

STATE OF CALIFORNIA

ENERGY RESOURCES CONSERVATION
AND DEVELOPMENT COMMISSION

In the matter of:) Docket No. 12-OIR-02
) Order No. 12-0208-22
Amendments to Regulations)
for the Geothermal Grant and)
Loan Program)
_____)

DOCKET 12-012-02
DATE FEB 08 2012
RECD. FEB 09 2012

ORDER INSTITUTING A RULEMAKING

I. AUTHORITY AND PURPOSE OF THE PROCEEDING

This order institutes a proceeding to amend the Energy Commission’s regulations for the Geothermal Grant and Loan Program, contained in the California Code of Regulations, Title 20, sections 1660 through 1665. The Commission has general authority to regulate, including the amendment of existing regulations, pursuant to the Public Resources Code, sections 25213 and 25218, subdivision (e), in order to carry out the provisions of the Warren-Alquist Act (Pub. Resources Code, § 25000 et seq.). This order is made pursuant to California Code of Regulations, Title 20, section 1222, subdivision (a).

The purpose of the amendments is to streamline the application procedure for geothermal energy grants and loans authorized by Public Resources Code, sections 3820 et seq., provide clarification on Public Resources Code section 3822 (g) requirements for grants and loans to private entities, as well as update and make other nonsubstantive changes to simplify and clarify the regulations.

The regulations will be developed with public input per procedures in the Administrative Procedure Act (Gov. Code, § 11346 et seq.), the Warren-Alquist Act (Pub. Resources Code, §25214), and Commission rulemaking regulations (Cal. Code of Regs., tit. 20, § 1220 et seq.)

II. BACKGROUND

The California Energy Commission's Geothermal Program was created by Assembly Bill 1905 (Bosco, 1980) and has been in operation since 1981. During the first decade, it promoted California geothermal energy development by extending financial and technical assistance to public entities to support direct uses, planning, and mitigation projects. In 1992, the program was expanded to include financial assistance to private entities for research, development and

commercialization projects. The funding source is revenue paid to the State from geothermal production royalties on federal leases in California. The Energy Commission is authorized to use thirty (30) percent of the funds available each fiscal year in the State's Geothermal Resources Development Account (GRDA) for awards in the form of grants or loans to qualifying applicants.

The mission of the Program is to promote the research, development, demonstration, and commercialization of California's enormous earth heat energy sources. A major program goal is to continue to develop a portfolio of near to long-term research and development projects in California.

In order to streamline internal and external business practices, the Commission would simplify the existing application process for loans and grants by repealing regulations regarding the pre-application step and removing requirements for a technical committee. The Commission anticipates other amendments to clarify and update the regulations.

III. SCOPE OF THE PROCEEDING

The Commission, the Lead Commissioner on Research & Development, or Commission Staff may conduct workshops as needed to develop and review drafts of the proposed amendments to the regulations. The Commission will hold a hearing to consider adoption of the proposed regulations before they are submitted to the Office of Administrative Law for review.

IV. PUBLIC PARTICIPATION

The Energy Commission encourages full and free public participation. The Commission shall issue one or more notices indicating the date of any workshops or hearings in the proceeding. The Executive Director shall insure that this order and every order and notice issued by the Commission, including notices of the time and place for all hearings and workshops, are distributed to all interested persons. The Executive Director shall also ensure that drafts of proposed amended regulations are made available to interested persons and the Public Adviser sufficiently in advance of consideration or adoption by the Energy Commission to allow timely public participation.

Any person present at any workshop or hearing shall be afforded a reasonable opportunity to make oral comments on the subject matter of the proceeding. Petitions to intervene are not necessary.

Questions or comments on subject of this proceeding should be directed to:

Docket Unit
No. 12-OIR-02
California Energy Commission
1516 Ninth Street, MS-4
Sacramento, California 95814-5512

Or, e-mail docket@energy.state.ca.us. Please refer to docket number 12-OIR-XX in the subject

line. Please attach any comments or materials in the form of a Microsoft Word® document (.doc) or an Adobe® portable document format (.pdf).

The Energy Commission's Public Adviser is available to help any person who wants to participate in this proceeding. Please e-mail pao@energy.state.ca.us, or call (916) 654-4489 or in California, toll-free at (800) 822-6228.

V. ORDER

The Commission hereby initiates this rulemaking proceeding and orders Commission Staff to develop proposed amended regulations for consideration and possible adoption by the Energy Commission.

It is so Ordered.

CERTIFICATION

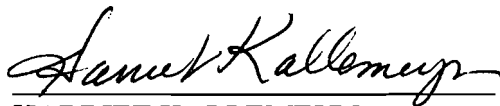
The undersigned Secretary to the Commission does hereby certify that the foregoing is a full, true and correct copy of a Resolution duly and regularly adopted at a meeting of the California Energy Commission held on February 8, 2012

AYE: Weisenmiller, Douglas, Peterman

NAY: None

ABSENT: None

ABSTAIN: None



HARRIET KALLEMEYN
Secretariat