

CALIFORNIA ENERGY COMMISSION1516 Ninth Street
Sacramento, California 95814Main website: www.energy.ca.gov**08-WHCE-1**

DATE _____

RECD. MAR 17 2010

**Notice Of Availability And Opportunity For Comment On Modifications To
The Guidelines For Certification Of Combined Heat And Power Systems
Pursuant To The Waste Heat And Carbon Emissions Reduction Act, Public
Utilities Code, Section 2840 Et Seq.**

California Energy Commission
Docket Number 08-WHCE-1
March 17, 2010

BACKGROUND

On January 27, 2010, the California Energy Commission adopted Guidelines for Certification of Combined Heat and Power Systems (Guidelines) according to the Waste Heat and Carbon Emissions Reduction Act (the Act), Public Utilities Code, Section 2840, et seq. as enacted in AB 1613 (Blakeslee, Chapter 713, Statutes of 2007) and amended in AB 2791 (Blakeslee, Chapter 253, Statutes of 2008). These Guidelines are exempt from the requirements of the California Administrative Procedures Act, beginning with section 11340 of the Government Code. Public Utilities Code section 2843(c) contains the controlling procedure for the adoption of these Guidelines.

At the January 27 adoption hearing for the Guidelines, the Energy Commission asked staff to further analyze whether a Bottoming Cycle CHP System should have an efficiency of no less than 62 percent, as contained in the Guidelines, or an efficiency of no less than 60 percent, as recommended by some commenters to the proceeding. The Order Adopting Guidelines in this proceeding expressly continues the Energy Commission's delegation of authority to the Electricity and Natural Gas Committee to make future changes and revisions, substantive and non-substantive, to the Guidelines.

After further staff analysis, and per direction of the Electricity and Natural Gas Committee, the Guidelines have been modified to reflect a change in the bottoming cycle efficiency level from no less than 62 percent, to no less than 60 percent.

According to Public Utilities Code section 2843(c), substantive changes to the Guidelines cannot be adopted without at least 10 days' written notice to the public. In the Notice of Proposed Action (NOPA) in this proceeding, it was noted that if modifications are made and they are sufficiently related to the originally proposed Guidelines, the full modified text with changes clearly indicated will be made available to the public at least 10 days before the Energy Commission adopts the Guidelines. A notice of availability of any such text will be placed on the Energy Commission's website and will be mailed to all persons to whom the NOPA was mailed, as well as to all

persons who submitted written or oral comments at workshops. In addition, copies may be requested from the contact person named in the NOPA and from the Docket Office. The Energy Commission will accept written comments on any such modified text for at least 10 days after the text is made available to the public.

PUBLIC HEARING

The Energy Commission will consider adopting the modified Guidelines at a public hearing to be held on:

WEDNESDAY, APRIL 7, 2010

Beginning at 10 a.m.
California Energy Commission
First Floor, Hearing Room A
1516 Ninth Street
Sacramento, California
(Wheelchair Accessible)

Note: Audio from this meeting will be broadcast over the Internet.
Please see information at: [www.energy.ca.gov/webcast/]

If you have a disability and require assistance to participate in this hearing, please contact Lou Quiroz at (916) 654-5146 at least 5 days in advance.

At this hearing any person may present oral statements or arguments relevant to the proposed action. Interested persons may also submit written comments (see below).

PUBLIC COMMENT PERIOD/WRITTEN COMMENTS

Interested persons may submit written comments on the modified Guidelines. This written comment period begins March 17, 2010, and any such written comments must be submitted to the Energy Commission no later than 5:00 p.m. on April 1, 2010. All written comments should include “**Docket No. 08-WHCE-1**” in the subject line or first paragraph of the comments, and may be submitted in one of three ways:

- 1) Mailing them to:

California Energy Commission
Docket No. 08-WHCE-1
1516 9th Street, MS-4
Sacramento, CA 95814-5512

- 2) E-mailing them to [DOCKET@energy.state.ca.us], or

3) Faxing them to Dockets at (916) 654-4365

COPIES OF THE MODIFIED GUIDELINES

The modified Guidelines will be available on March 17, 2010, at the Energy Commission's website at [www.energy.ca.gov/wasteheat/documents/index.html]. To obtain copies of these documents, contact Linda Kelly at (916) 654-4815 or by e-mail [lkelly@energy.state.ca.us]. The Energy Commission will have the entire Guidelines file available for inspection and copying at its office at the above address.

INTERNET ACCESS

The Energy Commission maintains a website to facilitate public access to documents prepared and considered as part of the proceeding. Documents prepared by the Energy Commission for this proceeding, including this notice of availability, the text of the modified Guidelines, the initial statement of reasons, as well as any other document in this proceeding file, have been posted at [www.energy.ca.gov/wasteheat/documents/index.html].

NEWS MEDIA INQUIRES

News media inquiries should be directed to the Media and Public Communications Office at (916) 654-4989, or by email at [mediaoffice@energy.state.ca.us].

COMMITTEE DELEGATION AND AUTHORIZATION

The Electricity and Natural Gas Committee (consisting of Presiding Member Commissioner Robert B. Weisenmiller and Associate Member Commissioner Jeffrey D. Byron) or a successor Committee with similar powers and duties appointed under Public Resources Code Section 25211 presided over this proceeding. The Committee, on behalf of the Commission, has authority to take all actions necessary and appropriate to comply with all applicable legal requirements, including but not necessarily limited to the Warren-Alquist Act, the Waste Heat and Carbon Reduction Act, and the California Environmental Quality Act.

The Electricity and Natural Gas Committee is authorized to work collaboratively with the Public Utilities Commission and the Air Resources Board to ensure implementation of the Act in a manner consistent with its legislative purpose. Any and all decisions, policies, guidelines, rules or regulations proposed by the Electricity and Natural Gas Committee in this rulemaking shall become final when formally adopted by the Energy Commission at a business meeting.

AUTHORITY AND REFERENCE

The Energy Commission proposes to adopt the modified Guidelines for Certification of Combined Heat and Power Systems under the authority of Public Utilities Code section 2843.

PUBLIC ADVISER

The Energy Commission's Public Adviser's Office provides the public assistance in participating in Energy Commission activities. If you want information on how to participate in this forum, please contact the Public Adviser's Office at (916) 654-4489 or toll free at (800) 822-6228, by FAX at (916) 654-4493, or by e-mail at [PublicAdviser@energy.state.ca.us].

DESIGNATED CONTACT PERSON

Inquiries concerning all aspects of this process, including the substance of the modified Guidelines should be directed to Arthur J. Soinski, Ph.D., Electric Generation System Specialist, at (916) 654-4674 or by e-mail at [asoinski@energy.state.ca.us]. For general questions regarding the proceeding please contact Linda Kelly, Electric Generation System Specialist, at (916) 654-4815 or by e-mail at [lkelly@energy.state.ca.us].

COPY OF THE FINAL STATEMENT OF REASONS

At the conclusion of this proceeding, persons may obtain a copy of the final statement of reasons once it has been prepared by visiting the Energy Commission's website at [www.energy.ca.gov/wasteheat/documents/index.html] or contacting Linda Kelly at (916) 654-4815 or by-mail at [lkelly@energy.state.ca.us].