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STATE OF CALIFORNIA
ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the Matter of:

**Siting Compliance Process Review and
Improvement Proceeding**

Docket No: 15-OII-01

February 3, 2016

Action Plan for Updating Compliance Regulations

I. Introduction

As part of the California Energy Commission's (Commission) efforts to review and improve the siting compliance process and procedures, Commission staff held a workshop on October 23, 2015 to engage stakeholders and discuss issues and potential solutions. Comments were received before, during and after the workshop. Based on those comments, staff has narrowed the focus of the compliance process review and improvement proceeding to cover post certification amendments and procedures for obtaining reimbursement from project owners for processing amendments.

II. Summary of Comments

Overall, there is a desire to find a more effective process to address post certification project changes that occur either during construction or while in operation. This process should ensure regulatory flexibility to accommodate the realities of an industrial construction site, while maintaining the integrity of the Commission's Decision and related protections of health, safety and the environment. With the recently enacted statute authorizing the Commission to recover costs for processing amendments, there is also considerable interest in developing clear rules to ensure transparency in how costs are determined.

Other comments provided include:

- General support for the concept of allowing staff-approved project changes as long as there are clear parameters for determining what types of modifications can be approved by staff, and what needs to be approved by the Commission.
- Guidance is needed on what constitutes valid grounds for objection to a staff recommendation on a request for modification. Currently, any objection could trigger the need for Commission approval of the proposed change.

- In cases where project changes may be approved by staff without a hearing, at a minimum, the project with the proposed changes must still comply with all applicable laws, ordinances, regulations and standards pursuant to the Warren-Alquist Act and not have a significant impact on the environment.
- The Commission should review its process for public notice and participation in the analysis of post-certification project changes, even those which would not come before the full Commission.
- The compliance process and compliance reports should be more transparent. The Commission should require the reports to include an index and hyper-link index or separate chapters to make the reports more user-friendly, and available for public review.
- Timely processing of petitions for modification.
- The compliance regulations should retain flexibility and allow room for staff to exercise judgment in interpretation
- Project owners should not have unilateral authority to make changes without review.
- Standard rules of procedure should be established related to cost recovery billing.

III. Action and Next Steps

Staff is drafting regulatory language for classifying and processing facility changes/amendments and is continuing to research and examine reimbursement procedures utilized by other public agencies. Staff anticipates draft regulatory language will be posted for public review in the spring followed by a workshop. Staff looks forward to continuing the dialog with stakeholders to develop well-functioning regulations.

If you have any questions or concerns regarding this proceeding, please contact Chester Hong via e-mail at chester.hong@energy.ca.gov or at (916) 654-4215.