

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

<b>DOCKET</b> BUS MTG
DATE _____
RECD. SEP 23 2010

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

WEDNESDAY, SEPTEMBER 8, 2010  
10:00 A.M.

Reported by:

 ORIGINAL

COMMISSIONERS PRESENT

Karen Douglas, Chair  
James D. Boyd, Vice Chair  
Robert Weisenmiller  
Anthony Eggert

STAFF PRESENT

Melissa Jones, Executive Director  
Alan Ward, Chief Counsel's Office  
Jennifer Jennings, Public Advisor  
Harriet Kallemeyn, Secretariat  
Claudia Chandler, Chief Deputy Director

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P R O C E E D I N G S

SEPTEMBER 8, 2010

10:05 a.m.

CHAIRPERSON DOUGLAS: Good morning. Welcome to the California Energy Commission Business Meeting of September 8th, 2010.

Please join me in the Pledge.

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

CHAIRPERSON DOUGLAS: Before we begin with the agenda, I will turn this to the Executive Director to do Superior Accomplishment Awards.

MS. JONES: Good morning, Commissioners and staff. Today we are handing out the Superior Accomplishment Awards for the Electricity Supply Analysis Division, and also for the Siting Division. And I am going to go ahead and start with the Electricity Supply. The first award goes to Chris Kavalec. He has shown superior accomplishments for his contribution to the incremental impacts of energy efficiency policy initiatives relative to the 2009 Integrated Energy Policy Report. Chris' nomination is based on two criteria required for the award, 1) an important contribution to science research or development, and 2) unequaled personal effort in overcoming unusual difficulties or obstacles in the completion of a single project or task.

1 Chris' ability to quickly assess needs and to  
2 work with others and conduct himself in a professional  
3 manner never faltered, regardless of his work. His  
4 conscientiousness is unmatched within the Commission and  
5 he is clearly and unquestionably above our expectations  
6 and requirements. So, it is my pleasure to give this to  
7 Chris. Come on up. There you go, congratulations.

8 [Applause]

9 Next, we have Linda Kelly. Linda Kelly has  
10 shown superior accomplishment for her personal efforts  
11 guiding the efforts to develop required regulations for  
12 the Waste, Heat, and Carbon Emissions Reduction Act  
13 through a laborious, contentious public process to a  
14 sound conclusion with Commission adopted Guidelines. As  
15 a result of her dedication over the past 18 months,  
16 technical analysts and policy-makers at the Energy  
17 Commission, CPUC, Air Resources Board, and the  
18 Legislature, are increasingly aware of the contribution  
19 that CHP and distributed generation can make to meeting  
20 the State's goals of a greener energy sector. Thanks to  
21 her efforts, they are better equipped to develop policies  
22 and provide incentives to the development of CHP and  
23 distributed generation, and are cognizant of the  
24 obstacles that still must be removed. So, it is my  
25 pleasure [applause].

1 All right, and our next recipient is Angela  
2 Tanghetti. Angela Tanghetti is recognized for her  
3 exceptional contributions towards advancing the  
4 understanding of complicated electricity system issues  
5 associated with implementing important energy policies,  
6 improving systematic study methodologies for  
7 investigating these kinds of issues, completing an  
8 insightful report for the 2009 IEPR under constrained  
9 circumstances and successfully guiding other electricity  
10 system studies conducted by the Energy agencies and the  
11 Western Electricity Coordinating Council Working Groups.  
12 Ms. Tanghetti, her involvement improved the analysis of  
13 others and is giving California decision-makers a higher  
14 quality set of studies to inform choices about  
15 integrating renewables and what system changes will be  
16 necessary in the future. So, it is my pleasure to  
17 [applause]. Thank you. [Applause]

18 Okay, the next awards are for the Siting  
19 Division. April Albright, who was in the Siting Division  
20 when she won this award, has now moved elsewhere in the  
21 Commission. April Albright, Siting Project Assistant,  
22 has shown superior accomplishments and outstanding  
23 abilities by assisting the Siting Division Project  
24 Managers during the licensing process for the  
25 applications for certification. April typically performs

1 tasks quicker than expected. She pays attention to  
2 detail and seems to anticipate the next steps, and keeps  
3 Project Managers apprised of what she is expecting to  
4 keep things flowing. What makes April special is that  
5 she completes tasks with little or no supervision, and  
6 realizes what the expectations are, and exceeds them.  
7 April is someone that staff wants to work with on future  
8 projects because they know the projects will be done very  
9 well and on time. She is a cornerstone of the Siting  
10 Division, and we are fortunate that she used to work for  
11 us! So, April. [Applause]

12           Next, we have Hilarie Anderson, Siting Project  
13 Assistant, who has shown superior accomplishment and  
14 outstanding abilities by assisting the Siting Division  
15 Project Managers during the licensing process, the  
16 Applications for Certifications. Hilarie was especially  
17 constrained by the short turnaround times for the Blythe  
18 and the Palen projects. The Palen project was completed  
19 on time, even though edits from multiple units and  
20 agencies were being received up to the day before the  
21 publications. This is for the Staff Reports. Hilarie  
22 was able to absorb these last minute changes, coordinate  
23 their insertion, and complete the projects on time.  
24 Hilarie formatted the Blythe project on time, while being  
25 presented with similar challenges. Hilarie has a will-do

1 attitude and is willing to take on extra assignments at  
2 all times. So, it is my pleasure to give this to  
3 Hilarie. [Applause]

4           Okay, our next recipient is Chris Davis. Chris  
5 Davis, Compliance Unit Project Manager, has shown  
6 superior accomplishments and outstanding abilities, and  
7 has been a great example of the best project management  
8 practices, while providing strong well organized  
9 leadership for the oversight of electrical power plant  
10 construction and operational power plant compliance.  
11 Chris was assigned as many as 18 power plant oversight  
12 assignments each year for the last two years. Chris has  
13 developed a reputation at the Commission and with the  
14 power plant developers as a go-to guy, who can find  
15 solutions to difficult power plant project issues. As a  
16 result of Chris' action, the State of California and the  
17 Energy Commission have benefitted from his hard work,  
18 knowledgeable and focused professional attitude, while  
19 contributing to meet the power plant energy  
20 infrastructure needs of California. So, it is my  
21 pleasure to give this to Chris. [Applause]

22           Okay, our next award goes to Teraja Goldston.  
23 Teraja, the Siting Project Assistant, has shown superior  
24 accomplishments and contributions to the Energy  
25 Commission's energy facility siting program within the

1 Siting, Transmission, and Environmental Protection  
2 Division. Teraja's personal efforts have been exemplary.  
3 The past year also saw Teraja transition from her  
4 position in the Dockets Unit to be a Project Assistant.  
5 She handled her project assistant responsibility with  
6 excellence, turning around various technical sections and  
7 complicated figures in putting them into a clean,  
8 readable, regulatory sufficient document. Importantly,  
9 she did this work within promised timeframes, and in  
10 doing so, allowed Siting to alleviate outside pressure and  
11 criticism. Teraja is a valuable, knowledgeable, hard  
12 working and talented part of the Division staff, that  
13 possesses the promise for unlimited professional  
14 achievement and progress. So, Teraja? [Applause]

15           Okay, only a couple more. Mark Hamblin. Mark  
16 Hamblin, who has shown superior accomplishment and  
17 outstanding abilities by willingly providing training  
18 assistance to staff new to the unit in which he works,  
19 and unfamiliar with the analytical methodologies and  
20 approaches for the various technical areas for which his  
21 unit is responsible. This assistance, which is  
22 considered above and beyond Mark's normal duties, was in  
23 the areas of land use, visual resources, and traffic  
24 transportation. Mark's efforts to ensure consistency in  
25 the Unit's written analysis, and that these analyses met

1 current legal and professional standards, have made the  
2 job of his supervisors and Office Manager much easier.  
3 These efforts are driven by Mark's commitment to writing  
4 thorough and high quality analysis, that established  
5 clear thresholds for determining impacts and  
6 substantiating conclusions. So, it is my pleasure to  
7 give this to Mark. [Applause]

8           Okay, Joseph Merrill is our next recipient.  
9 Joseph has shown superior accomplishment and outstanding  
10 abilities. By the end of 2009, Joseph had authorized 464  
11 work authorizations and work authorization modifications  
12 for a total of \$8.3 million and executed 54 project  
13 closures, those are pretty big numbers, for prospective  
14 work authorization budgets authorized in 2009, totaled  
15 almost twice those authorized in 2008, and the number of  
16 work authorizations increased by 120 percent, mainly  
17 because of the magnitude of the solar projects that we  
18 are currently processing. Despite the very high volume  
19 of work compared to average years, Joseph has been a calm  
20 and professional problem solver, and has managed to  
21 juggle his duties to meet deadlines and ensure that the  
22 interests of the Division are properly conveyed and its  
23 needs are met. He has postponed time off and adjusted  
24 his personal life to meet our organizational goals. And  
25 I have the pleasure of working with Joe on a regular

1 basis and I am very pleased to be able to give this  
2 [applause].

3           The next award is for Maria Santourdjian. She  
4 is a project assistant who has shown superior  
5 accomplishments and outstanding abilities by assisting  
6 the Siting Division Project Managers during the licensing  
7 process. All Project Assistants were challenged by the  
8 constraints placed on them this Spring in compiling and  
9 formatting dozens of different technical analysis, and  
10 figures that comprised the difficult joint BLM Energy  
11 Commission Solar Staff Assessments. For the Genesis SA  
12 and EIS, however, Maria was a miracle worker. Maria made  
13 this Herculean task happen in two days, working around  
14 the clock, including nights at home with her young  
15 daughter asleep by her side. Maria truly embodies the  
16 best about our division, competence, friendliness, hard  
17 work, and the can-do attitude. So, oh, okay. [Applause]

18           And last, but certainly not least, is Rick  
19 York. Rick York has shown superior accomplishments and  
20 outstanding abilities as a supervisor. He creates a  
21 positive and supportive work environment in his unit and  
22 creates team building and training opportunities for the  
23 staff. Rick also does an excellent job of keeping his  
24 office manager and deputy director informed about his  
25 unit's activities and apprised of biological issues

1 related to energy development. Despite an extremely  
2 challenging workload in 2009, Rick York was successful in  
3 bringing a large number of new and talented employees to  
4 the Commission. For this, the Division is very grateful  
5 to Rick and believes Rick is highly deserving of the  
6 Superior Accomplishment Award for his unequalled efforts  
7 in 2009. [Applause]

8 MS. JONES: Thank you very much for letting me  
9 present these. So, we will have a group photo, which  
10 means everybody quickly needs to move up in front of the  
11 dais - with your awards.

12 CHAIRMAN DOUGLAS: Well, thank you to all of the  
13 award recipients today and Ms. Jones for presenting these  
14 awards. We really appreciate the strong efforts of staff  
15 given workload, given the important work that we are  
16 doing, and you really have risen to the occasion here in  
17 a great way, so thank you.

18 VICE CHAIR BOYD: Madam Chair, let me just join  
19 you in congratulating everybody, and here is another  
20 example we have seen when the going gets tough, the tough  
21 get going, a good group of folks here at the Energy  
22 Commission. Congratulations to all.

23 CHAIRMAN DOUGLAS: Very well. Item 1 now on  
24 the Agenda, Consent Calendar.

25 VICE CHAIR BOYD: Move Consent.

1 COMMISSIONER EGGERT: Second.

2 CHAIRMAN DOUGLAS: All in favor?

3 (Ayes.)

4 The Consent Calendar is approved.

5 Item 2. Stion Corporation. Possible approval  
6 of Agreement 002-10-CEB for a \$5 million loan to Stion  
7 Corporation to expand the manufacture of thin film solar  
8 modules at Stion's San Jose factory. Ms. Smith.

9 MS. SMITH: Yes, good morning, Chairman and  
10 Commissioners. My name is Marcia Smith and with me are  
11 other members of the Clean Energy Business Financing  
12 Team, Michael Doughton and Jacob Orenberg. The American  
13 Recovery and Reinvestment Act of 2009, known as ARRA, has  
14 a three-fold design, 1) to rescue a rapidly deteriorating  
15 economy, 2) to put the country on a path to recovery by  
16 putting Americans back to work quickly, and 3) to  
17 reinvest in the country's long term economic future,  
18 building a foundation for a new, more robust, and  
19 competitive American economy. The Energy Commission,  
20 through the State Energy Program, or SEP, identified \$226  
21 million to develop various programs that meet ARRA, State  
22 and Commission goals. Of this amount, approximately  
23 \$30.6 million was earmarked for the development of a  
24 Clean Energy Manufacturing Program. In July, the  
25 Commission released a notice of proposed awards, or a

1 NOPA, that identified projects that were proposed to be  
2 funded. The NOPA also identified all of the compliance  
3 documentation needed to assure loan funding. At the  
4 August 25<sup>th</sup> Commission business meeting, the Commission  
5 approved the first CEBFP loan. Today, the Commission  
6 will take action on three additional CEBFP applications  
7 for funding. Stion Corporation seeks a loan to purchase  
8 metal organic chemical vapor deposition tools to increase  
9 their annual manufacturing capacity of thin film solar  
10 modules at their facility in San Jose, California, by 140  
11 megawatts. The project, which is to be completed by  
12 December 2011 will create or retain an estimated 73 full-  
13 time equivalent jobs and will offset an estimated 63,493  
14 tons of carbon dioxide per year. The total project cost  
15 is approximately \$22 million, of which Stion Corporation  
16 will provide \$17 million in leveraged financing.

17           Today the staff requests the Commission support  
18 approval of a request for a loan agreement with Stion  
19 Corporation in the amount of \$5 million. Thank you.

20           COMMISSIONER EGGERT: I guess this is a very  
21 exciting project and happy to see these again coming  
22 before us. Actually, this is maybe just a question of  
23 clarification. I noticed in the summary it talks about  
24 the project will expand capacity by 5 megawatts per year,  
25 and in the more detailed description, it talks about 140

1 megawatts per year. Do you know -

2 MS. SMITH: I know what the mistake was. There  
3 are 28 units, I believe, and they are 5 megawatts each,  
4 so 140.

5 COMMISSIONER EGGERT: So, that is a very  
6 impressive number, 140 megawatts annually of thin film  
7 solar production here in California, so this is a great  
8 project and I have no further questions.

9 CHAIRMAN DOUGLAS: Thank you, Commissioner  
10 Eggert. I agree, it is exciting to see the expansion of  
11 photovoltaic manufacturing here in California.

12 VICE CHAIR BOYD: Well, it is good to see this  
13 program operating the way it is now, too, as well. So, I  
14 will move approval of the item.

15 COMMISSIONER EGGERT: Second.

16 CHAIRMAN DOUGLAS: All in favor?

17 (Ayes.)

18 The item is approved.

19 Item 3. Energy Innovations, Inc. Possible  
20 approval of Agreement 006-10-CEB for a loan of \$3,493,797  
21 to Energy Innovations, Inc., to purchase equipment for a  
22 concentrated solar energy system factory in Poway,  
23 California. Ms. Smith.

24 MS. SMITH: Agenda Item 3 is also a CEBFP loan  
25 request for ARRA-SEP funding. Today, Energy Innovations,

1 Inc. seeks CEBFP loan to purchase and install equipment,  
2 including laser welders and testing stations to establish  
3 a concentrated solar energy system manufacturing facility  
4 in Poway, California. The facility will have an annual  
5 capacity of 60 megawatts by the expected completion date  
6 of September 2011. In addition, the project will create  
7 or retain 240 full-time equivalent jobs, and the annual  
8 production of solar cells will offset an estimated 35,397  
9 tons of carbon dioxide per year. The total project cost  
10 is \$7 million, of which Energy Innovations is providing  
11 approximately \$3.5 million in leveraged financing.

12 Staff requests the Commission's support  
13 approval of Item 3 for a loan agreement with Energy  
14 Innovations, Inc. in the amount of \$3,493,797. Thank  
15 you.

16 CHAIRMAN DOUGLAS: Thank you. Questions or  
17 comments?

18 COMMISSIONER EGGERT: This is just another  
19 question of curiosity. I do not expect you to have the  
20 answer, but, so if we have the previous project expanding  
21 capacity by 140, this one by 60, and our subsequent one  
22 by another 40 unit, I am curious, do we track the total  
23 manufacturing capacity of these types of technologies in  
24 the State, across all the different companies that are  
25 operating in the State? That might be something to -

1 MS. CHANDLER: No, we do not at this point, but  
2 I think we are going to begin doing that, especially  
3 because of all of the projects the Clean Energy Business  
4 Financing Program, are all solar manufacturing facility  
5 expansions, which we are very pleased about because it  
6 supports the Governor's California Solar Initiative, so  
7 we will be looking at not only the capacity expansion for  
8 this, but looking at the total system and how much is  
9 part of all of our reporting, how much we have increased  
10 the renewable energy production as a result.

11 COMMISSIONER EGGERT: Excellent, yeah, just  
12 these 240 megawatts annually, which is a huge  
13 contribution potentially to meeting our energy and  
14 environmental goals. So I will move the item.

15 VICE CHAIR BOYD: I will second it and just  
16 say, as Ms. Chandler mentioned, this bodes well for the  
17 idea that California should be the locus of green  
18 technology and green technology jobs, this is a  
19 significant indication of that and a contribution to it,  
20 so I think it is very positive.

21 CHAIRMAN DOUGLAS: Motion and second. All in  
22 favor?

23 (Ayes.)

24 The item is approved.

25 Item 4. Soliant Energy, Inc. Possible

1 approval of Agreement 003-10-CEB for a loan of \$2,089,711  
2 to Soliant Energy, Inc., to purchase equipment for a  
3 concentrated solar photovoltaic solar panel factory in  
4 San Bernardino. Ms. Smith.

5 MS. SMITH: Agenda Item 4 is the third and  
6 final CEBFP loan request for ARRA-SEP funding on today's  
7 agenda. Soliant Energy, Inc. seeks a CBEFP loan to  
8 purchase and install equipment, including welding  
9 stations and curing ovens to launch a concentrated  
10 photovoltaic solar panel manufacturing facility in San  
11 Bernardino, California. The panels are designed for flat  
12 roof commercial buildings. The facility will have an  
13 annual capacity of 40 megawatts by their expected  
14 completion date of October 2011. In addition, the  
15 project will create or retain 118 full-time equivalent  
16 jobs, and the annual production of solar panels will  
17 offset an estimated 23,367 tons of carbon dioxide per  
18 year.

19 The total project cost is nearly \$9 million, of  
20 which Soliant Energy will provide almost \$6.9 million in  
21 leveraged financing.

22 Staff requests the Commission support approval  
23 of Item 4, for a loan agreement with Soliant Energy, Inc.  
24 in the amount of \$2,089,711. Thank you.

25 COMMISSIONER EGGERT: Just one more comment.

1 Noting the fact that, in addition, California becoming a  
2 focal point for clean energy development, San Bernardino,  
3 in particular, with respect to this project, which is  
4 expanding manufacturing, a project we will be hearing  
5 about in a few minutes in terms of actual deploying,  
6 solar is really becoming a focal point within the State  
7 for solar jobs and solar activity, which I think is  
8 really a fantastic opportunity for that region, which I  
9 know has suffered significant economic hardship recently,  
10 so I am glad to see this project happening there. And I  
11 will make a motion to approve.

12 VICE CHAIR BOYD: Second.

13 CHAIRMAN DOUGLAS: All in favor?

14 (Ayes.)

15 The item is approved.

16 VICE CHAIR BOYD: Give that second to  
17 Commissioner Weisenmiller.

18 CHAIRMAN DOUGLAS: The second goes to  
19 Commissioner Weisenmiller. Item 5 -

20 MS. CHANDLER: I would just like to note, to  
21 build on what Commissioner Eggert said, is that staff has  
22 done an amazing job in selecting the geographic diversity  
23 for this industry and approach, so, while I mentioned  
24 earlier that they are all solar panel manufacturing  
25 facilities, they are also geographically distributed so

1 every region in California will have an opportunity to do  
2 this type of green job manufacturing, which ties in, as  
3 well, to our Work Force Training and Development Program.  
4 So I know that the criteria, in part, was regional  
5 diversity, but it was these projects that came forward as  
6 award winning, to be able to receive that.

7 CHAIRMAN DOUGLAS: Thanks for noting that, Ms.  
8 Chandler. I was also looking at where the projects were  
9 and pleased to see the diversity. Thank you very much.

10 Item 5. Benningfield Group. Possible approval  
11 of Contract 500-10-019 for \$1,270,830 with Benningfield  
12 Group to research energy use in multifamily buildings.  
13 Mr. Kibrya.

14 MR. KIBRYA: Good morning, Commissioners. My  
15 name is Golam Kibrya and I work in the Buildings Energy  
16 Efficiency Research Group within the Research and  
17 Development Division. I am here to request your approval  
18 of this project with Benningfield Group, which was  
19 selected through a competitive solicitation and was  
20 approved by the Policy Committee early this year. Under  
21 this contract, Benningfield Group will gather design and  
22 operations data for multi-family buildings, which  
23 constitute a significant portion of the California  
24 Residential Building stock. As a matter of fact, one-  
25 third of California households live in multi-family

1 buildings. And the operation of multi-family buildings  
2 is quite complex and there is a lack of data available to  
3 really effectively design multi-family buildings, so the  
4 goal of this project is to improve the design and  
5 operation of multi-family buildings by at least 30  
6 percent. And this will be achieved primarily in two  
7 ways, first, by informing Codes and Standards, Title 24  
8 Building Energy Efficiency Standards, for multi-family  
9 buildings through this work, and, secondly, by developing  
10 innovative design solutions for multi-family buildings.

11 For the specific goal of this project, there  
12 are a number of goals, the first is to produce at least  
13 three Code change recommendations for the 2014 revision  
14 of Title 24 Standards for Multi-Family Buildings, and  
15 these Code changes are expected to produce energy  
16 efficiency improvements of at least 10-15 percent. A  
17 second goal is to develop design solutions for building  
18 enclosures for demonstration programs, particularly  
19 windows, which, again, would produce another 10-15  
20 percent improvement in energy efficiency. And a third  
21 goal is to implement Smart Controls strategies that will  
22 produce the electricity used by another 10-15 percent.  
23 So, overall, this project is going to improve energy  
24 efficiency for multi-family buildings by at least 30  
25 percent.

1           The Contractor will work through the investor-  
2 owned utilities in California, as well as SMUD, to  
3 implement the results of this project. They would also  
4 work with multi-family design and construction industry  
5 to transfer the technologies developed in this project,  
6 and they would also work with other energy efficiency  
7 focused organizations, again, through transfer of the  
8 technologies of this work. So, if you have any  
9 questions, I will be happy to answer.

10           CHAIRMAN DOUGLAS: Thank you. Questions,  
11 Commissioners?

12           VICE CHAIR BOYD: I do not have a question, I  
13 just have a comment. This, to me, is a very exciting  
14 project. Efficiency, of course, is Job 1 for this  
15 agency, and this addresses that subject; but, in  
16 particular, it addresses the subject not only in  
17 buildings which were identified in our IEPR and in other  
18 documents as a major target, but it is the subject of  
19 multi-family, which we had discussions on this dais and  
20 from the audience over a period of months now, about the  
21 importance of multi-family, the role that multi-family  
22 plays in California. So, this is addressing multi-family  
23 buildings and efficiency, all of which are extremely high  
24 priorities, and so, to me, this is an extremely  
25 significant project and I am very glad to have been on

1 the Research Committee to recommend it, and I would be  
2 glad to make a motion to approve it now.

3 COMMISSIONER EGGERT: Yeah, I want to agree  
4 with that and, I will note here some pretty amazing  
5 statistics, one-third of California households live in  
6 multi-family, and one half of the units built last year  
7 were multi-family, and I think the demographics and the  
8 trends suggest that this share of multi-family is only  
9 going to go up in the future, so this becomes  
10 increasingly important. And, as I learned within the  
11 Efficiency Committee, it is a challenging area because it  
12 has characteristics of both residential and commercial  
13 buildings that have to be reconciled and this appears to  
14 be going at that, so I want to thank the R&D Committee  
15 for supporting this work, and also just mention that this  
16 is another great example of where PIER research is  
17 feeding extremely well into our Standards development  
18 activities, which results in tremendous savings to the  
19 State. So, I wanted to thank you for that, and I will  
20 second the item.

21 CHAIRMAN DOUGLAS: Thank you. Commissioners,  
22 this is a great observation about how, again, this PIER  
23 Research is feeding\* standards. Commissioner  
24 Weisenmiller, do you have a comment? We have a motion  
25 and a second. All in favor?

1 (Ayes.)

2 The item is approved.

3 MR. KIBRYA: Thank you.

4 CHAIRMAN DOUGLAS: Thank you very much.

5 Item 6. University Of California, Davis.

6 Possible approval of Contract 500-10-020 for \$238,310  
7 with the Regents of the University of California, Davis  
8 to determine habitat use and suitability of young desert  
9 tortoises. Ms. Milliron.

10 MS. MILLIRON: Hi. Misa Milliron here for the  
11 PIER Environmental Area. This is the second of six  
12 Desert Biology Research projects I will be bringing  
13 before you. This is an interagency agreement that was  
14 selected through a competitive process, which was open to  
15 all government agencies. And the goal behind that  
16 process was to facilitate the five projects that would  
17 facilitate renewable energy in the desert, while  
18 minimizing biological impacts, and filling data gaps that  
19 are hindering environmental review and permitting. The  
20 second goal was to select projects that had direct  
21 benefit to the Siting Division and other agencies  
22 involved in the Desert Renewable Energy Conservation  
23 Plan.

24 As you may recall, Rick York from the Siting  
25 Division was here last week to support these projects.

1 Reviewers of all these proposals that we received  
2 included staff from not only PIER Environmental, but also  
3 PIER Renewables and Siting, as well as the Department of  
4 Fish & Game. This project has \$46,150 of match, and that  
5 is 100 percent of the principal investigator's labor, and  
6 it also includes match from the National Park Service,  
7 and that would be in the form of use of the soon to be  
8 constructed Ivanpah Desert Tortoise Research Facility, as  
9 well as use of equipment from the University of Georgia,  
10 who is the subcontractor on this.

11           This project is important because little is  
12 known about the hatchling and juvenile stage of the  
13 Desert Tortoise, and this stage is critical to the  
14 recovery and also the persistence of wild populations.  
15 The purpose of this research would be to test the  
16 effectiveness of head-starting and jump-starting as an  
17 innovative mitigation tool to increase survivorship of  
18 this life stage. Head-starting involves rearing eggs and  
19 hatchlings in a predator-proof, semi-natural enclosure  
20 and jump-starting involves essentially the same thing,  
21 but adding marine supplementation to mimic a non-drought  
22 year in the desert, thereby increasing the food supply  
23 for these hatchlings and potentially doubling the rate of  
24 growth of these individuals. The study will compare and  
25 monitor growth rates, survivorship and habitat use under

1 three different experimental treatments, and this will  
2 involve radio telemetry whereby transmitters are affixed  
3 to the small hatchlings. The second component of the  
4 study is to study the habitat use by these hatchlings and  
5 that data will be used to improve existing desert  
6 tortoise habitat suitability models from which the  
7 juvenile component of the life stage is missing at this  
8 point. We anticipate a second phase of this project  
9 after this contract is complete, due to the long-lived  
10 nature of the organisms, the lengthy juvenile stage, and  
11 the amount of time it takes for the individuals to reach  
12 the minimum size required for release into the wild.

13 This project will fill a critical data gap in  
14 desert tortoise science and it will also help provide  
15 innovative mitigation for desert energy development. The  
16 project was approved by the R&D Committee, and I am happy  
17 to answer any questions you might have.

18 CHAIRMAN DOUGLAS: Thank you, Ms. Milliron.  
19 Questions, Commissioners?

20 COMMISSIONER WEISENMILLER: I wanted to make an  
21 observation. I would like to thank the staff for working  
22 on this, and certainly helping us by connecting over to  
23 the DRECP and Fish and Game and the Siting Division. I  
24 think, as we are working through the ARRA projects, or  
25 processing those, we are clearly running into the desert

1 tortoise issues and I think, certainly coming out of the  
2 Science Advisory Committee under the DRECP, it is really  
3 important to develop a knowledge base in this area,  
4 particularly as we go forward and work on that plan, so  
5 we can be building into that the necessary components for  
6 the preservation of the desert tortoise. So, thanks  
7 again for pushing this.

8           VICE CHAIR BOYD: I wanted to just say I was  
9 pleased and delighted to see this come before the R&D  
10 Committee and, therefore, come before the Commission  
11 today. In a way, I wish this were two years ago, not  
12 only would I be two years younger, but the issues we face  
13 and the projects we have had to review might have been  
14 informed a little better. But we learn by doing and this  
15 is something we learned we needed to have and it will  
16 benefit the future. And I think, well, this is  
17 unbelievably important to the task that faces this  
18 Commission in the future as we deal with our energy mix,  
19 our electricity mix, and the renewable development for  
20 the future. So, Ms. Milliron, I wish you luck. Of  
21 course, you will not be done until I am gone from this  
22 Commission -

23           MS. JONES: And I would like to note that, if  
24 Misa had been in the PIER Division at the time, it  
25 probably would have started two years ago, but she came

1 from the Siting side, and so -

2 VICE CHAIR BOYD: She knew what we needed  
3 there.

4 MS. JONES: -- exactly what we needed, so,  
5 thank you.

6 MS. MILLIRON: Thank you.

7 VICE CHAIR BOYD: Thank you. I would like to  
8 move approval.

9 COMMISSIONER WEISENMILLER: I will second.

10 CHAIRMAN DOUGLAS: All in favor?

11 (Ayes.)

12 That item is approved.

13 MS. MILLIRON: Thank you.

14 CHAIRMAN DOUGLAS: Thank you.

15 Item 7. Elk Hills Power Project (99-AFC-1C).  
16 Possible approval of a petition to amend the Elk Hills  
17 Power Project, changing three air quality conditions of  
18 certification. Ms. Dyas.

19 MS. DYAS: Good morning, Commissioners. My  
20 name is Mary Dyas and I am the Compliance Project Manager  
21 for the Elk Hills Power Project. Technical staff is also  
22 in attendance and available to answer questions.

23 The Elk Hills Power Project is a 500 megawatt  
24 natural gas-fired, combined-cycle facility that was  
25 certified by the Energy Commission in December of 2000

1 and began commercial operation in 2003. The project is  
2 located in the middle of Occidental's Elk Hills oil and  
3 gas field, in the Kern County and is regulated by the San  
4 Joaquin Valley Air Pollution Control District.

5 On June 22<sup>nd</sup>, 2010, Elk Hills Power, LLC filed a  
6 petition requesting approval to amend the Energy  
7 Commission Decision for the Elk Hills Power Project to  
8 modify three air quality conditions of certification.  
9 The purpose of the requested amendment is to update three  
10 air quality conditions of certification for consistency  
11 with the San Joaquin Valley Air Pollution Control  
12 District's Authority to Construct and Title V Permits.

13 The project has experienced an increase in  
14 Total Dissolved Solids (TDS) in the water supply from its  
15 source water, the California Aqueduct, due to drought  
16 conditions allowing salt water intrusion in the delta  
17 intakes. Due to this increase in TDS, Elk Hills Power  
18 requests the following modifications:

19 First, Elk Hills Power requests that air  
20 quality Condition of Certification AQ-18, which specifies  
21 the annual emission limits for the two gas turbines, be  
22 modified to decrease the current annual PM10 emission  
23 limit of 262,800 pounds per year to 261,960 pounds per  
24 year. This proposed decrease is equal to, and would  
25 offset the proposed increase in PM10 from the cooling

1 towers in Condition of Certification AQ-50.

2           Second, Elk Hills Power requests that air  
3 quality Condition of Certification AQ-50, which specifies  
4 the maximum daily emission rate of the cooling tower  
5 during normal operation, be modified to increase the PM10  
6 emission limit of 9.4 pounds per day to 11.7 pounds per  
7 day. This proposed change is equal to the proposed  
8 decrease in PM10 from the two gas turbines in AQ-18.

9           And last, for consistency with the San Joaquin  
10 Valley Air Pollution Control District's application  
11 language, a wording change in Condition of Certification  
12 AQ-57 is requested for the fire water pump. The proposed  
13 change would require the positive crankcase ventilation  
14 system to re-circulate crankcase emissions into the air  
15 intake system for combustion.

16           A Notice of Receipt was posted to the Energy  
17 Commission Web page on July 19, 2010 and docketed and  
18 mailed to the projects' post-certification mailing list  
19 and affected public agencies on July 23, 2010.

20           A staff analysis was mailed to interested  
21 parties, docketed and posted to the website on August 4<sup>th</sup>,  
22 2010. And we have not received comments on this Petition  
23 or the staff analysis.

24           With the recommended revisions to Conditions of  
25 Certification AQ-18, AQ-50 and AQ-57, staff has

1 determined there will be no significant adverse  
2 environmental impacts associated with this amendment and  
3 the project, as amended, will comply with all Laws,  
4 Ordinances, Regulations and Standards.

5           Staff recommends approval of the requested  
6 modifications.

7           CHAIRMAN DOUGLAS: Thank you, Ms. Dyas.  
8 Questions or comments?

9           COMMISSIONER WEISENMILLER: I just wanted to  
10 remind everyone we went through a similar change on  
11 Paloma where, again, the TDS had gone up and influenced  
12 the cooling tower emissions; fortunately, we were able to  
13 offset those on the combustion side, so there was no  
14 significant environmental impact. I think, as  
15 Commissioner Boyd and I both know, that it is sort of  
16 surprising that we are seeing salinity or at least TDS,  
17 you know, increases in that part of the water project,  
18 what seems to be a consequence of drought and sort of  
19 presumably longer term climate change, and hopefully we  
20 will not have more of these changes, but we may well  
21 going forward in our power plant siting cases, from power  
22 plants that we have sited, seeing impacts of climate  
23 change on our conditions. So, with that, I would like to  
24 move the item.

25           COMMISSIONER EGGERT: Second.

1 CHAIRMAN DOUGLAS: All in favor?

2 (Ayes.)

3 The item is approved. Thank you, Ms. Dyas.

4 Item 8. And I will note, in case I forget  
5 after the presentation, there is one member of the party  
6 who, I believe, indicated an interest in speaking and is  
7 on the phone.

8 Item 8. Abengoa Mojave Solar Project (09-AFC-  
9 5). Possible adoption of the Presiding Member's  
10 Proposed Decision on the Abengoa Mojave Solar Project and  
11 errata. Ms. Vaccaro.

12 HEARING OFFICER VACCARO: Good morning,  
13 Chairman Douglas, Commissioners. I am Kourtney Vaccaro  
14 with the Hearing Adviser's Office. And I am very pleased  
15 today on behalf of the Abengoa Mojave Solar Committee, to  
16 present to you the Presiding Member's Proposed Decision  
17 and corresponding errata recommending approval of this  
18 solar electric generating facility.

19 And just by way of brief background, this  
20 project would be sited in an unincorporated area of San  
21 Bernardino County, roughly midway between Kramer Junction  
22 and the City of Barstow. This project would be sited on  
23 1,765 acres of privately owned land. This land is  
24 predominantly fallow agricultural land. The project  
25 proposes the use of established parabolic trough

1 technology, would be for 250 megawatts provided through  
2 two, independently-operable solar fields.

3           This project was deemed data adequate, or at  
4 least the Application for Certification, in October of  
5 2009. We technically have six parties to this action,  
6 Applicant, staff, County of San Bernardino, California  
7 Unions for Reliable Energy, Luz Solar Partners 8 and 9.  
8 However, by the time of the evidentiary hearing, we only  
9 had three active participants, the County of San  
10 Bernardino, staff, and the Applicant.

11           For the most part, the issues in this  
12 proceeding were uncontested. We have one heavily  
13 contested issue, which, as reflected in the PMPD, was  
14 carefully vetted and discussed by the Committee and  
15 decided by the Committee. This PMPD was put out for  
16 comment on August 6<sup>th</sup>, and the comment period ended just  
17 yesterday, so we may hear some comments today on the  
18 Errata, but essentially what we receive for comments from  
19 four sources, one was a member of the public encouraging  
20 the approval of the project, staff and the Applicant  
21 independently submitted comment, but if you look at them  
22 collectively, what they did is they identified typos,  
23 clerical errors, made recommendations for changes to  
24 ensure that we were being accurate and true to the  
25 record. The Committee reviewed those comments and, as

1 reflected in the proposed errata, has adopted virtually  
2 all of those comments.

3           The fourth source of comments is the County of  
4 San Bernardino. The Town of San Bernardino's comments  
5 were presented in the form of a legal brief, essentially  
6 questioning whether or not the Committee, in preparing  
7 the PMPD, and particularly crafting language relating to  
8 fire protection and emergency services that would be  
9 provided by the county's fire department, whether or not  
10 that language took into consideration important  
11 decisional CEQA case law. I submit to you that the  
12 Committee did do that, indeed, by an Order dated July  
13 23<sup>rd</sup>, the Committee signaled to all of the parties its  
14 position with respect to the sufficiency of evidence, the  
15 fact that it considered the important decisional law, and  
16 that it was prepared to move forward in crafting  
17 Conditions of Certification. By that Order, the  
18 Committee also invited every party and, of course, this  
19 is a public notice, so if anyone else wanted to comment,  
20 they were able to do so, as well, to brief the legal  
21 issues related to proposed mitigation, or to propose  
22 their own language. As it turns out, staff, the county,  
23 and the applicant provided substantially similar language  
24 to what you would see and what you are seeing in the PMPD  
25 with some differences, admittedly. At the end of the

1 day, though, the Committee did, in advance of receiving  
2 the County's comment, anticipate these comments, address  
3 them July 23<sup>rd</sup>, and then again in the preparation of the  
4 PMPD, these very careful and deliberate language in  
5 making its finding of significant and identifying  
6 mitigation measures, identifying the method by which  
7 mitigation would occur, identifying the parties  
8 responsible for mitigation and, more importantly,  
9 requiring the Applicant to pay its proportionate share of  
10 those mitigation measures. So, with that, I will end my  
11 opening comments and I am happy to answer any questions  
12 that you might have.

13 CHAIRMAN DOUGLAS: Thank you, Ms. Vaccaro.  
14 Before we turn to the Applicant, I will just note that  
15 San Bernardino County is on the phone and so we will have  
16 them speak after the Applicant, as we are reviewing the  
17 case. Mr. Ellison.

18 MR. ELLISON: Thank you, Chair Douglas. On  
19 behalf of Abengoa, I am Chris Ellison of Ellison,  
20 Schneider and Harris. We support the PMPD, I am sure  
21 that is not a surprise, and we would be happy to address  
22 the one remaining issue with respect to the County. I  
23 will simply say two things about that, and I can  
24 certainly respond to any questions. But the two things  
25 are, a) it is important for you to understand what the

1 proposed Decision requires is that we negotiate with the  
2 County and resolve this issue and, if we are unsuccessful  
3 in doing that, it creates a process for resolving issue,  
4 and eventually potentially bringing it back to the  
5 Commission, and we look forward to working with the  
6 County in achieving a mutually agreeable resolution of  
7 that issue. With respect to the legal question of  
8 whether this proposal complies with CEQA, we have filed  
9 documents, including even as late as yesterday, and I  
10 will simply tell you that it is quite clear that this is  
11 not a CEQA issue at all. CEQA addresses physical impacts  
12 on the environment, and not economic issues, and that  
13 this is purely an economic issue, nobody anywhere has  
14 suggested it is anything but that. That does not mean it  
15 is not an issue, it is an issue, it is an important  
16 issue, and we look forward to working with the County to  
17 resolve it.

18 That said, in keeping with the theme of this  
19 morning, I have a few Superior Achievement Awards to hand  
20 out and I mean this in all sincerity, I think everybody  
21 who has worked on this case throughout the almost year  
22 that it has been before the Commission, has done a truly  
23 extraordinary job to get us to where we are today. The  
24 Committee, Commissioners Eggert and Boyd, have done a  
25 tremendous job of moving this case along, of resolving

1 issues consistently with the record, and putting out what  
2 I think is one of the best PMPDs that I have seen in a  
3 long time. Hearing Officer Vaccaro also deserves  
4 tremendous credit for that achievement, and the Applicant  
5 very much appreciates the efforts of the Committee and  
6 the Hearing Officer in doing that. Staff has also worked  
7 extremely hard, under very adverse conditions, and  
8 Abengoa fully appreciate that. Our goal was to achieve  
9 agreement on every single issue with every single party,  
10 we came very very close, not quite, but that achievement  
11 of coming very very close was in major part due to the  
12 very hard work of the staff and, in particular, staff  
13 Counsel Christine Hammond, and the Project Manager, Craig  
14 Hoffman, who have done an extraordinary job on this case,  
15 as well. The other parties, including the county and the  
16 others have also, I think, behaved very responsibly and  
17 have worked very hard toward achieving results. And,  
18 again, we do look forward to resolving the final issue  
19 with the County. And last, if I may be so bold, I would  
20 hand out a Superior Achievement Award to my client for  
21 not only the effort that they have put into this case,  
22 for not only proposing an exemplary renewable energy  
23 project, but picking a site that I think even the County  
24 in their comments said that this is, of all the solar  
25 projects in the County, the one they like the best. It

1 is a site that is previously disturbed, it has very low  
2 species impacts, relatively speaking to other projects,  
3 it is adjacent to an existing solar project, it has many  
4 of the other features that these projects require, and I  
5 think that is also one of the reasons - good planning on  
6 the part of the Applicant, hard work on the part of many  
7 many parties, that we are here today before you with a  
8 PMPD that, if not having achieved perfect consensus, has  
9 come preciously close to that goal. So, a very very  
10 sincere appreciation to everybody involved, particularly  
11 the Committee, and we look forward to moving this project  
12 forward. It faces continue challenges, this is a major  
13 milestone, but not the last milestone, but we are looking  
14 forward to a successful project. Thank you very much.

15 CHAIRMAN DOUGLAS: Thank you, Mr. Ellison. We  
16 will hear from staff and then from San Bernardino County.  
17 Go ahead, staff.

18 MS. HAMMOND: Thank you, Chair Douglas and  
19 Commissioners. This is Christine Hammond, Staff Counsel  
20 and Craig Hoffman is to my right, he is the Project  
21 Manager for the project. Staff, Mr. Ellison alluded to  
22 the one remaining issue on which there was some  
23 contention, and staff has and continues to encourage the  
24 Applicant to reach an agreement with the County on the  
25 question of worker safety and fire protection. There are

1 a couple of comments that staff has on the errata to the  
2 PMPD and I will turn the mic over to Mr. Hoffman.

3 HEARING OFFICER VACCARO: Actually, I am aware  
4 of one comment, so if there are additional comments, I  
5 would certainly like to hear from Mr. Hoffman, but just  
6 before we convened this morning, Mr. Hoffman did advise  
7 me that we made a correction that we actually did not  
8 need to make, and in so doing, caused a little bit of a  
9 problem, so it is on page 2 of the errata that is before  
10 you, and it is Item 3 of that page. We made some  
11 corrections to dates that, in fact, are dates that should  
12 not have been corrected. The original dates were  
13 correct. I went back and verified it again this morning  
14 after Mr. Hoffman spoke with me, so what I would ask is  
15 that, if a motion is adopted, recommending approval of  
16 this project and the errata, that we do eliminate Item 3,  
17 Page 2 from the Errata.

18 MR. HOFFMAN: Okay. And the other item that we  
19 would offer is on Page 4, Item 9, directly after where it  
20 says "the 24-hour and annual threshold for PM10," that  
21 could be a period, and then strike-out "and the annual  
22 threshold for PM10." And that would conclude the  
23 staff's comments, although, following up, we cannot  
24 underscore enough the success of this project began with  
25 the siting of it, locating on private property,

1 historically disturbed with low value for habitat and  
2 species, and has made this project move forward very  
3 well. Thank you.

4 CHAIRMAN DOUGLAS: Thank you very much. Now,  
5 turning to Bart Brizzee on the phone from San Bernardino  
6 County.

7 MR. BRIZZEE: Thank you, Madam Chair, members  
8 of the Commission, this is Bart Brizzee. I am Deputy  
9 County Counsel with the County of San Bernardino, and we  
10 also would like to thank the Committee and staff and the  
11 Applicant for the professional way in which this matter  
12 has been handled. We appreciate speaking on behalf of  
13 the County and we appreciate the opportunity to have  
14 participated in this procedure. I hope that the  
15 Commission will not view my lack of personal appearance  
16 there as an indication that we do not consider this  
17 serious, but we are laboring under budgetary constraints,  
18 as I think all government entities are. Specifically,  
19 for Commissioners Eggert, Boyd, and Byron, who have heard  
20 the County's mantra since they are in the committees on  
21 the other two significant cases that are in San  
22 Bernardino County, namely, Ivanpah and Calico, we do want  
23 to emphasize that the County has a great deal of support  
24 for the renewable energy projects, for the potential jobs  
25 that they will provide, as well as the opportunity to

1 meet the various State standards for renewable energy.  
2 As Commissioner Eggert had indicated, though, the County  
3 is in a unique position, first because of its location  
4 and having a substantial amount of desert area, it is  
5 primary for these solar projects. And I also agree with  
6 Mr. Ellison that, generally, this project is very  
7 favorable due to the fact that it is on disturbed land,  
8 that it has the infrastructure generally in place. But,  
9 that being said, these projects do have an impact on  
10 county services, and particularly fire and emergency  
11 services, and it is not just responding to emergencies or  
12 fires, but it is also the other tasks that the Commission  
13 will give to us if this is approved, such things as  
14 reviewing emergency plans, hazardous material issues,  
15 storage tanks, in addition to responding to fires and  
16 emergencies. Thus, the County's support cannot be  
17 unconditional, and simply what we are looking for is  
18 adequate mitigation as we look to serve these projects  
19 with appropriate emergency services. The fact that we  
20 are a large county and we are also situated in the  
21 desert, also creates another interesting factor, and that  
22 is we do not have other residential or commercial  
23 development out there that is going to be able to support  
24 these. And so, it creates obviously unique issues in how  
25 we need to add obligation that the County has, but also

1 how we do it in a fair fashion. What we have asked the  
2 Committee to do is adopt the Worker Safety 6 and 7 that  
3 was proposed by Dr. Greenberg of the staff; we believe  
4 that that is based on the more viable evidence and is  
5 more defensible. And essentially, that is our position,  
6 that if we achieve adequate mitigation through those  
7 means, then the County is going to be fully supportive of  
8 this project. I would like to correct, too, a statement  
9 that was made in the comments that I submitted last week,  
10 and that is we had not heard from the Applicant, and that  
11 has now changed, and I want the Commission to be aware of  
12 that fact, that discussions and negotiations have now  
13 reopened and are ongoing with the Applicant and we also  
14 want to emphasize our interest in reaching a negotiated  
15 settlement, which we believe would be optimal, and renew  
16 the County's commitment. Other than that, if there are  
17 questions that I can respond to, again, I appreciate the  
18 opportunity to further comment on behalf of the County.  
19 Thank you.

20 CHAIRMAN DOUGLAS: Well, thank you very much,  
21 MR. Brizzee. Obviously, we are sensitive to the issues  
22 you raise and we are also sensitive to the fact that it  
23 is not always easy to travel when you are with  
24 government, as we found out in our own process in recent  
25 months. Commissioner Eggert, did you have a comment?

1                   COMMISSIONER EGGERT:  Yes, thank you, Madam  
2  Chair.  I have a few comments I wanted to make.  This is  
3  certainly a very very exciting day for me, being new to  
4  the Commission, and this is the first siting project that  
5  is coming before us that I have been involved in and had  
6  the pleasure of being involved in.  I had the pleasure of  
7  serving with Commissioner Boyd on what really has been a  
8  very good process and a good project, and I think a lot  
9  of the attributes have been previously mentioned about  
10 why this project has been successful in coming before us  
11 today and, you know, would like to see a lot more of  
12 these, given some of the challenges that we have seen in  
13 some of the other projects, I think this one has really  
14 been quite a treat.  And I do want to thank the  
15 Applicant, in particular, for, you know, I think agreeing  
16 to a lot of conditions that they may not have always been  
17 enthusiastic about, but in a desire to work with our  
18 staff to address their concerns, I think they've done a  
19 really fantastic job.  And the particular issue of worker  
20 safety, the committee took this very very seriously.  My  
21 personal opinion is that, you know, we really want to  
22 make sure that, to the extent there are cumulative  
23 impacts to the fire services, in particular, given the  
24 fact that we are going to be seeing a significant number  
25 of these projects, we hope, we do want to make sure that

1 the compensation associated with those impacts are  
2 properly accounted for, fairly accounted for, and  
3 covered, and we felt that, after - I think we had a  
4 hearing on the order of about five to six hours that was  
5 substantially, if not solely, dedicated to this one  
6 particular topic, we delved in quite deep into the  
7 analysis and, you know, where its deficiencies were, and  
8 we were able to sort of extract useful information for  
9 the purposes of drafting the conditions, which we do  
10 have. And I would note that there is an upfront program  
11 to the Department prior to any construction, as well as  
12 the sort of a multitude of options that they have to  
13 negotiate a settlement or develop an independent  
14 assessment. So, again, I just want to thank all of the  
15 folks involved, staff, and Hearing Officer Vaccaro was a  
16 great pleasure to work with, as well. So, I would,  
17 unless there are other comments, I would offer a motion  
18 which would include the revisions that were mentioned on  
19 Page 2 of the errata to revert back to the dates of 2020  
20 and 2050 for the greenhouse gas goals, which I am  
21 embarrassed to say I had not caught, and then, as well as  
22 I guess the redundancy on Page 4 of the errata,  
23 referencing page 133, striking "and the annual threshold  
24 for PM10," and with those modifications, I would submit a  
25 motion for approval.

1                   VICE CHAIR BOYD: Madam Chair, if I might, I  
2 will offer a second as the other member of this  
3 Committee, but a couple of comments first. First, I  
4 would commend Commissioner Eggert on his chairmanship of  
5 this project, perhaps his first, and he was hardworking  
6 and a good student of the process here at the Commission.  
7 I also want to commend Hearing Officer, Ms. Vaccaro, for  
8 what I consider an outstanding job in dealing with this  
9 project. Today's demeanor is representative of  
10 compromise and concession, all the way around. It was  
11 not that easy earlier on. I want to acknowledge the  
12 County's legitimate concerns about fire protection in the  
13 County. I want to be careful and measure my words  
14 because we have multiple cases, of which I have some, in  
15 the County, so I do not want to reflect on any of those,  
16 but we did have a rather late-breaking new and different  
17 approach that was problematic and I think the Committee  
18 and the Hearing Officer arrived at a recommended approach  
19 that the Commission, in all it has seen in the PMPD, that  
20 will lead to resolution of the issue and, based upon the  
21 comments of the Applicant and the County and the staff  
22 today, I expect that that will be accomplished fairly  
23 easily and hopefully fairly quickly. This has a lot of  
24 attributes that have already been referenced by others,  
25 including the economic attributes, as well as a

1 contribution to renewable energy here in the State of  
2 California. The siting issues, for the most part, were  
3 somewhat easier to deal with than some other cases  
4 because of the - let's just say prudence of the  
5 Applicant, perhaps, and the site that is utilized. So,  
6 this has been a positive learning experience for a lot of  
7 the folks. And with that, I will now offer a second to  
8 Commissioner Eggert's motion.

9           COMMISSIONER WEISENMILLER: I would like to  
10 just offer a few comments. I think, as we move forward  
11 over the next year, it is going to be very important to  
12 look at lessons learned from the Siting process here,  
13 particularly for the Commission and the for the  
14 Applicants, and certainly as part of the IEPR and Siting  
15 Committee, we will do a more formal exercise on that.  
16 But I think one of the key lessons, I think, taken away  
17 from this project is the notion of picking the right  
18 site, and essentially building off of disturbed land, and  
19 that certainly simplified this process compared to some  
20 of our others and, as we look at lessons that this agency  
21 wants to pick up, obviously, part of the message is  
22 developers need to look at lessons, too, from this, and  
23 certainly picking disturbed land is a key part of that.  
24 And I think, moving forward, and certainly the  
25 willingness to work with everyone to resolve the issues

1 in an expeditious fashion is important. I think, moving  
2 forward, I certainly would encourage the Applicant to  
3 continue with its good neighbor policy and to work out  
4 its relationship with the County. I think you were  
5 looking at was hopefully going to be a couple of decades  
6 of relationships there, that as you work things through,  
7 it would be important to work out something so that all  
8 sides are relatively comfortable, both the Applicant and  
9 the County is comfortable, with that relationship. But,  
10 again, this sounds like a very good project and obviously  
11 the renewable power will help the State in a number of  
12 ways, as will the jobs.

13           CHAIRMAN DOUGLAS: Thank you for those  
14 comments, Commissioner Weisenmiller. I agree with all  
15 that has been said, I think, from the dais on this topic,  
16 and I want to thank Commissioner Eggert as the Presiding  
17 member of the Committee, and Commissioner Boyd, for  
18 bringing us such a green PMPD to look at and consider.  
19 And I particularly want to note that I think the Worker  
20 Safety 6 and 7 conditions set out a fair process for  
21 determining of evidence - ideally a negotiation, but if  
22 not, a fact-based inquiry into the costs to the County.  
23 We take the issues of the County very seriously and, so,  
24 I hope that this can be resolved, and I hope, as  
25 Commissioner Weisenmiller said, the County and Applicant

1 have a long and successful and happy coexistence in San  
2 Bernardino County. So, with that, we have a motion and a  
3 second. All in favor?

4 (Ayes.)

5 This item is approved, and thank you very much.

6 Item 9. Minutes. Possible approval of the  
7 August 25, 2010, Business Meeting Minutes.

8 VICE CHAIR BOYD: Move approval.

9 COMMISSIONER EGGERT: Second

10 CHAIRMAN DOUGLAS: All in favor?

11 (Ayes.)

12 Item 9 is approved.

13 Item 10. Is there any Committee presentation  
14 or discussion today?

15 VICE CHAIR BOYD: Madam Chair, there are so  
16 many things going on here, we could talk for the rest of  
17 the day with regard to the many issues that we are  
18 involved in, and I will forego the opportunity. I will  
19 say that I will be missing next week's meeting,  
20 unfortunately. I will be in Washington attending a  
21 meeting of the National Petroleum Council, which  
22 Secretary Chu recently named me, so it will be my first  
23 opportunity to experience - to have that new experience,  
24 and try to further the California transportation, energy  
25 security and diversity agenda, amongst a group of folks

1 who - and now that I have read all of the background  
2 material, really do have a fairly enlightened view of the  
3 need for America to change its transportation fuel, and  
4 make sure it is not just a Council of Petroleum folks,  
5 that was part of my criteria for acceptance of the  
6 invitation. So, in any event, I look forward to maybe  
7 California being able to impact some national policy on  
8 that subject to at long last, if we have not already many  
9 times, I will miss your exciting meeting next week.

10           COMMISSIONER EGGERT: Just a real quick report  
11 out on an event that both Commissioner Boyd and myself  
12 attended last week, which was the CAPCOA Climate  
13 Conference, which the CEC was a partner to. And just a  
14 couple of observations, one was the fact that it was  
15 quite well attended. I think they beat their attendance  
16 goals substantially, and it was an indication of the  
17 continued interest and excitement about the potential  
18 solutions to climate change, and there was a lot of  
19 really good panels. Commissioner Boyd spoke on the  
20 opening panel, I spoke on the following day. And there  
21 was a significant amount of interest and attention to the  
22 CEC's activities, especially in the area of energy  
23 efficiency and renewable energy. And so, I think an  
24 encouraging connection being made to how we can actually  
25 meet our climate challenge through cost-effective

1 activities, which also provide significant economic  
2 quality to the State, and I think a lot of support for  
3 what we are doing here, at least that I was able to  
4 discern while participating in that. And just real  
5 quickly, coming back from my conference, I was able to  
6 participate in the opening of some alternate fuel  
7 infrastructure projects that were supporting within our  
8 AB 118 program and, to echo Commissioner Boyd's comments,  
9 we are really starting to see some of our projects  
10 actually hit the ground, which is quite exciting,  
11 literally actually being constructed and providing  
12 choices to consumers when they decided that perhaps that  
13 do not want to be just stuck on petroleum as their  
14 primary source of transportation energy. So, I will stop  
15 there.

16 VICE CHAIR BOYD: Madam Chair, if I might, one  
17 quick comment that Commissioner Eggert reminds me of, in  
18 referencing the Climate Conference in San Francisco,  
19 which I would agree with him was very well done,  
20 extremely well attended, and the Energy Commission's role  
21 in receiving lots of recognition. The panel I served on,  
22 which included Chairwoman Nichols of the Air Resources  
23 Board, and the current Administrator of Region 9, Chair  
24 Blumenfeld, and others, including Felicia Marcus, former  
25 Administrator of Region 9, and now Western Region

1 Director of NRDC, who I thought gave an extremely  
2 informative presentation on lessons learned down through  
3 the years by herself and others, and a plea to the folks  
4 in the room to, among other things, do not let the  
5 perfect be the enemy of the good, and the need to work  
6 together, and the need to make some concessions, and the  
7 need for her former Federal Agency, EPA, not to get  
8 carried away as she confessed she did, with the idea that  
9 the Federal Agency reigns supreme over things that get  
10 done, and what California does, and she just gave an  
11 incredible boost to California and all that it has done  
12 and does do, and how it should be allowed to continue to  
13 provide a role model in the energy air quality climate  
14 change arena. And I think it was somewhat a message to  
15 some of her contemporaries in various communities to come  
16 let us reason together and be practical about things. I  
17 just was very impressed with it and asked her to bottle  
18 it up so I could use it throughout the State, and Jared  
19 said something to the effect, "Well, just take her with  
20 you on the Rubber Chicken Circuit," but it was an  
21 extremely well done conference, I will say, and of great  
22 benefit to many of us.

23 COMMISSIONER WEISENMILLER: I was just going to  
24 give a very brief discussion of the DRECP, which actually  
25 is meeting at this moment in Southern California. The

1 notion is to have it in Southern California to budget  
2 time so that local governments can participate, so I  
3 think that is going to be the series that makes it more  
4 complicated for those of us in Sacramento, but presumably  
5 we will get a better collection.

6 I was just going to note that the Chair and I  
7 both had a very good presentation by Wayne Spencer of the  
8 Science Advisory Committee on their report, found it very  
9 informative and it raised a lot of issues. And also a  
10 very good presentation, which I think is being presented  
11 at this moment on sort of the General Work Plan for DRECP  
12 and, again, it is pretty impressive how it is structured  
13 in terms of trying to deal with the issues. But, again,  
14 it's one of the things where I think all of us wish was  
15 done a couple years ago. But the good news is that we  
16 are trying to keep enough pressure and focus on it, so  
17 that we can get some results over the next six months.

18 CHAIRMAN DOUGLAS: Thank you. Thank you,  
19 Commissioners, for those reports.

20 Moving on to Item 11. Chief Counsel's Report.

21 MR. WARD: Good morning, Commissioners. For  
22 those of you who do not know, I am Alan Ward with the  
23 Chief Counsel's Office, and due to scheduling conflicts,  
24 vacations, and retirements, I am sitting here today, as  
25 opposed to the Chief Counsel, the Assistant Chief

1 Counsel, or even the Senior Staff Counsel force.  
2 Needless to say, there is nothing that we need to report  
3 at this time.

4 CHAIRMAN DOUGLAS: Thank you, Mr. Ward.

5 ITEM 12. Executive Director's Report.

6 MS. JONES: I have nothing to report today.

7 CHAIRMAN DOUGLAS: Item 13. Public Advisor's  
8 Report.

9 MS. JENNINGS: I have nothing to report.

10 CHAIRMAN DOUGLAS: There does not appear to be  
11 any public comment, so we will be adjourned. Thank you.

12 (Whereupon, the business meeting was adjourned.)

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