CHAIRPERSON DOUGLAS: Thank you very much. Any
17 questions or comments from the Commissioners?

18 COMMISSIONER LEVIN: I move for approval.

19 COMMISSIONER BYRON: Second.

20 VICE CHAIR BOYD: Second.

21 CHAIRPERSON DOUGLAS: All in favor?

22 (Ayes.)

23 So we have found the project data inadequate and
24 we will move on to Item B, possible appointment of a siting
25 committee for Contra Costa Generating Station project. And

1 the committee I would propose is Commissioner Boyd
2 Presiding, Commissioner Douglas, Associate.

3 COMMISSIONER LEVIN: Move for approval.

4 COMMISSIONER BYRON: And I will second that one.

5 CHAIRPERSON DOUGLAS: All in favor?

6 (Ayes.)

7 The motion carries 4-0.

8 VICE CHAIR BOYD: What case is this, 34, 35, or
9 36?

10 MS. ALLEN: We are hovering around 30.

11 VICE CHAIR BOYD: Thirty, okay.

12 MS. ALLEN: Approximately.

13 CHAIRPERSON DOUGLAS: To ensure that we have a
14 quorum, because, as Commissioner Boyd is leaving just a
15 little bit early, I am moving to the Minutes.

16 Item 12 A is approval of the September 9th, 2009
17 Meeting Minutes. And --

18 COMMISSIONER BYRON: I move approval.

19 COMMISSIONER LEVIN: Second.

20 CHAIRPERSON DOUGLAS: All in favor?

21 (Ayes.)

22 COMMISSIONER BYRON: And I believe I abstained.
23 I was not present on that meeting.

24 CHAIRPERSON DOUGLAS: That item is approved with
25 Commissioner Byron abstaining. And while we are on the

1 Minutes, 12B, approval of the September 16th, 2009 Special
2 Business Meeting Minutes.

3 COMMISSIONER LEVIN: I move for approval.

4 COMMISSIONER BYRON: Second.

5 CHAIRPERSON DOUGLAS: All in favor?

6 (Ayes.)

7 That item is approved.

8 Back on agenda with Item 3. Lawrence Berkeley
9 National Laboratory. Possible approval of Contract 500-09-
10 010 for \$900,000 with Lawrence Berkeley National Laboratory
11 to develop a graphical interface for the building energy
12 simulation tool, EnergyPlus. Mr. Bourassa.

13 MR. BOURASSA: Good morning, Commissioners. This
14 proposed \$900,000 agreement with Lawrence Berkeley Lab will
15 add very much in the full feature Graphical interface to
16 EnergyPlus, as you just said. The DOE is building an
17 energy simulation tool that is widely regarded as the most
18 analytically transparent building energy simulation tool
19 available in the United States, and that is the principal
20 reason why the Energy Commission and the State of
21 California has invested so heavily in the tool over the
22 last decade. And it is fact a very very important part of
23 our future development for the Building Energy Standards.
24 For energy analysis in the design community, there has been
25 a barrier for a long time in actually being able to use the

1 tool. It is just a very simple text input, text output
2 simulation engine. Very early in the EnergyPlus
3 development, the DOE agreed to the private sector's request
4 for the public sector to just stay in the development of the
5 core features and leave the development of the user
6 interface to the private sector. This has been eight years
7 now that they have not stepped up, and for a multitude of
8 reasons having to do with the size market and business
9 models. We feel that this is a perfect role for the PIER
10 funds which is to step in on instances where the private
11 sector is unable to respond. What has developed is a
12 public/private partnership with an India software developer
13 named Infosys. They have stepped up and said, "We feel we
14 can create a business model around this," and they are
15 pledging close to \$1 million of software programmer
16 experience for a full feature graphical user interface, and
17 this \$900 K for the Department of Energy's Lawrence
18 Berkeley National Lab is to support a \$2 billion energy
19 science specialist to make sure that the implementation
20 into this interface is correctly done. The graphical user
21 interface will be full-featured, especially with respect to
22 HVAC capabilities, which there is no interface right now
23 that is supporting all of the features. There are several
24 interfaces that are doing building geometry and whatnot,
25 but the engineering community needs a full-featured HVAC

1 interface. There will be two versions of the tool, a fully
2 freely available full-featured version of the tool with
3 limited technical support for those that want to use the
4 free version, and Infosys will own a second version of the
5 tool where it will add some business to business consulting
6 business models into it, and some fee-based technical
7 support for the design firms that can afford that. The
8 project scope has been developed with a strong series of
9 four or five workshops with the engineering and
10 architectural design community. We are very confident that
11 we are producing the type of tool that they say they need,
12 and they have been very actively involved in the
13 development of the work scope. So with that, I will answer
14 any questions you have -- oh, it is included in our '08-'09
15 PIER Budget, and we are indeed committing experts.

16 VICE CHAIR BOYD: Move approval.

17 COMMISSIONER LEVIN: I second, and I just want to
18 say I think it is very exciting that this is a
19 public/private partnership, and part of our ongoing
20 collaboration with the National Labs, I think that is
21 critical and it is very important, I think, to the Energy
22 Efficiency Committee, as well. So I second.

23 CHAIRPERSON DOUGLAS: All in favor?

24 (Ayes.)

25 The item is approved. Thank you.

1 VICE CHAIR BOYD: And I would note, Ms. Jones,
2 because this is a public/private partnership, and very
3 significant, it is deserving of some kind of media
4 notoriety if we can.

5 COMMISSIONER BYRON: Good.

6 MS. JONES: We would be happy to follow-up.
7 Thank you.

8 CHAIRPERSON DOUGLAS: Good. Item 5, Western
9 Governors' Association. Possible approval of Amendment 3
10 to Contract 150-07-005 with Western Governors Association,
11 adding \$103,649 to continue preparation for federal nuclear
12 waste shipments to the Waste Isolation Pilot Plant in New
13 Mexico. Ms. Byron.

14 MS. BYRON: Good morning, Chairman Douglas and
15 Commissioners. Items 5 and 6 are related. Item 5 is
16 requesting your approval of the WGA contract for the Energy
17 Commission to receive the next increment of funding. We
18 receive quarterly increments from the Department of Energy
19 through the Western Governors Association. And then Item 6
20 is to allow the Energy Commission to pass through the funds
21 to the California Highway Patrol, to reimburse them for CHP
22 inspections and also training. The Energy Commission has
23 coordinated this project with other California agencies
24 over the past 20 years, and we administer the funds and
25 coordinate the California agencies that are working

1 together to prepare for these shipments. And I request
2 your approval for both Items 5 and 6.

3 VICE CHAIR BOYD: Commissioner, Madam Chair, do
4 you want to read into the record Item 6, and I will make a
5 motion, then, to approve the two together?

6 CHAIRPERSON DOUGLAS: I will. Item 6, California
7 Highway Patrol. Possible approval of Amendment 3 adding
8 \$103,649 to Contract 150-07-006 with the California Highway
9 Patrol.

10 VICE CHAIR BOYD: Okay, I would move approval of
11 Items 5 and 6. As indicated, this is something we have
12 done for years and it is routine business.

13 COMMISSIONER BYRON: Second.

14 CHAIRPERSON DOUGLAS: All in favor?

15 (Ayes.)

16 MS. BYRON: Thank you.

17 CHAIRPERSON DOUGLAS: The item is approved --
18 Items 5 and 6 are approved.

19 Item 7. Andes Consulting. Possible approval of
20 Purchase Order 09-409.00-014 for \$225,000 to provide
21 programming for application and database development and
22 support for the Energy Commission's Program Development and
23 Support office. Mr. Smith.

24 MR. HILL: Yes, Mr. Smith is ill today, so it is
25 Atlas Hill.

1 CHAIRPERSON DOUGLAS: Thank you. I do apologize.

2 MR. HILL: No problem.

3 CHAIRPERSON DOUGLAS: Mr. Hill.

4 MR. HILL: I am here this morning representing
5 the Information Technology Services branch, and we are
6 asking for the approval of a Purchase Order for \$250,000
7 with Andes Consulting, which will provide, as you stated,
8 programming services to the Energy Commission for short-
9 term projects and overflow work from current projects. The
10 Information Technology Services branch is responsible for
11 the administration and support and maintenance of systems
12 that are used by staff in the financial services and human
13 resources and support services for performing numerous
14 functions. This agreement is also consistent, as stated in
15 the agenda, with the Governor's Executive Order S-09-09,
16 and we have reduced the total cost of the contract, and it
17 is also in accordance with Government Code 19-13-0B3, which
18 allows for the short term projects and overflow contracting
19 services for short term projects and overflow, or where the
20 required expertise cannot be obtained through civil
21 service.

22 CHAIRPERSON DOUGLAS: Thank you. Questions or
23 comments?

24 MR. CHAMBERLAIN: Madam Chairman?

25 CHAIRPERSON DOUGLAS: Yes, please.

1 MR. CHAMBERLAIN: May I just clarify? Atlas, you
2 said \$250,000 --

3 MR. HILL: Oh, I am sorry, it was reduced. It is
4 \$225,000, as stated in the agenda.

5 CHAIRPERSON DOUGLAS: Thank you for the
6 clarification.

7 VICE CHAIR BOYD: Move approval.

8 COMMISSIONER BYRON: Second.

9 CHAIRPERSON DOUGLAS: All in favor?

10 (Ayes.)

11 The item is approved.

12 Item 8. Metavista Consulting Group. Possible
13 approval of Purchase Order 09 409.00-15 for \$400,000 with
14 MetaVista Consulting Group to provide technical programming
15 maintenance support for the Program Information Management
16 System. Mr. Hill.

17 MR. HILL: Yes, thank you. As you stated, we are
18 asking \$400,000 and this is with Metavista. Again, this
19 contract is for programming, technical services, and
20 support. It is through our Program Information Management
21 System, some of the technical maintenance and support
22 objectives on that system are agreement development, annual
23 report development, and publications, our competitive
24 solicitation processing, invoice processing, search
25 capabilities, research capabilities, and this services

1 contract is also in compliance with the Governor's
2 Executive Order, and also in compliance with the Government
3 Code.

4 CHAIRPERSON DOUGLAS: Thank you. And I
5 understand that this work will contribute to project
6 tracking not only for PIER funds, but also ultimately 118
7 and ARRA funds, and will be useful and usable organization-
8 wide.

9 MR. HILL: Absolutely, that is absolutely
10 correct. And we are looking to try and include all of our
11 program elements into this application.

12 CHAIRPERSON DOUGLAS: I think that is a very
13 important step forward and commend you for that work.
14 Other questions or comments?

15 COMMISSIONER BYRON: No.

16 VICE CHAIR BOYD: Move approval.

17 COMMISSIONER LEVIN: Second.

18 CHAIRPERSON DOUGLAS: All in favor?

19 (Ayes.)

20 This item is approved. Thank you.

21 MR. HILL: Thank you.

22 CHAIRPERSON DOUGLAS: Item 9. Andes Consulting.
23 Possible approval of Purchase Order 09-409-06 for \$175,230
24 with Andes Consulting to manage and coordinate the
25 continued design, development, testing and pilot phases of

1 the Dynamic Simulation Transportation Energy Model --

2 VICE CHAIR BOYD: Alias DynaSim.

3 CHAIRPERSON DOUGLAS: Alias DynaSim. Mr.
4 Gutierrez.

5 MR. GUTIERREZ: Good morning, Chair Douglas,
6 Commissioners. My name is Malachi Weng Gutierrez and I
7 work in the Energy Commission's Fuels and Transportation
8 Division. The proposed purchase order before you is for IT
9 services supporting the creation of the Fields and
10 Transportation forecasting tool, DynaSim, as you mentioned.
11 The purchase order continues work already being performed
12 as part of the development of that tool, and the services
13 we are seeing approval for involve an important skill set
14 for the success of the overall project, specifically
15 experience and expertise in managing software development
16 projects. This is a skill set that we do not necessarily
17 have in-house, and so it is important for us to get a
18 contract to perform this. The services to be provided will
19 complete the remaining design development and testing of
20 the tool, enable adhere-to standards, software development,
21 and project management procedures, and will comply with the
22 recently revised California Office of Chief of Information
23 Officer Project Management requirements for reportable
24 projects. The DynaSim project is reportable to OCIO, which
25 was part of Department of Finance before. So they have

1 some requirements associated with reportable projects, and
2 this will allow us to comply with that portion of it. The
3 new tool will both integrate and expand our existing
4 transportation energy models. These models include the
5 Fuels and Transportation Division's CalCARS model, aviation
6 model, freight model, and the transit models. We
7 anticipate the work will last approximately 18 months and
8 this 18-month period will include a 6-month period we are
9 referring to as "pilot phase," which we will have both the
10 developers and project managers on staff to assist if there
11 are any issues once the entire system is implemented here
12 at the Energy Commission. So the development work will
13 have already been completed by that time, but we want
14 everyone to be on hand if we have issues during the actual
15 implementation. The final product will also include
16 feedback loops between the energy sectors, or modules, and
17 this is something that we currently only deal with in a
18 cursory fashion, and we hope that the feedback loops that
19 we are including will better represent the demand in the
20 sectors that we are looking at. At this time, I would be
21 happy to answer any questions you might have.

22 VICE CHAIR BOYD: I will move approval and just
23 comment that I have really got my fingers crossed that
24 DynaSim is up and running before I have to leave, after my
25 second term on this Commission. We have patiently been

1 waiting for this thing to work; like all models, it is full
2 of mystery and time delays, but Malachi has been doing a
3 really good job, so thank you. That was a motion.

4 COMMISSIONER BYRON: Second.

5 CHAIRPERSON DOUGLAS: All in favor?

6 (Ayes.)

7 The item is approved.

8 Item 10. Trustees of the California State
9 University. Possible approval of ten grant applications,
10 totaling \$901,278, from PIER Energy Innovations Small
11 Grant's Solicitation 08-02. This agreement is consistent
12 with the Governor's Executive Order S-09-09. Mr. Gravely,
13 could you please briefly introduce Items A through J, on
14 Item 10?

15 MR. GRAVELY: Sure. For the record, I am Mike
16 Gravely from the R&D Division, and today we are here to ask
17 your approval for the latest round of the Energy
18 Innovations Small Grant Program. This is an open and
19 competitive program that we encourage entrepreneurs,
20 researchers and companies and universities to come forth
21 with their ideas at the branch. They are limited to
22 \$95,000. We normally run four to six solicitations a year
23 in the electricity area, natural gas, and transportation.
24 For this solicitation here, this was the second one in the
25 year for electricity, we had 85 applications and those

1 applications that went through an initial screening
2 process, and 34 of those passed the initial screening. Of
3 those, they then went through a technical review for a
4 minimum score, 26 passed the minimum score, and then they
5 went through another technical review for recommendation of
6 approval. Of those 26, 10 are being brought before you
7 today for approval. Of those grants, and I will cover
8 briefly in a few minutes about those, two of those are in
9 building efficiency, six are in renewable technology, one
10 of them is in advanced generation, and one is in systems
11 integration. Also, nine of them are California entities,
12 and one of them is in-house state entity, and when we award
13 a grant to out-of-state entity, it must be of value to the
14 state of California for us to do that. I will be glad to
15 just go through a quick review of these --

16 CHAIRPERSON DOUGLAS: Please introduce each
17 project.

18 MR. GRAVELY: The first one, and these are in
19 order that they were scored in the proposal process, this
20 one here is Sunprint, Inc., a private entity Printing Low
21 Cost Solar Cells with Ultrasonic Ejection. This project
22 will do a demonstration and development of a new technology
23 that will allow the development of PV systems. If
24 successful, this technology has the potential of reducing
25 the manufacturing cost of those solar cells by up to 40

1 percent, and they will develop a small scale about 4" X 4"
2 module, and actually do testing as part of this
3 development.

4 COMMISSIONER LEVIN: Excuse me, Mr. Gravely. Is
5 it the manufacturing cost, or the sale price?

6 MR. GRAVELY: It is the manufacturing cost.

7 COMMISSIONER LEVIN: Okay, thank you.

8 MR. GRAVELY: And just for the component of the
9 actual panel itself, so it is not the whole manufacturing
10 cost, but the manufacturing cost of the PV panel which
11 currently happens to be one of the largest costs of the
12 system.

13 COMMISSIONER LEVIN: Okay, thank you.

14 MR. GRAVELY: The second project is for
15 ThermAvant Technologies, a Heat-Activated Ejector Cooling
16 System. As a technology, they are looking at a single and
17 a multi-phased ejector for cooling and building systems.
18 They are going to be, again, developing a laboratory type
19 thread board test, and they will be testing ejectors, both
20 single and double, and multi and single fuel, and looking
21 for heat transfer improvements and ultimately to develop a
22 more efficient cooling system.

23 A third project is from University of California,
24 San Diego, developing Ultrahigh-Efficiency Thermal-to-
25 Electric Energy Conversion Techniques, and in this case

1 they are looking at the conversion of thermal energy from
2 solar, or from combined heat and power. They are looking
3 at techniques using nanotechnology to use new types of
4 electrodes to make that conversion more efficient and to
5 make it more productive. Again, in this case, they will be
6 developing a small prototype and doing some actual
7 laboratory testing, in addition to feasibility modeling in
8 those types of research.

9 The next project, Project D, is from Pacific
10 Consolidated Industries, Renewable Energy through
11 Purification of Low-BTU Landfill Gas. In this project,
12 they are looking at a technology to be able to help
13 separate the impurities in landfill gas to make it more
14 burnable, to make it a higher ratio for thermal efficiency
15 and for burning capacity, so they are making the landfill
16 gas more effective as a usable gas in the industry, so this
17 is a biofuel/biogas type of project, and in this case they
18 will be doing some -- again, they will be selecting a site
19 and they will be doing some actual demonstration with the
20 technology at the site, at a small scale.

21 Next project, University of California, San
22 Diego. This is a Nitric Oxide Reduction using Oxy-
23 Combustion in Stationary Power Engines. In this case, they
24 are looking at building to reduce the amount of NO_x that are
25 admitted from natural gas generating gas systems, and they

1 are looking at a new technology to be able to separate the
2 NO_x prior to it and to reduce the emissions to allow some of
3 the existing systems to meet the new emissions standards.
4 So they will be looking at ways of removing the NO_x prior to
5 it burning, to allow it to have a lower NO_x emission in that
6 respect.

7 Almost all these projects are feasibility
8 demonstrations, so they are actually new concepts and new
9 ideas, and many of them have some level of demonstration,
10 but all of them would require some type of following to be
11 sure that the technology actually works in a commercial
12 environment.

13 The next project is University of California San
14 Diego, it is a Novel Energy Saving Light Bulb. This is a
15 LED technology, there are using, again, nanotechnology to
16 look at a new way of developing the electrode and their
17 desire is to make the system more efficient, and they are
18 trying to demonstrate, I think, about a 15-20 percent
19 improvement on the LED-type technology, and also improving
20 the transfer of energy so you will get a higher resolution
21 of light out of the LED if the technology is successful.

22 Project G is Iowa State University, an Innovative
23 Biogas Hydrogen Sulfide Removal Technology. Again, this is
24 a biofuel/biogas project and they are looking at removing
25 the hydrogen sulfide and the technique that will allow them

1 to do that, a digester. They will again be doing a small-
2 scale demonstration of the technology to demonstrate they
3 can actually remove the hydrogen sulfide.

4 Project H is University of California Davis,
5 Improving High Solids Biomass Conversion Efficiency Using
6 Spray Dried Enzymes, and in this case, the project is
7 looking at using -- this is an area I am not very familiar
8 with -- but it is basically again in the biofuel area and
9 conversion area, and being able to develop technologies to
10 make the system more efficient.

11 The next project is the Nanowire Thermoelectrics
12 for Industrial Waste Heat Recovery. In this case, they are
13 looking at developing new technology to allow the capture
14 of waste heat at industrial facilities and to us that.
15 They are using both nanotechnology and fiber optic
16 technology to make this system work and to be able to
17 capture more of the waste heat and use it more efficiently.

18 The last project is the University of California
19 Irvine, Transient Operation and Control of Fuel Cell
20 Temperature Variations. And this project is basically a
21 modeling project, and that is why it is basically \$50,000
22 versus the classic \$95,000, and they are looking at
23 modeling the fuel cell and trying to come up with different
24 technology that will allow fuel cells to handle the thermal
25 stress and avoid the degradation associated with that, with

1 their operation. That was pretty quick. I am sorry, I
2 just wanted to cover briefly.

3 CHAIRPERSON DOUGLAS: Thank you very much.
4 Comments or questions?

5 COMMISSIONER LEVIN: I think it is an incredibly
6 important set of goals and if we actually succeed in any
7 one of these 10, for less than a million dollars today, it
8 seems like quite a bargain considering the objectives that
9 you just described and that are in the materials. I think
10 they are all very important for renewables, for efficiency,
11 for liquid fuels, clean fuels. I am particularly excited
12 about the first one, but I think they are all important.

13 MR. GRAVELY: That was a very interesting one,
14 and it was the highest ranking one of 85 proposals, so it
15 is obviously one where the researchers and reviewers were
16 very enthusiastic. It is an innovative process, and it is
17 pretty creative, so it is a high risk, high pay-off, and
18 they are going to actually develop some laboratory
19 demonstrations, so we are also very hopeful that it is
20 going to be a good technology breakthrough.

21 COMMISSIONER LEVIN: Well, thank the staff for
22 reviewing 85 proposals. But, honestly, to think that we
23 could have breakthroughs in these areas for such small
24 amounts of money is just incredible.

25 VICE CHAIR BOYD: Well, I would just add that

1 this is one of our stellar programs that I think we on the
2 Research Committee, Chairman Douglas and myself, of course,
3 get involved in the reviews of these projects. But as we
4 have seen over the years, this is a highly productive area,
5 so it seems that a little bit of money almost proves a
6 greater incentive for success than the larger ones. But
7 nonetheless, this is an extremely successful program, very
8 beneficial, and we are proud of what the staff has been
9 able to do with this. So on behalf of the Research
10 Committee, I will move approval.

11 COMMISSIONER BYRON: May I comment, as well?

12 CHAIRPERSON DOUGLAS: Please.

13 COMMISSIONER BYRON: I, too, have to have my
14 accolades. As you know, Mr. Gravely, I am very interested
15 in these innovation small grants, and I participated --
16 actually, I should say -- I observed how this process
17 proceeds, and Commissioner Levin, they actually do solicit
18 expertise in academia and other areas to help in the
19 evaluation, which I think just -- I like the whole thing
20 about this process, every aspect of it, and I am glad to
21 see we are still able to sponsor this kind of innovative
22 research, given the difficulties we have had this past year
23 with our budget situation. It is good to see that we are
24 not aiming our seed corn, if you will, going forward here
25 in California. So I wholeheartedly endorse the process,

1 the work of the staff, and the approval of these. They are
2 high risk, but they really are relatively low cost with a
3 potential big payoff. So I would certainly add my second,
4 if I may.

5 CHAIRPERSON DOUGLAS: Absolutely. All in favor?

6 (Ayes.)

7 Thank you, Mr. Gravely. This item is approved.

8 Item 11. Tesla Power Plant, 01-AFC-21C.

9 Possible approval of the Siting Committee's proposed
10 decision on Pacific Gas & Electric Company's petition for a
11 license extension for the Tesla Power Plant to June 16,
12 2014. Mr. Blee?

13 MR. BLEES: Thank you, Madam Chairman,
14 Commissioners. Staff and committee, composed of
15 Commissioner Byron and Chairman Douglas, has asked me to
16 make the presentation on this item. In brief, PG&E, the
17 owner of the Tesla Power Plant project, is requesting an
18 extension of the Commission's five-year deadline after
19 certification to begin construction. I will briefly
20 summarize the matter.

21 Back in June of 2004, the Commission certified or
22 licensed the Tesla project, which is, as licensed, a 1,120
23 megawatt natural gas-fired power plant proposed to be
24 constructed in a rural area of Eastern Alameda County. As
25 I indicated, the Commission's regulations state that

1 construction must begin on a certified power plant within
2 five years of the date of certification, unless the project
3 owner shows "good cause" for an extension. In April of
4 this year, facing a June deadline to begin construction,
5 and not having begun construction, Pacific Gas & Electric
6 Company, which only recently purchased the project from the
7 original applicant for power and light, did file a petition
8 here requesting a five-year extension of the construction
9 deadline, that is, until June of 2014. You held a hearing
10 on June 3rd of this year, at which you granted a temporary
11 extension from June 2009 to September 15th, 2009, for the
12 purpose of having the Siting Committee conduct further
13 proceedings on whether good cause actually exists for the
14 extension. On September 9th, you extended that deadline
15 another 30 days to allow for additional consideration by
16 the Siting Committee, which had previously conducted an
17 evidentiary hearing in July of this year. Last week, the
18 Siting Committee published a proposed order, which if
19 adopted today would deny the extension of the construction
20 deadline. The proposed order has two basic rationales, one
21 is that the project for which PG&E is requesting an
22 extension of the deadline construction is not the same
23 project that was certified here of Commission in 2004. In
24 fact, at this point, what that project might be is
25 undefined. Second, the proposed order also finds for

1 several reasons that PG&E has not show good cause for an
2 extension. Among other things, the proposed order states
3 that neither FPL, who is the owner throughout most of the
4 period between certification and now, nor PG&E, the new
5 owner, diligently pursued construction and, furthermore,
6 that the reasons for not diligently pursuing construction
7 were not something beyond the control of either owner. The
8 order also concludes that the costs in time and resources
9 and probably money to conduct an entirely new AFC
10 proceeding would be of approximately the same order as
11 granting the five-year extension, and allowing an amendment
12 to be filed. So for all those reasons, the order finds
13 that there is no good cause for an extension. Therefore,
14 the proposal before you today is not to grant the
15 extension. If indeed you adopt the Siting Committee's
16 recommendation, the ultimate effect will be that the Tesla
17 license will expire on October 15th, 2009.

18 CHAIRPERSON DOUGLAS: Thank you, Mr. Bles. Can
19 we hear from the Applicant?

20 MR. GALATI: Yes, this is Scott Galati
21 representing PG&E. We filed comments on Monday of this
22 week, which I will just go ahead and briefly describe
23 those, and if the Commissioners wanted anymore elaboration,
24 all I need is a nodded head. Basically, I have to take
25 issue --

1 COMMISSIONER BYRON: Which way would you like us
2 to nod, Mr. Galati?

3 MR. GALATI: You know what? Quite frankly, on
4 this particular subject, I will take any movement. So,
5 first and foremost, we disagree with the order, we disagree
6 with both the result and the rationale, and we urge you to
7 reconsider. I outlined that in our comments. A couple of
8 things, first, I do not understand how the Commission could
9 make a finding that the project that we seek license
10 extension for is somehow different than the project that is
11 licensed. The product that is licensed is a 1,120 megawatt
12 project that is what we have asked to be extended. PG&E at
13 the PUC asked to build, and this is out of my comments,
14 one-half of that project. So I think we have to be very
15 very careful here. Is the Commission saying -- I am going
16 to give you another example -- a project that had four LM
17 6000 -- is the Commission saying that that license requires
18 all four to be built? What if an applicant wanted to build
19 two of those, and then two later, as long as it complied
20 with the Conditions of Certification, I believe that it is
21 allowed to do that. So the idea that this is somehow an
22 undefined project that is being sought, I think that the
23 basis that the Commission is relying on primarily, heavily,
24 is what is the Applicant's intent to move forward? And we
25 think that is the wrong standard to look at an Applicant's

1 intent to move forward. PG&E clearly showed an intent to
2 move forward until the PUC said you cannot. If the
3 standard for good cause is coming to this Commission to
4 say, "I really want to build a plant," I think what you
5 have done is you have looked forward instead of backward.
6 Another point in the decision that I think it relies on,
7 that I think you have got to be careful with, not to set
8 precedent to other projects as well, is to saddle a new
9 owner with the -- whether the old owner exercised due
10 diligence or not -- is, I do not think, a sound policy
11 principal. I do not think you should do that. For
12 example, if you have a person who licensed a project, and
13 something happens during those four or five years, and they
14 sell the project to someone who fully wants to build the
15 project, who exercises due diligence, and who exercises --
16 actually spends capital, like PG&E did in this case, I do
17 not understand what policy would be served to deny an
18 extension for that individual who is, if they had the
19 project for five years, would have been exercising some due
20 diligence, and certainly shown good cause. So I think that
21 is a difficult thing, and we want to be careful that,
22 should you adopt the proposed order as written in that
23 justification, I think you certainly are going to quell the
24 market from being able to buy up licenses that the Energy
25 Commission has gone through the issues and the time and

1 resources to license, and that new owners are not going to
2 be able to buy that and get some additional time to
3 construct the project. In addition, we do believe, and I
4 think I must say, we do see this order as setting a
5 separate standard for PG&E than it would for an independent
6 energy producer. The contingent ability -- and by the way,
7 we are not in any way, shape, or form saying that you
8 should not have granted the extension for East Altamont or
9 Russell City, we think both those projects deserve the
10 extension. We do not see the facts of our project as we
11 have a contingent ruling from the PUC, we laid out how we
12 were going to go about getting that ruling, and that we
13 laid out the possible options would be if the PUC allows
14 PG&E to build that project, we would; if the PUC did not,
15 we would be exploring selling that asset, and someone else
16 could develop that project. We do not see that as any more
17 contingent than what you found in East Altamont, which was
18 a desire for an Applicant to go through a long-term RFO,
19 get a contract, get financing, and build the project. We
20 did not think they had any more desire than we did, or who
21 might buy the project from us. So we also have to point
22 out that we really believe that any amendment to the Tesla
23 Project would be substantially less resources than would be
24 expended for a whole new AFC. The project was fully
25 evaluated. An update to a license is extremely -- and we

1 put testimony in a lot less than -- and even if you amended
2 the project to build half of it, and, again, maybe an
3 amendment was the pond to the size for both trains, and you
4 might want to build the pond in two separate scenarios, one
5 now, and one later. We never anticipated that this
6 amendment would look at all like a brand new AFC. So,
7 again, we cannot urge you enough to reconsider this
8 decision, to grant the license extension, and to modify the
9 order so that it does not set precedence for other projects
10 that I do not think they will be able to meet.

11 CHAIRPERSON DOUGLAS: Thank you, Mr. Galati. I
12 would like to start by asking Mr. Blees to respond to some
13 of the issues that you have raised.

14 MR. BLEES: Madam Chairman, I would be happy to
15 explain how the proposed order does address all of those
16 issues, but I am wondering if there are other parties who
17 have comments. I think it would be appropriate to allow
18 them to go first -- if there are any.

19 CHAIRPERSON DOUGLAS: We have -- I apologize, Mr.
20 Bell.

21 MR. BELL: Yes. Thank you, Madam Chairman,
22 Commissioners. Kevin Bell, staff counsel. Staff has
23 reviewed and ready to consider the proposed order denying
24 petition for extension of the construction deadline. Staff
25 has previously filed comments and briefs on this matter,

1 and we have no further comment, we submit on the record.

2 CHAIRPERSON DOUGLAS: Thank you. Now, we also
3 have public comment and we have somebody on the phone. If
4 anybody in the room would like to comment, please fill out
5 a blue card, or at least wave your arms so that I know that
6 there is public comment. All right, I see one arm waved.
7 Commissioners, would you rather hear our counsel's response
8 to PG&E issues before public comment or after?

9 COMMISSIONER BYRON: I think you should go ahead
10 and allow the additional comment. We will assess it all
11 that way.

12 CHAIRPERSON DOUGLAS: All right. Mr. Sarvey,
13 would you please come forward? I would like to ask public
14 commenters to keep their comments short. We have a two-
15 minute goal, at least. Thank you.

16 MR. SARVEY: Thank you, Commissioners. I
17 responded to PG&E's comments on the proposed decision. I
18 am assuming you all have it, so I am not going to go over
19 that. I just want to say I support the decision, thank you
20 for the opportunity to present my views on it. And, as I
21 said, I fully support the decision. Thank you.

22 CHAIRPERSON DOUGLAS: Thank you. Final public
23 comment that I am aware of Mr. Swaney from the San Juan Air
24 Pollution Control District on the phone.

25 MR. SWANEY: This is Jim Swaney and there may

1 have been a little miscommunication. I was not calling in
2 to provide any comments on this, merely to listen and be
3 available if the Commission had any questions for my
4 thoughts. So I do not have any comment at this time.

5 CHAIRPERSON DOUGLAS: Well, thank you for being
6 available and for letting us know you were available. And
7 with that, Mr. Blee, please.

8 MR. BLEES: Thank you, Madam Chairman. The first
9 point that counsel for PG&E made was to take issue with the
10 Siting Committee's determination that the project for which
11 an extension is sought is different from the project that
12 was originally licensed here. The order expressly notes --
13 in fact, it quotes counsel, who stated at the June 3rd
14 Commission business meeting, "We always anticipate that we
15 would likely be coming forward with a project that is
16 smaller than 1,120 megawatts. I cannot tell you how
17 small." In addition, witnesses for PG&E who presented
18 written testimony, and who testified at the Siting
19 Committee's hearing in July, noted that the project
20 description might well change, and they acknowledged that
21 an amendment to the license would have to be sought by PG&E
22 at the very least because of changes in the applicable
23 laws, ordinances, regulations, and standards, that have
24 occurred since licensing. So PG&E has acknowledged that,
25 before they could move ahead with construction, they would

1 have to seek an amendment to the recurrent license. This
2 relates to what I was saying earlier about the Committee's
3 comparison of the amount of time and resources that it
4 would take to process such an amendment, compared to the
5 time that it would take if the Commission does in fact deny
6 the license extension, and therefore require the submittal
7 of a new AFC. There was testimony from the staff at the
8 Committee's hearing in July, that processing amendment
9 would take at least 12 months, that is at least the
10 statutory timeframe for an AFC, and PG&E agrees that an
11 amendment would likely take that long, as well. Mr.
12 Galati's second major point was a characterization of the
13 proposed order as saying that there cannot be good cause
14 for license extension unless the owner has a firm active
15 intention to proceed with construction. And that is not
16 what the proposed order says. What the proposed order says
17 is that, in this particular case, the evidence not only
18 does not show a firm active intention, it does not even
19 show some intention. What it shows is -- this is a quote
20 from PG&E's petition -- "PG&E does not have any plans at
21 this time for the development of Tesla." So what the order
22 says is not that you need to have a big strong intention,
23 but that where there is no intention, that is one factor
24 demonstrating a lack of good cause for an extension. Mr.
25 Galati also suggested that it is unfair to saddle a current

1 owner with a previous owner's lack of diligence in pursuing
2 construction. The order notes that, if the Commission did
3 not do that, that it would be very easy for an owner, who
4 has now proceeded with diligence, to transfer the project
5 to another owner, perhaps a sham affiliate, or subsidiary
6 who could then proceed with a request for an extension.
7 This is not in the order, but I would also respond that
8 PG&E bought a license and, when a piece of property is
9 transferred, unless otherwise specified, you get all the
10 assets and liabilities that are part of that, of the bundle
11 of property rights that you are acquiring. Finally, Mr.
12 Galati suggested that there is something unfair in the
13 Committee's proposed treatment of the Tesla extension and
14 the Commission's decision to extend the East Altamont
15 license. I do not believe that Mr. Galati has actually
16 sited any facts that he things are the same here and there,
17 that demonstrate unfair treatment. On the other hand, the
18 proposed order does note that, in East Altamont, you had a
19 Applicant, a project owner, who did express on the record a
20 firm active desire to proceed with construction, and that
21 at least part of the reason that they were unable to was a
22 factor beyond their control. Neither of those two factors
23 is present here, in the Siting Committee's view, in the
24 Tesla matter. Thank you.

25 MR. GALATI: Madam Chair, may I respond?

1 CHAIRPERSON DOUGLAS: Please.

2 MR. GALATI: First of all, I find it incredulous
3 that we had evidentiary hearings and sworn testimony, and
4 yet my comments on June 3rd in response to a question,
5 specifically on point of how much water we would use, would
6 be quoted. I would love for the Commission to quote a
7 bunch of other things that I say at this stand, including
8 please approve the Tesla project. But instead what the
9 Commission did is they decided it did not have enough facts
10 before it, and it decided to convene the Siting Committee,
11 required testimony. So I think that any decision, if for
12 some reason I have said something at this Council table
13 that says that PG&E did not intend to go through the long
14 term planning process when the rules were developed, to
15 decide what to do with Tesla during that process, somehow I
16 have miscommunicated. It is laid out very clear in the
17 testimony, though. I would also like to point out that, in
18 East Altamont, there was a very specific condition to that
19 approval that said you must come and do an amendment to
20 update the environmental analysis. And here, PG&E offering
21 to accept such a condition is being used against it as a
22 reason to say we always anticipated an amendment. PG&E
23 attempted to do the right thing, looked at what the
24 Commission did in East Altamont, there was a concern
25 expressed by the dais for CEQA staleness, you solved the

1 CEQA staleness issue in East Altamont by requiring the same
2 amendment that we would do. And, again, I want to point
3 out that, in East Altamont, they very very specifically
4 state, and I say it in my comments in their own petition,
5 "Should any..." -- first of all, remember the desire is to
6 build and market the project -- they state at page 2 of
7 their own petition, "Should any external circumstances
8 require changes in the Conditions of Certification, the
9 project owner will file a timely petition to amend the
10 license prior to commencement of construction." East
11 Altamont identified, as well, that if they go through the
12 RFO process, it might be that they get a contract for a
13 project that is different than the project that they have
14 currently licensed. That is not uncommon and it should not
15 be discouraged. An amendment could be filed. Again, I
16 also find it -- and not to make the Dais mad, and not to
17 make the staff mad, I know they are working hard, but this
18 Commission has not licensed a project in 12 months, since
19 2001. The average time it takes to go from filing to or
20 even data adequacy to licensing, when you take out the six-
21 month projects and the four-month projects, is about 20
22 months. And so, you know, I have addressed this Commission
23 before on how to expedite that, I understand staff's
24 workload. Staff's workload for causing this amendment to
25 be a year is because of its current workload. If it did

1 not have this current workload, we would say that that
2 amendment would be a six-month amendment. But we
3 identified that staff has, and we agree, staff has a huge
4 workload now, and the amendment -- but the idea that you
5 could do an amendment for this project, to update the
6 environmental analysis, or to build one train, we could do
7 an amendment in the same amount of time as to do a full
8 AFC, just really is not consistent with what is happening
9 at the Commission now. Again, I urge you from a policy
10 perspective to not saddle a new owner with whether or not
11 the prior owner actually exercised its due diligence in
12 trying to get to construction. I do not -- the purpose of
13 a license extension, in my mind, ought to be good cause to
14 see how we can use that license to actually develop a power
15 plant. We have offered you a way to do that and just -- it
16 is clear that we cannot say that we will build the power
17 plant because we do not have authority to, we have laid out
18 how that process will work in a long term plan, we ask for
19 five years for the purpose of allowing two years, we have
20 estimated how long the PUC process would take, two years to
21 either put it in an RFO, to sell it to allow someone else
22 to develop, and go through an amendment process. That is
23 why we asked for five years. So, again, I think that the
24 Commission ought to rely on the evidence at a minimum,
25 certainly not statements from me, and certainly not a

1 statement in the petition, when they actually had hearings
2 on this point, briefs on this point, where things were
3 further defined in direct -- and where there were
4 questions, they were answered. And clearly, intents and
5 plans were outlined in that.

6 MR. KRAUSSE: Madam Chair, if I could just answer
7 two points, if you do not mind, and very quickly?

8 CHAIRPERSON DOUGLAS: Please.

9 MR. KRAUSSE: I think Mr. Galati made the
10 statement that PG&E is being treated differently. I do not
11 know that we would go that far, but maybe I would say that
12 utilities are being treated differently. Since the PUC
13 does not currently allow us to bid into our own RFO, what
14 we identify, and what your proposed decision explains on
15 page 5, that we plan to go through the LTPP process, is our
16 analogous next step, just as an independent saying, "I'm
17 going to bid it into an RFO," is their analogous intent to
18 do something. So we have expressed that intent. The fact
19 that you treat that as if it is no intent, and yet bidding
20 a new RFO is intent to pursue the project, I think is that
21 different treatment for utilities versus independents.
22 Secondly, the point about denial by the PUC not being a
23 factor outside of your control, if that is the Commission's
24 approach going forward, I would argue that someone who bids
25 into an RFO, an independent bids into an RFO, and does not

1 happen to be selected perhaps because they did not bid low
2 enough, that is a factor within their control, and
3 therefore they should not receive an extension. Those are
4 the kind of things that make us feel like this decision is
5 really -- there is something else going on here and it does
6 not feel like a utility is being treated the same as
7 another party. We should all be Applicants, I would argue,
8 and we should all be treated the same.

9 CHAIRPERSON DOUGLAS: I would like to ask Mr.
10 Brees to address the -- and I lost my train of thought with
11 your comment, but would you address just briefly Mr.
12 Galati's last two arguments here that he just raised, and
13 then we will open it up for questions from the Commission.

14 MR. BLEES: Well, I hope my understanding of the
15 last two was the same as yours.

16 CHAIRPERSON DOUGLAS: Would you address
17 similarities and differences between this case and East
18 Altamont, and lay those out for the Commission, because I
19 want to make the point that this is a good cause inquiry,
20 the good cause inquiry is fundamentally a fact-based
21 inquiry, it is not the sort of thing where one particular
22 fact, or one aspect that might be similar or different, in
23 the different cases that we have looked at, necessarily
24 overrides all others. There is a broader set of facts that
25 we look at in a good cause inquiry, and it is laid out in

1 the proposed order, and so what I would ask you to do is go
2 through some of that so that the Commission hears from you
3 sort of some of the broader comparisons.

4 MR. BLEES: Certainly, thank you. First, it
5 bears repeating that the courts have emphasized that what
6 constitutes good cause is, first of all, context related is
7 what constitutes good cause for a five-year license
8 extension is different from good cause for a week's delay
9 in filing a brief, for example. Second, it is fact
10 depending and that means that, what the relevant factors
11 are is also going to differ from case to case. What the
12 committee's proposed order does here is it calls out three
13 factors that it defines as particularly important here in
14 determining whether there is good cause. One is the
15 Applicant's diligence, the second is whether factors beyond
16 the applicant's control prevented success, and begin in
17 construction, and the third is a comparison of the amount
18 of time that it would take to proceed if the Commission
19 does grant the license extension, which means that PG&E
20 would be filing an amendment, compared to what would happen
21 if the Commission does not approve the extension, as the
22 Committee is recommending, which would mean PG&E or
23 somebody else would have to file a full AFC. With regard
24 to East Altamont, the proposed order notes, first of all,
25 that it may well approach the outer limit of allowing an

1 extension as opposed to requiring a new AFC. So the order
2 does not hold up East Altamont as necessarily the model,
3 and certainly not as a precedent for what constitutes good
4 cause, or what has to be present to find good cause. The
5 order does note, as I alluded to earlier, two key facts.
6 First of all, the East Altamont owner did not admit, did
7 not acknowledge, as PG&E has -- PG&E has acknowledged that
8 an amendment is going to be necessary -- and what the order
9 says is, if you want an extension and an amendment is
10 necessary, you have to do the amendment first, and begin --
11 so that the project you are giving an extension to is the
12 same project that the applicant has a license for. In East
13 Altamont, the petition stated -- and I will quote from it -
14 - "Owner does not request any modification to the project
15 design, operation, or performance requirements as set forth
16 in the Commission's decision." A second key distinguishing
17 factor between East Altamont and here is that the project
18 owner did demonstrate that it has an active desire to go
19 through the process and begin construction. It might be
20 useful in this regard if I quoted from the testimony of
21 Fong Wan and William Manhiem, I hope I am getting the
22 pronunciations correct. This was testimony PG&E submitted
23 at the Committee's July hearing. That testimony says -- it
24 is on page 6 of the written testimony -- "To the extent
25 that the 2010 long term plan that PG&E is going to file at

1 the PUC, to the extent that that plan indicates that there
2 is a need for new conventional generation resources, PG&E
3 will evaluate whether Tesla Power Plant is a viable and
4 economic resource to fill the need." So PG&E is going to
5 file something, and they are going to assess whether there
6 is a need for new resources, and if there is a need for new
7 resources, then they will evaluate whether Tesla is a
8 viable part of the package. And this, along with other
9 evidence, and statements from counsel, indicated to the
10 committee that PG&E does not have an intention to proceed
11 with construction at this time. To close, I would just
12 like to note briefly that I guess I disagree with Mr.
13 Galati's characterization of what is said in a petition,
14 and what counsel says. I know that if a witness of mine
15 says something that I do not like on the stand, I can
16 always try to explain it away, or mitigate the damage in my
17 brief, but if I say something, I expect that you are going
18 to take it at face value.

19 CHAIRPERSON DOUGLAS: Thank you, Mr. Bles. I
20 would like to make a couple of quick comments and then ask
21 other Commissioners to weigh in or ask questions, as they
22 like. I was on the Commission when we extended the East
23 Altamont license. It was, to be clear, close to my outer
24 end of tolerance for extending a license, as opposed to
25 saying, "Come back and do a new AFC." And in particular, I

1 was troubled by the staleness of the environmental review,
2 and the fact that so much of the environmental review would
3 have to be essentially redone. At the same time, there
4 were a couple arguments in favor of doing that, that are
5 not in my mind present in this case. One, of course, is
6 that, in the case of East Altamont, they were asking for a
7 shorter extension in order to take essentially one more
8 effort to mark it the same project. And we knew what the
9 project was and, of course, you always know that ultimately
10 a project applicant may need to come back to you and may
11 need to say, "Okay, we had intended to go forward with a
12 project that looked like this, but we have learned that we
13 have to make certain changes." You always know that there
14 may, in fact, at the end of the day, exist a need to
15 process an amendment. But the difference to me in this
16 case was just that -- or one of the differences to me in
17 this case -- is just that we do not know really -- and we
18 have not been given the information to know -- what the
19 project that ultimately eight years after the AFC was first
20 granted, and if I remember correctly, three years it would
21 be from what PG&E laid out -- three years into the future
22 now, the proposed project would look like on the site if
23 there is a proposed project, at all. And so when you add
24 up the potential staleness of review with the lack of
25 specificity about what we would actually be amending, I

1 think to me that was one factor that makes this quite
2 different than East Altamont. I have -- I want to stress,
3 and I want to hear from other Commissioners on this, and
4 other aspects of good -- PG&E raises an interesting policy
5 issue and a question of how much we should impute the
6 actions of a past owner against a new owner. I do not
7 think that this is something we necessarily have to take,
8 based on this decision, an extraordinarily hard line on; at
9 the same time, in terms of, you know, if you have one owner
10 who has taken very little action, or no action to proceed
11 with their ASC, and they sell it to an owner who shows
12 extraordinary diligence or very strong diligence in moving
13 forward, that is one thing, and that I think is a little
14 bit different, or quite different than what we see in this
15 case where we have had one owner who essentially sat on the
16 permit, and a new owner that, yes, did take some steps, but
17 also took some contradictory steps, or turbines, and then
18 cancelled the order, moved into the PUC process, was
19 denied, represented that they were not sure whether they
20 were moving forward, and were not sure, if they moved
21 forward, what would ultimately be moved forward. And so
22 these are some of the issues that troubled me and that I
23 have other comments I would like to make, but most relevant
24 to what you raised immediately, that is part of my
25 reasoning in having put forward this -- or been on the

1 Committee putting forward this proposed order. I do think
2 that there is a statement we made in the first part of the
3 decision that was probably too absolute, and I want to go
4 there because I do not want to use this order in any way to
5 make absolute or sweeping statements. I want it stressed
6 that good cause is fact-based and really requires
7 consideration of all of the factors and all of the facts
8 that are pertinent. Commissioner Byron or other
9 Commissioners?

10 COMMISSIONER BYRON: I think I will add just a
11 brief comment with regard to yours and reserve comment on
12 some other topics because I do want to hear from my fellow
13 Commissioners. My recollection on East Altamont is that we
14 granted a three-year extension at the request of the
15 applicant, and partially because we were concerned about
16 the staleness issue, and did not want to see that go too
17 long. I think that was the only thing I wanted to add, was
18 to just supplement your comments, as well. I would be very
19 interested in hearing from my fellow Commissioners because
20 we have read -- we put a great deal of thought and effort
21 into all of this, we read a great deal from the Applicant
22 here, but I have not really had an opportunity to hear from
23 Commissioners Boyd and Levin.

24 VICE CHAIR BOYD: Well, a couple of comments,
25 one, I have followed this situation very closely for quite

1 some time, and while I have a lot of concerns about the
2 long history of the project, some of them were not relevant
3 to what is before us here today, there are other matters,
4 let's just say. I have relied very heavily on the Siting
5 Committee's activities here, the decision by the Commission
6 to have the Committee hold the hearing, and take additional
7 let's just say evidence on the case. It was important to
8 me in the past. You have done that. You have drilled
9 deeply into this situation. I have been presented a
10 recommended order and decision that bears the imprint of
11 extensive legal review and analysis of the situation after
12 the Siting Committee held its hearing on the subject
13 matter. And other than worrying as the Chairman has
14 indicated about phrasing that might send the wrong message,
15 or establish a precedent not intended, I am not swayed so
16 far by what I have heard to feel any different on the
17 subject than what has been presented to me by the record
18 that we have before us today. I have other concerns about
19 the way we are developing with lack of total policy
20 oversight our hybrid electric system in the state, but that
21 is not the question before us here. And I do not want that
22 to appear as having anything to do with my interpretation
23 of the record established and the legal issue. While Mr.
24 Galati went to great pains not to insult us, nonetheless,
25 the comment about you have not approved anything for a

1 certain period of time, and everything takes 20 months,
2 seers the flesh a little bit in terms of the workload
3 engaged here. I want to think about -- I want to go tit
4 for tat here and I am thinking of the Orange Grove project
5 where an applicant filed a certain proceeding, it was
6 deemed totally incorrect, a small power plant extension,
7 and this Commission indicated in rejecting that project
8 that an AFC would be more appropriate, the applicant so
9 deemed, but the Commission and staff also said they would
10 exercise due diligence at great speed in reviewing that
11 particular project and moving it along, and I think if we
12 took it in isolation, we would probably beat the record so
13 indicated. So, you know, when things are procedurally
14 correct and legally correct, and applications are totally
15 complete, in spite of workload, I think the Commission
16 staff moves with the diligence on applications that are
17 appropriate. So, at the moment, I am anxious to hear the
18 Chairman's suggested modifications, but I pretty well
19 stated where I stand on the issue.

20 CHAIRPERSON DOUGLAS: Commissioner? I had a
21 conversation with our counsel, Commissioner Byron and I
22 both did, about this yesterday and, on page 3 of the
23 Proposed Order, Section 5 where we state the principal that
24 an extension is -- the start of construction deadline can
25 only be granted essentially for the project that was

1 certified, and that there could be -- it could be read as
2 saying that you could not do even a two-month extension in
3 order to, say, finish the processing of an amendment that
4 was in process, or something like that. And I think we
5 need to -- again, I think we were -- although Mr. Galati
6 clearly does not agree on a number of points, I think we
7 were very careful to base this Proposed Order in the facts,
8 and to avoid sweeping statements sort of outside
9 potentially this one. So I suggest that we add possibly
10 the word -- "lengthy" is not a great word, but the lengthy
11 extension, or a "substantial" extension, or something like
12 that to make it clear that we do not want to be caught in
13 any Catch 22 where an applicant comes before us and says,
14 "All right, Energy Commission, you asked me to do the
15 amendment before an extension. This is my amendment and we
16 are most of the way through an amendment, and the clock
17 runs out through no fault of ours or the Applicant's." So
18 that is one area where I think we should leave ourselves
19 some more room. But I do think that the principal that, in
20 a good cause analysis, and in our extending an amendment,
21 the license should be extended for the project that was
22 permitted, it should not be extended for a project that
23 would be built on the same site, undefined. And so, Mr.
24 Brees, do you have a better word than "lengthy" to suggest
25 here? Or should -- is it in your opinion "lengthy", an

1 appropriate word to capture that?

2 MR. BLEES: Well, I was going to take your
3 formulation of lengthy or substantial and put "lengthy" in
4 the first full paragraph on page 3, and "substantial" in
5 the second full paragraph on page 3.

6 CHAIRPERSON DOUGLAS: Okay.

7 MR. BLEES: Certainly, that will encapsulate the
8 idea that we are not out to trick or trap applicants with
9 technicalities.

10 COMMISSIONER BYRON: Madam Chair, I concur with
11 that change, and I think "lengthy" or "substantial", as Mr.
12 Blees has proposed, to be fine.

13 CHAIRPERSON DOUGLAS: Thank you.

14 COMMISSIONER BYRON: Mr. Blees, are there any
15 other changes that you would suggest we made to the PD
16 based upon your review of the comments we received?

17 MR. BLEES: I do not think anything else is
18 necessary, even though I did not orally go over every
19 single matter that has been brought up either by Mr. Galati
20 or the Commissioners. I am confident that the Order deals
21 with each one of those issues adequately in terms of this
22 analysis and citations for the record.

23 COMMISSIONER BYRON: Madam Chair, I would like to
24 move us closer to a vote in the event we lose a quorum
25 before any witching hour. May I make a few comments?

1 CHAIRPERSON DOUGLAS: Please.

2 COMMISSIONER BYRON: You know, it has certainly
3 been the intent, the interest and the intent of this
4 Commission, to see the power plants that we permit are
5 built. But the issue before us today is the showing of
6 good cause to extend the permit for the Tesla Generating
7 Station. And PG&E has made a number of arguments; among
8 them are that the Proposed Decision is factually incorrect,
9 that we have articulated an arbitrary rule, that we are
10 exercising a clear abuse of our discretion, that we are
11 prohibiting utility-owned generation, and that we are
12 constructing a standard for investor-owned utilities that
13 is different from that applied to independent generators.
14 I believe all these erroneous arguments conceal an ill-
15 conceived idea that was rejected outright by the Public
16 Utilities Commission last year. Now, PG&E and others could
17 draw far reaching conclusions from the straightforward
18 decision, as they have, and I believe they would be wrong.
19 The conclusion for this proceeding is straightforward.
20 PG&E has failed to show good cause, and we should not make
21 a mockery of our permitting extension process as a result.
22 I am prepared to make a motion that we adopt the Proposed
23 Order denying Petition for Extension of the construction
24 deadline for the Tesla Power Project.

25 CHAIRPERSON DOUGLAS: Is that a motion?

1 COMMISSIONER BYRON: Yes, I am sorry if I said
2 that incorrectly. That is a motion.

3 VICE CHAIR BOYD: I will second the motion.

4 CHAIRPERSON DOUGLAS: All in favor?

5 (Ayes.)

6 Motion carries.

7 Item 13. Commission Committee Presentations or
8 Discussion. Is there anything --

9 COMMISSIONER LEVIN: Madam Chair, before we move
10 on, and while PG&E is still in the room, it is not really
11 apropos to the previous item, but it is apropos to PG&E, I
12 just would like to acknowledge PG&E's leadership on a
13 number of unrelated environmental issues, most notably,
14 they are the only utility in the country listed in the top
15 100 greenest companies in *Newsweek* Magazine this week, and
16 as a Californian and a PG&E customer, I am very proud of
17 that. I think it is well deserved. Again, not at all
18 related to the previous item, but I have worked with PG&E
19 as I know you all have, and they were one of the first
20 supporters of the California Climate Action Registry, the
21 RPS, AB 32, a number of other important clean energy and
22 climate change solutions in California, and really
23 nationally. And I do want to thank them for their
24 leadership on that, I think it is a well deserved notice by
25 *Newsweek*. I hope that other utilities are soon in that top

1 100, but they will not be without PG&E showing them that it
2 can be done.

3 COMMISSIONER BYRON: That is extraordinary, the
4 only utility on there.

5 COMMISSIONER LEVIN: The only utility in the top
6 100 greenest countries in the country.

7 CHAIRPERSON DOUGLAS: Commissioner, I am really
8 glad you stopped PG&E as they were walking out of the room
9 and said that. I have also -- PG&E is saying, "We're not
10 going anywhere." But I am glad you made that remark and I
11 have had -- I have also observed and worked with PG&E on a
12 number of environmental initiatives and I am also a PG&E
13 customer, and I just want to stress that this is about --
14 the last item was about a fact-based inquiry on one
15 proposed project extension, and that is all it was. And I
16 appreciate a lot that I have done working with PG&E and a
17 lot that PG&E has done. So thank you for raising that.

18 VICE CHAIR BOYD: Well, if you want to pack the
19 record with PG&E accolades, I might as well toss in a
20 couple more. At dinner last night, I thanked PG&E, I mean,
21 for the first time, for running the Helms Punk Storage to
22 death during the energy crisis, which I happen to know from
23 sitting here on a daily basis, worrying about when the
24 lights were going to stay on, we would ask PG&E, you know,
25 "Are you going to get water up the hill tonight? How much?"

1 How many megawatts might that be tomorrow?" And they
2 really beat the system to death to do that. Secondly, at
3 the event yesterday that I attended, and the dinner last
4 night, had to do with carbon capture and storage, and PG&E
5 also, while later to the table than some, had signed up and
6 volunteered to participate in a research activity with us
7 and the Department of Energy with regard to applying the
8 concept to carbon capture and sequestration to a gas-fired
9 power plant. And as we say in all forums, at least I do
10 when why are we interested in carbon capture and
11 sequestration, aren't you really fronting for coal, I
12 choose to point out that, no, California is not cursed with
13 lots of coal, we certainly recognize that we take coal by
14 wire, and that is being aggressive in other ways, but
15 ultimately in addressing AB 32 requirements, gas being the
16 cleanest of fossil fuels and ultimately those who succeed
17 us someday will probably be faced with dealing with that,
18 and PG&E stepped up to the table to be the first, as far as
19 I know, to research that subject. So, again, their
20 commendations are due when appropriate, and these were
21 appropriate.

22 CHAIRPERSON DOUGLAS: Thank you. Other Committee
23 or Commissioner presentations or reports?

24 COMMISSIONER BYRON: A brief note. I think all
25 my fellow Commissioners are well aware, but I think the

1 public should know, as well, that this Commission provided
2 an endorsement to the Public Utilities Commission this past
3 week on behalf of the proposed decision that is before
4 them, I believe, this Thursday, to move forward on a rather
5 aggressive energy efficiency program through the investor
6 owned utilities. So obviously our letter endorses their
7 proposed decision, and I think it would be perfectly
8 acceptable to encourage them on Thursday to vote it
9 through. And I thank Commissioner Levin, by the way, on
10 taking the lead on that on behalf of the Energy Efficiency
11 Committee.

12 COMMISSIONER LEVIN: I would also like to thank
13 the PUC. I do not think anybody from the PUC is here, but
14 this has been a great example of collaborative staff
15 involvement and I think we need to do more of it, whether
16 formally it happens, or informally, we have to work more
17 closely with our sister agencies and make sure that we are
18 not duplicating efforts, not working at cross purposes.
19 This was a very very constructive process with PUC, and
20 with the utilities and, again, led by PG&E with all their
21 energy efficiency work, and the other utilities, as well.
22 We need to make sure that we all come together on a 3.3
23 billion plan that will achieve the most energy efficiency
24 possible for the State of California. So I will definitely
25 be looking for other areas where we can collaborate with

1 the PUC, and I think across the range of our issues, we
2 need to do this much more. But this was a great example
3 and the PUC was extremely receptive to our comments and
4 suggestions.

5 CHAIRPERSON DOUGLAS: Moving on, then. Item 14.
6 Chief Counsel's Report.

7 MR. CHAMBERLAIN: Thank you, Madam Chairman. I
8 just would like to report that, while it has taken longer
9 than I would have liked it to, I am making progress on
10 filling some vacant positions in my office, and I hope
11 that, at the next business meeting, I will be able to
12 introduce you, maybe not next, maybe the next regular
13 business meeting, we are having one also on the 30th, I
14 believe. But I hope to begin to introduce you to these
15 fine new attorneys that will be serving.

16 CHAIRPERSON DOUGLAS: Well, we look forward to
17 that. Item 15. Executive Director's Report.

18 MS. JONES: Good morning, Commissioners. Good
19 morning, Madam Chairman. I did want to give you an update
20 on ARRA activities. With respect to -- there is a new
21 solicitation that DOE has issued. It is for competitive
22 energy efficiency and conservation block grants. There is
23 a request for information for program ideas to develop a
24 new funding opportunity notice, which would include \$454
25 million that would be added to the Energy Efficiency and

1 Conservation Block Grant Program. Staff is working with
2 the Energy Foundation, with other states, with utilities,
3 with local government, and other parties to develop
4 collaborative proposals to submit for this. Once concept
5 that is under consideration is to work with the financial
6 industry and lending institutions to offer low cost loans
7 for energy efficiency improvements. At the end of this
8 week, we will be meeting with a number of interested
9 stakeholders to begin to flush out ideas. And the deadline
10 for DOE program ideas are due to DOE on Monday, September
11 28th, so we are on a fairly quick timeline here. With
12 respect to the Clean Energy Workforce Training Program
13 Partnership, staff has received 52 applicants under the
14 solicitation that was conducted jointly with EDD, and these
15 are the categories in which we received the applications:
16 green building retraining partnerships, clean energy
17 retraining partnerships, green building pre-apprenticeship
18 training partnerships, clean energy pre-apprenticeship
19 training partnerships, and alternative and renewable fuel
20 and vehicle technology workforce development and training.
21 So we are very pleased with the number of responses. Staff
22 is working very hard right now to get through all those
23 responses and rate them, and come forward. With respect to
24 the block grant guidelines which were adopted earlier in
25 September, staff has posted the revised energy efficiency

1 and conservation block grant guidelines that were posted
2 last night. They will be heard at the October 7th business
3 meeting. The revised guidelines provide additional
4 information and attachments for the proposed direct
5 equipment purchase project option for energy efficient
6 equipment, and to add a section on municipal financing
7 program options. The staff plans to issue solicitation
8 packages related to the block grants in mid to late
9 October, so we are moving expeditiously there. In terms of
10 the State Energy Program, or SEP Guidelines, the proposed
11 final guidelines will be heard at the next business meeting
12 which is the September 30th business meeting. Staff is
13 working on three solicitations that will be released
14 October 1st, following approval of the guidelines by the
15 Commission on September 30th. One last item is the
16 agreement between the Energy Commission and the Department
17 of General Services. It is an interagency agreement for
18 \$25 million revolving loan program, to retrofit state
19 facilities. I wanted to report that yesterday staff had a
20 very productive conference call with DGS representatives.
21 We believe that all the major issues have now been
22 resolved. Staff is working on clean-up of the terms and
23 conditions and that should be done shortly. We are also
24 awaiting clarification from DOE on hazardous waste handling
25 and disposal with respect to asbestos in doing these

1 retrofit programs, and the item will appear on the
2 September 30th business meeting.

3 CHAIRPERSON DOUGLAS: Thank you, Ms. Jones. I
4 will also say on this item that we will be moving into a
5 brief Executive Session on a personnel matter after this
6 meeting.

7 Item 17. Public Adviser's Report. I do not
8 believe there is a Public Advisor's Report?

9 MS. JONES: No, she did not have a report today.
10 She had to run to a siting case.

11 CHAIRPERSON DOUGLAS: All right. Item 18.
12 Public Comment.

13 MR. GALATI: Commissioners, it has been a while
14 since I appeared before you in public comment, but it is my
15 favorite subject, renewables. I have an idea for you and I
16 wanted you to hear it. I think that one of the things that
17 I am noticing is, while the Energy Commission is doing its
18 best to coordinate with its federal agencies when there is
19 a joint CEQA/NEPA document that needs to be prepared, I
20 think that coordination is very very difficult, and I think
21 that it is bogging down projects, and I would urge the
22 Commission to take a position on whether or not a project
23 in California, that comes to this Commission, could qualify
24 for a NEPA exemption. I think that the Energy Commission's
25 process is very very thorough, and I think that all that is

1 added through the BLM process is more process, but not any
2 results. The Energy Commission has consistently approved
3 projects here throughout its life, with very very few
4 findings of override, the Commission staff and the
5 Applicants, and the Commissioners themselves, insist on
6 mitigation being reduced to levels below less than
7 significant, as opposed to accepting impacts. I do not
8 believe that the environment is more protected, or there is
9 more public involved in the process through this joint
10 process. So if the Energy Commission were to take a
11 position, there are some bills in Washington, D.C. right
12 now, looking to streamline. I think that the Energy
13 Commission's voice to say that we believe that a project
14 comes to us could qualify for a NEPA exemption because of
15 the thoroughness of our review, I think would go a very
16 long way. And in my estimation, eight to 12 months would
17 be cut off of the project. So, again, I give that idea to
18 you. I have screamed about it, and fallen on deaf ears,
19 but maybe if the Commission were to speak, the federal
20 agency would feel like it is being taken care of. So,
21 again, we have heard, as you may have heard, people just
22 applying for DOE funds trigger NEPA. So there are -- the
23 National Environmental Policy Act, I do not believe,
24 provides anymore protection for the environment than what
25 we do right here. So, again, I urge you to consider that.

1 Thank you.

2 COMMISSIONER BYRON: Mr. Galati, if I may, you
3 know, I certainly welcome these suggestions; in fact, I met
4 recently with Mr. Galati where I received other suggestions
5 from you and a client, as well as the things we might be
6 able to do to expedite siting cases, in general. Is this a
7 new idea? This one did come up the other day.

8 MR. GALATI: No, no, this is not a new idea for
9 me, but it was new to bring it to you, thinking that a
10 letter from you might somehow have a little bit more import
11 than my own.

12 COMMISSIONER BYRON: And the other topic that
13 came up that I think merits just briefing my fellow
14 Commissioners on, that Mr. Galati brought to my attention,
15 is -- I suppose we will call it a proceeding, the FERC
16 tariff proceeding that is taking place at the ISO with
17 regard to the cue, the transmission cue, could have some
18 significant implications going forward for some of our
19 projects. And just as a little over a year ago when the
20 ISO froze the cue and started clustering projects such that
21 we would not get the system impact studies that we needed
22 for our evaluation of applications, that there are some
23 additional impact that could come from the proposed tariff
24 that FERC is doing now, as well, that we will need to be
25 thinking about considering. And I appreciate your bringing

1 that to our attention. I welcome these ideas at meetings,
2 in writing, and before us as public comment.

3 MR. GALATI: Okay.

4 COMMISSIONER LEVIN: Mr. Galati, I would also
5 like to say, you and I are meeting on a different issue
6 this afternoon and I would definitely like to explore this
7 more with you and other suggestions for accelerated
8 development of renewables in California.

9 MR. GALATI: Correct. I will be meeting with
10 both of you, Commissioner Douglas and Commissioner Levin,
11 on the interconnection issue. And I brought a client with
12 me who can explain it better than me, someone who does not
13 have an application or any pending application before
14 California, so it does not violate any ex parte rule, but
15 to talk about the issue, in general, so I would do that.
16 The NEPA exemption issue is one that has some political
17 consequences to it. It is one that is, you know, people
18 get nervous about because it is an exemption from a process
19 of environmental control. That is why I think it is
20 important that maybe you take a position on that, because
21 no one can say better than this Commission how the
22 environment is protected by our projects, especially
23 renewable projects.

24 CHAIRPERSON DOUGLAS: Well, thank you. And I
25 know we both look forward to meeting. With that, we will

1 adjourn to our closed session.

2 (Whereupon, at 11:45 a.m., the business meeting
3 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 _____ day of October, 2009.

PETER PETTY