

DOCKETED

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State of California
California Energy Commission
Minutes of the March 9, 2022, Energy Commission Business Meeting

The meeting was called to order by Chair Hochschild. The Pledge of Allegiance was led by Commissioner McAllister.

Present:

David Hochschild, Chair

Siva Gunda, Vice Chair

Kourtney Vaccaro, Commissioner

Patricia Monahan, Commissioner

J. Andrew McAllister, Commissioner

The California Energy Commission's (CEC) March 9, 2022, Business Meeting will be held remotely, consistent with Assembly Bill 361 (Rivas, Chapter 165, Statutes of 2021) as extended by Governor Newsom's Executive Order N-1-22 to improve and enhance public access to state meetings during the COVID-19 pandemic. The public can participate in the business meeting consistent with the direction provided below.

Please note that the CEC aims to begin promptly at the start time and the end time is an estimate based on the agenda proposed. The business meeting may end sooner or later than the time indicated depending on various factors.

Pursuant to California Code of Regulations, title 20, section 1104(e), any person may make oral comment on any agenda item. To ensure the orderly conduct of business, such comments will be limited to three minutes or less per person. Any person wishing to comment on information items or reports (non-voting items) shall speak during the general public comment portion of the meeting and have three minutes or less to address all remaining comments.

THE CEC WILL CONSIDER AND MAY TAKE ACTION ON THE FOLLOWING:

1. Consent Calendar.

Items will be taken up and voted on as a group. A commissioner may request that an item be moved and discussed later in the meeting.

- a. Association of Women in Water, Energy and Environment (AWWEE). Proposed resolution approving a \$2,100 purchase order with AWWEE to renew CEC's annual organizational membership, and adopting staff's determination that this action is exempt from CEQA. This membership enables CEC employees to participate in AWWEE events designed to cultivate learning, sharing, and professional development while connecting with industry experts from the state, local and private sectors. (ERPA Funding) Contact: Tiffany Solorio
- b. AWWEE. Proposed resolution approving a \$1,500 purchase order with AWWEE to sponsor their 2022 events line up, including use of the CEC logo in co-sponsorship advertisements, and adopting staff's determination that this action is exempt from CEQA. (ERPA Funding) Contact: Tiffany Solorio
- c. Approval of Disadvantaged Communities Advisory Group (DACAG) Member Reappointments. The DACAG is an advisory body to the CEC and the California Public Utilities Commission (CPUC) on the impacts of clean energy and pollution

reduction programs in disadvantaged communities. Senate Bill 350 (De León, Chapter 54, Statutes of 2015) required the CPUC and the CEC to establish an advisory body consisting of representatives from disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code. The DACAG is comprised of ten members, and one tribal representative appointed by the Governor's Tribal Advisor. The proposed resolution is to reappoint the five following members of the DACAG to another two-year term: Angela Islas, Adrian Martinez, Andres Ramirez, Roger Lin, and Fred Beihn. Jana Ganion, the tribal representative serving on the DACAG, was reappointed by the Governor's Tribal Advisor to serve another two-year term. Contact: Noemí Gallardo.

After the Pledge of Allegiance, Chair Hochschild announced CEC's newest Commissioner Kourtney Vaccaro.

Commissioner Vaccaro moved to approve Item 1. Commissioner Monahan seconded. The vote was (5-0).

2. Moss Landing Power Plant LLC (MLPC)(99-AFC-04C).

Proposed order approving a settlement agreement with MLPC to resolve alleged violations of the CEC's certification concerning timely reporting of complaints, notices of violation, official warnings, and citations to the CEC, and adopting the determination that this action is exempt from CEQA. Under the settlement agreement, MLPC agrees to the amendment of a reporting condition for the Moss Landing Power Plant, which will provide additional clarity on reporting requirements expected by CEC staff. MLPC also agrees to pay \$75,000 to the CEC to settle this matter. In return, the CEC agrees to close the matter without further action or litigation. Contact: Shawn Pittard (Staff Presentation: 10 minutes)

Commissioner Vaccaro moved to approve Item 2. Commissioner McAllister seconded. The vote was (5-0).

3. Campbell Cogeneration Project (93-AFC-03C).

Proposed order approving the petition to amend to increase cooling tower volatile organic compounds (VOC) emission rates contained in Conditions of Certification AQ-7, AQ-8, AQ-SC2, AQ-CT2, and AQ-CT4 through AQ-CT7, and finding the change would not have a significant adverse impact under CEQA. This change would allow the project to resume operations using recycled water, in compliance with all applicable laws, ordinances, regulations, and standards and would not result in any significant adverse impacts to the environment. Contact: Elizabeth Huber (Staff Presentation: 10 minutes)

Commissioner Vaccaro moved to approve Item 3. Vice Chair Gunda seconded. The vote was (5-0).

4. Los Medanos Energy Center (LMEC) Petition to Amend (98-AFC-01C).

Proposed order amending the CEC's certification of the LMEC to allow for the installation of a flue gas pipe for the delivery of approximately 1 percent of the flue gas from LMEC to San Francisco Bay Aggregates for use in a carbon dioxide (CO₂) demonstration project that will manufacture CO₂-sequestered upcycled rock

products. The proposed order also would adopt staff's determination that this action is exempt from CEQA. Contact: Elizabeth Huber (Staff Presentation: 5 minutes)

Commissioner Vaccaro moved to approve Item 4. Commissioner McAllister seconded. The vote was (5-0).

5. 2021 Integrated Energy Policy Report (IEPR) (Docket 21-IEPR-01).

Proposed resolution adopting and approving the *2021 IEPR: Volume III, Decarbonizing the State's Gas System*, and adopting a determination that this action is exempt from CEQA. The CEC is required to prepare a biennial IEPR that assesses major energy trends and issues facing the state's electricity, natural gas, and transportation fuel sectors. The report also provides policy recommendations to conserve resources; protect the environment; ensure reliable, secure, and diverse energy supplies; enhance the state's economy; and protect public health and safety (Public Resources Code § 25301[a]). The CEC prepares these assessments and associated policy recommendations every two years, with updates in alternate years, as part of the IEPR. The CEC adopted Volumes I, II, IV, and Appendix of the 2021 IEPR on February 16, 2022. Contact: Heather Raitt (Staff Presentation: 15 minutes)

Commissioner McAllister moved to approve Item 5. Vice Chair Gunda seconded. The vote was (5-0).

After Item 5 was voted on, Chair Hochschild announced we will turn to Item 7 and 8 before going back to Item 6.

6. Building Standards Code Petition.

Proposed order denying a petition, submitted by ACCO Engineered Systems, pursuant to Section 1-313 of the California Administrative Code. The petition requested that language in the California Mechanical Code be clarified regarding the application of California Energy Code ventilation requirements. Contact: Peter Strait (Staff Presentation: 10 minutes)

Before Item 6 was heard, Chair Hochschild announced we will go through to about 12:30 p.m. and then break for a short half hour lunch and reconvene.

Commissioner McAllister moved to approve Item 6. Vice Chair Gunda seconded. The vote was (5-0).

7. Order Instituting Informational Proceeding on Decarbonizing the Gas System.

Proposed order instituting an informational proceeding (OIP) to engage state agencies and stakeholders in planning for the transition away from fossil gas and addressing the challenges the state faces in decarbonizing the gas system. The initial focus of the OIP is to begin implementing *2021 IEPR* recommendations for the CEC to develop the necessary analytical framework for long-term gas planning. This will be a multi-year investigation proceeding to run parallel with and feed into the CEC's IEPR proceedings. The OIP is intended to foster interagency collaboration and stakeholder engagement in a wide range of assessments and forecasts. Contact: David Erne (Staff Presentation: 5 minutes)

Vice Chair Gunda moved to approve Item 7. Commissioner McAllister seconded. The vote was (5-0).

8. Order Instituting Informational Proceeding on Distributed Energy Resources.

Proposed (OIIP) to explore the role of distributed energy resources (DER) in California's energy future. California has embraced the adoption of DER as an important strategy to meet its commitments to increase renewable and zero-carbon resources and to support transportation and building electrification. The OIIP will investigate approaches to expand the deployment of DER, while supporting the state's clean energy goals. Contact: David Erne (Staff Presentation: 5 minutes)

Vice Chair Gunda moved to approve Item 8. Commissioner McAllister seconded. The vote was (5-0).

9. Order Instituting Rulemaking on Power Source Disclosure (PSD).

Proposed order instituting a rulemaking proceeding to consider amendments to the CEC's PSD regulations, title 20, California Code of Regulations, section 1390 *et seq.* to implement Assembly Bill 242 and other minor modifications to the PSD program determined to be necessary, including revisions to clarify existing provisions, improvements to program operations, and amendments to streamline reporting requirements. Contact: Ariel Lee (Staff Presentation: 5 minutes)

Commissioner Vaccaro moved to approve Item 9. Commissioner Monahan seconded. The vote was (5-0).

10. Humboldt Bay Harbor, Recreation and Conservation District (HBHRCD).

Proposed resolution approving Agreement OSW-21-001 with the HBHRCD for an up to \$10,450,000 grant to support infrastructure improvements at the Port of Humboldt, approving authority for the grant's scope of work Tasks 1 through 9, and adopting staff's determination that Tasks 1 through 9 are exempt from CEQA. After the appropriate work in Tasks 1 through 9 is complete, the CEC will consider approving Task 10 at a future business meeting. Grant funds will support repurposing the Redwood Marine Terminal to support offshore wind energy development in the North Coast region. The CEC's funding will primarily support preliminary environmental and design work. (General Fund Funding) Contact: Rhett DeMesa (Staff Presentation: 5 minutes)

Commissioner Vaccaro moved to approve Item 10. Commissioner Monahan seconded. The vote was (5-0).

11. Porifera, Inc.

Proposed resolution approving Agreement EPC-21-019 with Porifera, Inc. for a \$2,980,226 grant to develop an automated manufacturing line for a large-format forward osmosis membrane module that enables efficient industrial, agricultural, and municipal wastewater reuse, and adopting staff's determination that this action is exempt from CEQA. The full-scale prototype of the large-format forward osmosis system has been designed, built, and demonstrated, making it ready to scale-up for commercialization. This project will design and build an automated manufacturing

line at low-rate initial production for membrane packets. (EPIC Funding) Contact: Michael Ferreira (Staff Presentation: 5 minutes)

Commissioner McAllister moved to approve Item 11. Commissioner Vaccaro seconded. The vote was (5-0).

12. SPARKZ, Inc.

Proposed resolution approving Agreement EPC-21-020 with SPARKZ, Inc. for a \$2,676,670 grant to develop a solid-state lithium battery prototype able to cycle at room temperature and demonstrate the battery for drone use, and adopting staff's determination that this action is exempt from CEQA. This technology uses a lithium metal anode and solid, nonflammable electrolytes to increase safety, and energy density while reducing battery costs. The team seeks to demonstrate an innovative freeze tape casting manufacturing method to increase energy density and lower costs. The recipient will also target an energy density over 350 watt-hours/kilogram that can operate at 80 percent capacity for at least 100 cycles. (EPIC Funding) Contact: Michael Ferreira (Staff Presentation: 5 minutes)

Commissioner Monahan moved to approve Item 12. Vice Chair Gunda seconded. The vote was (5-0).

After Item 12 was voted on, Chair Hochschild announced short break and reconvene at 1:00 p.m.

Chair Hochschild reconvened the meeting at 1:00 p.m.

13. Hydrogen Fuel Cell Truck and Bus Technology Integration and Demonstration - GFO-21-501.

This solicitation sought proposals for research, development, and demonstration projects to improve the performance and cost effectiveness of hydrogen fuel cell-powered heavy-duty vehicles with challenging duty cycles. (Gas R&D Program Funding) Contact: Peter Chen (Staff Presentation: 5 minutes)

- a. Cummins Electrified Power NA Inc. Proposed resolution approving Agreement PIR-21-001 with Cummins Electrified Power NA Inc. for a \$2,000,000 grant to develop and demonstrate two zero-emission hydrogen fuel cell-electric trucks capable of meeting a challenging industrial bulk gas delivery duty cycle, and adopting staff's determination that this action is exempt from CEQA. The project will integrate an advanced fuel cell electric powertrain, demonstrate one-to-one replacement of conventional Class 8 diesel trucks, develop a truck-mounted electrified power take-off to power a pump for cryogenic cargo tank trailers, and assess the feasibility of on-board liquid hydrogen storage for extended range.
- b. Institute of Gas Technology dba Gas Technology Institute. Proposed resolution approving Agreement PIR-21-002 with Institute of Gas Technology dba Gas Technology Institute for a \$1,999,667 grant to develop an advanced high-power fuel cell system, improve the hydrogen-to-system mass ratio of an onboard hydrogen storage system, and demonstrate low rolling resistance tires in a high-torque EV application, and adopting staff's determination that this action is exempt from CEQA. These technologies will be integrated onto a Class 8 truck

and demonstrated over 12 months in drayage operations and a challenging regional haul route between the Inland Empire and Northern San Joaquin Valley.

Commissioner Monahan moved to approve Item 13. Commissioner Vaccaro seconded. The vote was (5-0).

14. City of Long Beach Harbor Department (Port of Long Beach).

Proposed resolution approving Agreement ARV-21-046 with the Port of Long Beach for a \$2,500,000 grant to implement a blueprint developed under the Electric Vehicle (EV) Ready Communities Blueprint, Phase I, solicitation (GFO-17-604) and adopting staff's determination that this action is exempt from CEQA. This project will deploy 10 Level 2 EV charging stations and stub-out six additional units, develop an electric drayage truck charging siting toolkit, provide updates to drayage equipment feasibility reports, and produce a workforce assessment report. (Clean Transportation Program Funding) Contact: Patrick Brecht (Staff Presentation: 5 minutes)

Commissioner Monahan moved to approve Item 14. Commissioner McAllister seconded. The vote was (5-0).

15. Ultra-Low-Carbon Fuel: Commercial-Scale Production Facilities & Blending Infrastructure - GFO-20-608.

This solicitation sought proposals for commercial-scale projects that increase the in-state fuel production and/or blending capacity of ultra-low-carbon alternative fuels that have a carbon intensity of 30g CO₂e/MJ or less. Eligible projects must be located at new or existing fuel production or fuel blending facilities. (Clean Transportation Program Funding) Contact: Hieu Nguyen (Staff Presentation: 5 Minutes)

- a. Merced Pipeline LLC. (MPL). Proposed resolution adopting CEQA findings for MPL's Merced Pipeline Dairy Digester Cluster Expansion Project and approving grant Agreement ARV-21-048 with MPL.
 - I. CEQA Findings. Findings that, based on the lead agency Merced County's (County) Initial Study and Mitigated Negative Declaration (MND), and the County's Conditional Use Permit No. CUP19-003 approving and adopting the MND, which was approved by the County's Planning Commission on November 20, 2019, the work under the proposed project presents no new significant or substantially more severe environmental impacts beyond those already considered and mitigated, and that following the County's adoption of the MND and CUP, none of the circumstances within CEQA section 15162 are present.
 - II. MPL's Merced Pipeline Dairy Digester Cluster Expansion Project. Proposed resolution approving Agreement ARV-21-048 with MPL for a \$1,500,000 grant. The goal of this agreement is to construct a new expansion to the existing centralized gas clean-up and upgrading facility in the county to process the dairy biogas from seven additional participating digesters. The resulting project will produce 1,761,000 diesel gallon equivalents per year of

renewable compressed natural gas with a negative carbon intensity score of approximately -375-g CO₂e/MJ, while simultaneously reducing greenhouse gas emissions by about 113,000 MTCO₂e per year.

- b. New Leaf Biofuel, LLC. Proposed resolution approving Agreement ARV-21-050 with New Leaf Biofuel, LLC for a \$1,000,000 grant to install storage tanks at an existing site that will allow railcars to offload biofuel and then fill transport trucks independently, rather than requiring both to be simultaneously present, and adopting staff's determination that this action is exempt from CEQA. This project will increase the site's throughput from 10 million gallons per year to up to 88 million gallons per year with waste-derived renewable fuels, thereby offsetting up to 723,146 MTCO₂ per year at full capacity.

Commissioner Monahan moved to approve Item 15. Commissioner Vaccaro seconded. The vote was (5-0).

16. Minutes.

Possible approval of the February 16, 2022, Business Meeting minutes.

Vice Chair Gunda moved to approve Item 16. Commissioner Monahan seconded. Commissioner Vaccaro abstained her vote. The vote was (4-0).

17. Lead Commissioner or Presiding Member Reports.

The Commissioners reported on their recent activities.

18. Executive Director's Report.

The Executive Director gave a report.

19. Public Advisor's Report.

The Public Advisor gave a report.

20. Public Comment.

Claire Warshaw, self

21. Chief Counsel's Report.

- a. Pursuant to Government Code section 11126(e), the CEC may adjourn to closed session with its legal counsel to discuss any of the following matters to which the CEC is a party:
 - i. *In the Matter of U.S. Department of Energy (High Level Waste Repository), (Atomic Safety Licensing Board, CAB-04, 63-001-HLW); State of California v. United States Department of Energy (9th Cir. Docket, Case No. 09-71014).*
 - ii. *State Energy Resources Conservation and Development Commission v. HyGen Industries, Inc (Sacramento County Superior Court, Case No. 34-2019-00252543-CU-BC-GDS).*
 - iii. *Interlink Products International, Inc. v. Xavier Becerra, Drew Bohan, Melissa Rae King (United States District Court for the Eastern District of California, Case No. 2:20-cv-02283).*

iv. *State Energy Resources Conservation and Development Commission v. Electricore, Inc. and ZeroTruck (Sacramento County Superior Court, Case No. 34-2016- 00204586).*

- b. Pursuant to Government Code sections 11126 (a) and (e), the CEC may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or that constitute a significant exposure to litigation against the CEC, which might include personnel matters as well as:
- i. CEC grant with the Vehicle-Grid-Integration Alliance, Inc. (ARV-13-057).

The Chief Counsel gave a report and recommended the Commissioners break for a brief closed session to discuss agenda Item 21(a)(ii) and 21(a)(iv).

Appearances:

Ryder Couch, SMUD

Brent Constantz Blue Planet Systems, Corp.

Barbara McBride, Calpine

Rachel Kuykendall, PG&E

Jennifer Lu, SoCalGas

Sean Soni, SoCalGas

Larry Oetker, Humboldt Bay Harbor District

Abby Rodriguez, SPARKZ, Inc.

Ted Barnes, GTI Inc.

Jean-Baptiste Gallo, Cummins, Inc.

Jennifer Case, New Leaf Biofuel

Claire Warshaw, self

There being no further business meeting was adjourned.

Respectfully submitted,

LIZA LOPEZ
Secretariat