



CPUC Public Agenda 3312

Thursday, April 18, 2013, 9:30 a.m.

San Francisco, CA



Commissioners:
Michael R. Peevey
Michel Peter Florio
Catherine J.K. Sandoval
Mark J. Ferron
Carla J. Peterman

www.cpuc.ca.gov





Safety and Emergency Information

- The restrooms are located at the far end of the lobby outside of the security screening area.
- In the event of an emergency, please calmly proceed out of the exits. There are four exits total. Two exits are in the rear and two exits are on either side of the public speakers area.
- In the event of an emergency and the building needs to be evacuated, if you use the back exit, please head out through the courtyard and down the front stairs across McAllister.
- If you use the side exits you will end up on Golden Gate Ave. Please proceed around the front of the building to Van Ness Ave and continue on down to the assembly point.
- Our assembly point is between the War Memorial Building and the Opera Building (House) which is on Van Ness Ave, located between McAllister and Grove.





Public Comment

- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President, depending on the number of speakers the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

The following items are NOT subject to Public Comment:

- Item: 6, 11, 20 & 26
- All items on the Closed Session Agenda





Public Comment

- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 2 minutes to address the Commission.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

The following items are NOT subject to Public Comment:

- Item: : 6, 11, 20 & 26
- All items on the Closed Session Agenda





Public Comment

- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 1 minute to address the Commission.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.
- **The following items are NOT subject to Public Comment:**
 - Item: : 6, 11, 20 & 26
 - All items on the Closed Session Agenda





Agenda Changes

- Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.
- Items on Today's Consent Agenda are: 1, 3, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24 & 25
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
Items: 31, 32, 37, 38, 39 & 40 from the Regular Agenda have been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
Item: None has been moved to the Regular Agenda.
- Item: None have been withdrawn.
- The following items have been held to future Commission Meetings:

Held to 4/18/13: 2, 8, 27, 28, 29, 30, 33, 34, 35 & 36

Held to 5/9/13: 4





Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov.
- Late changes to agenda items are available on the Escutia Table.





Regular Agenda – Energy Orders

Item #26 [11979] Decision Approving Settlement, As Modified By Settling Parties

112-04-010 Order Instituting Investigation on the Commission’s Own Motion into the Operations and Practices of Pacific Gas and Electric Company regarding Anti-Smart Meter Consumer Groups.

Adjudicatory

Comr. Florio/ Judge Vieth

PROPOSED OUTCOME:

- Approves the contested settlement jointly proposed by the predecessor of the Commission’s Safety and Enforcement Division (SED), known as the Consumer Protection and Safety Division, Pacific Gas and Electric Company (PG&E) and The Utility Reform Network. Opposing parties are EMF Safety Network, Californians for Renewable Energy, Inc., Joshua Hart and Ecological Options Network. The settlement requires PG&E to do four things:
- Pay \$390,000 to the general fund of the State of California.
- Carry through with improvements to the social media components of its employee policies and education about those policies.
- Sponsor three regulatory industry trainings on social media use which a third-party will teach.
- Verify the completion of these things to SED by 2015.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- This Commission-initiated investigation only indirectly concerns Commission safety jurisdiction.

ESTIMATED COST:

- Costs (civil penalty and funding of social media trainings) will be borne by PG&E shareholders.





Regular Agenda – Energy Resolutions and Written Reports

Item #27 [11951] Pacific Gas and Electric Company's Confirmation for Resource Adequacy Capacity Product With Calpine Energy Services, L.P.

Res E-4529, Advice Letter 4074-E filed on July 2, 2012 - Related matters.

PROPOSED OUTCOME:

- Approves, without modification, Pacific Gas and Electric Company's Confirmation for Resource Adequacy (RA) Capacity Product, which is an Agreement for Combined Heat and Power Resource Adequacy Capacity Product for 280.5 Megawatts of combined heat and power resource adequacy capacity associated with the Los Medanos Energy Center (LMEC).

SAFETY CONSIDERATIONS:

- As an existing and operational facility, there are no incremental safety implications associated with this contract beyond the status quo.

ESTIMATED COST:

- The contract costs are confidential at this time, because the LMEC Agreement for Combined Heat and Power Resource Adequacy Capacity Product contains competitive pricing terms for capacity. As this is a capacity-only transaction, there are no pricing components for energy deliveries, ancillary services, or other variable costs.





Regular Agenda – Energy Resolutions and Written Reports

Item #28 [11953] Southern California Edison Company's Two Confirmations for Resource Adequacy Capacity Products Executed With Calpine Energy Services, L.P.

Res E-4569, Advice Letter 2771-E filed on August 31, 2012 - Related matters.

PROPOSED OUTCOME:

- Approves, without modification, Southern California Edison Company's (SCE) two Confirmations for Resource Adequacy (RA) Capacity Products, which are two separate Agreements for Combined Heat and Power Resource Adequacy Capacity Product.
- 280.5 Megawatts (MW) of combined heat and power resource adequacy capacity associated with the Los Medanos Energy Center, LLC (LMEC).
- 120 MW of combined heat and power resource adequacy capacity associated with the Calpine Gilroy Cogen, L.P. (Gilroy)

SAFETY CONSIDERATIONS:

- The two agreements approved here are Confirmations for Resource Adequacy associated with the LMEC and Gilroy facilities. The Commission's jurisdiction extends only over SCE, not to either of the Calpine facilities. Based on the information before us, neither agreement appears to result in any adverse safety impacts on the facilities or operations of SCE.

ESTIMATED COST:

- Both contract costs are confidential at this time, since both the LMEC and Gilroy agreements for Combined Heat and Power Resource Adequacy Capacity Product contain competitive pricing terms for capacity. As both agreements are capacity-only transactions, there are no pricing components for energy deliveries, ancillary services, or other variable costs.





Resolutions E-4529 & E-4569 (Agenda Items 27 and 28)

Pacific Gas and Electric Company and Southern California Edison Company requests approval of Combined Heat and Power Resource Adequacy capacity-only confirmation(s), with Calpine Energy Services L.P.





Contracts Summaries

Project Name	Los Medanos Energy Center, LLC	Calpine Gilroy Cogen, L.P.
Owner/Developer	Calpine Energy Services, L.P.	Calpine Energy Services, L.P.
Technology	Combined Cycle Gas Turbine (CCGT)	Combined Cycle Gas Turbine (CCGT)
Capacity (MW)	Facility Power Rating: 561 PG&E and SCE Contract Capacity: 280.5 (ea.)	Facility Power Rating: 120 SCE Contract Capacity: 120
Delivery Pattern	RA Capacity-Only Confirmation	RA Capacity-Only Confirmation
Delivery/Contract Term	PG&E: Up to 60 months ending Dec 31, 2017; SCE: 84 months from Jan 1, 2014 to Dec 31, 2020	60 months from January 1, 2014 to December 31, 2018
Vintage	Existing	Existing
Location	Pittsburg, California	Gilroy, California
Source of Agreement	PGE and SCE 2011 CHP RFO	SCE's 2011 CHP RFO





LMEC and Gilroy Contract

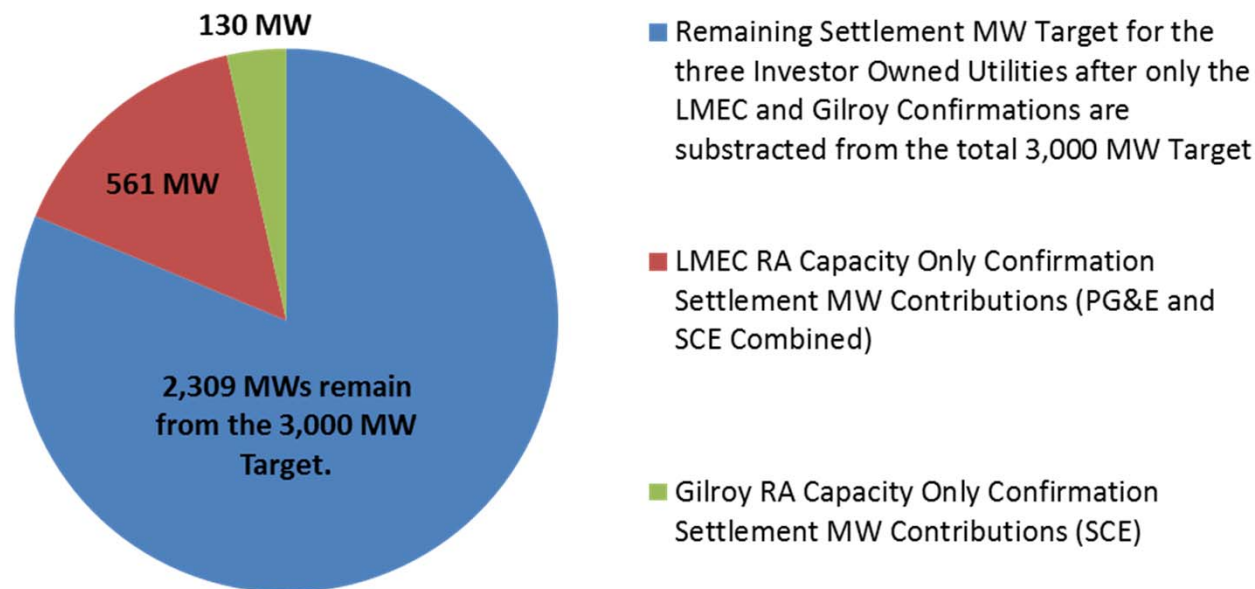
- Both LMEC and Gilroy facilities meet the eligibility requirements of the IOUs' CHP Request for Offer Eligibility Requirements per the section 4 of the Qualifying Facility/Combined Heat and Power Settlement Term Sheet.
- Both the LMEC and Gilroy facilities:
 1. are larger than 5 MWs;
 2. meet the definition of cogeneration under California Public Utilities Code §216.6 and the Emissions Performance Standard established by Public Utilities Code §8341;
 3. meet the federal definition of a qualifying cogeneration facility under 18#CFR §292.205 implementing PURPA;
 4. have previously sold to an IOU as a Qualifying Facility;
 5. will not contribute to the Settlement GHG Targets;
 6. are compliant with the emission performance standards;
 7. have legitimate steam hosts.





Issues Raised in Protests and Comments

- Neither LMEC nor Gilroy will contribute to the IOUs' GHG Targets.
- LMEC will count 280.5 for PG&E and SCE's Settlement MW Targets (Total: 561 MWs)
- Gilroy will count 130 MW towards the Settlement MW Targets.
- The Settlement does not expressly indicate that capacity-only contracts are allowed or excluded from the CHP Program.





Regular Agenda – Energy Resolutions and Written Reports

Item #27 [11951] Pacific Gas and Electric Company's Confirmation for Resource Adequacy Capacity Product With Calpine Energy Services, L.P.

Res E-4529, Advice Letter 4074-E filed on July 2, 2012 - Related matters.

PROPOSED OUTCOME:

- Approves, without modification, Pacific Gas and Electric Company's Confirmation for Resource Adequacy (RA) Capacity Product, which is an Agreement for Combined Heat and Power Resource Adequacy Capacity Product for 280.5 Megawatts of combined heat and power resource adequacy capacity associated with the Los Medanos Energy Center (LMEC).

SAFETY CONSIDERATIONS:

- As an existing and operational facility, there are no incremental safety implications associated with this contract beyond the status quo.

ESTIMATED COST:

- The contract costs are confidential at this time, because the LMEC Agreement for Combined Heat and Power Resource Adequacy Capacity Product contains competitive pricing terms for capacity. As this is a capacity-only transaction, there are no pricing components for energy deliveries, ancillary services, or other variable costs.





Regular Agenda – Energy Resolutions and Written Reports

Item #28 [11953] Southern California Edison Company's Two Confirmations for Resource Adequacy Capacity Products Executed With Calpine Energy Services, L.P.

Res E-4569, Advice Letter 2771-E filed on August 31, 2012 - Related matters.

PROPOSED OUTCOME:

- Approves, without modification, Southern California Edison Company's (SCE) two Confirmations for Resource Adequacy (RA) Capacity Products, which are two separate Agreements for Combined Heat and Power Resource Adequacy Capacity Product.
- 280.5 Megawatts (MW) of combined heat and power resource adequacy capacity associated with the Los Medanos Energy Center, LLC (LMEC).
- 120 MW of combined heat and power resource adequacy capacity associated with the Calpine Gilroy Cogen, L.P. (Gilroy)

SAFETY CONSIDERATIONS:

- The two agreements approved here are Confirmations for Resource Adequacy associated with the LMEC and Gilroy facilities. The Commission's jurisdiction extends only over SCE, not to either of the Calpine facilities. Based on the information before us, neither agreement appears to result in any adverse safety impacts on the facilities or operations of SCE.

ESTIMATED COST:

- Both contract costs are confidential at this time, since both the LMEC and Gilroy agreements for Combined Heat and Power Resource Adequacy Capacity Product contain competitive pricing terms for capacity. As both agreements are capacity-only transactions, there are no pricing components for energy deliveries, ancillary services, or other variable costs.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #41 [12000]

Report and Discussion by Safety and Enforcement Division on Recent Safety Program Activities





Railroad Track Inspections - Overview



Paul King
Deputy Director, Office of Rail Safety
Safety and Enforcement Division

April 4, 2013





Presentation Overview

- Railroad Operations and Safety Branch (ROSB).
- Railroad inspection overview.
- Enforcement tools.
- Non-compliance examples.
- Resulting actions.





Railroad Operations and Safety Branch (ROSB)

- Provides state oversight of “national network” railroads in CA.
 - Freight: Union Pacific, Burlington Northern Santa Fe, short lines.
 - Passenger: Amtrak, Caltrain, Metrolink, others.
- Has 37 railroad inspectors.
 - Track and structures.
 - Motive power and equipment.
 - Operating rules.
 - Signal and train control.
 - Hazardous materials shipping.





ROSB (cont.)

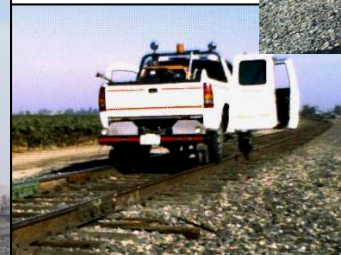
- Works in partnership with the Federal Railroad Administration (FRA).
- ROSB inspectors:
 - 27 FRA-certified inspectors.
 - 4 inspectors in training.
 - 3 vacancies (2 signal, 1 track).
 - 1 manager, 2 supervisors.





Railroad Track Inspections

- ROSB has 7 FRA-certified track inspectors
 - Plus one vacancy.
- California state mandate: Every main and branch line mile every year.
 - 7,109 main and branch line miles.
 - Approximately 10,000 total miles in CA.
- Walking, hi-rail, and geometry car.
- Annual recurrent training.





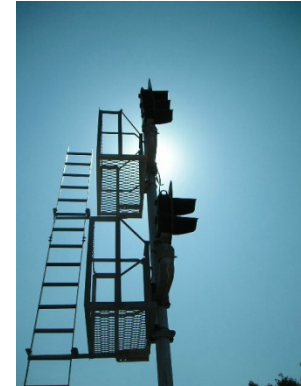
Railroad Track Inspections

Applicable Code of Federal Regulations (CFR)

- 49 CFR – Part 213 – Track Safety Standards (TSS)
- 49 CFR – Part 214 – Roadway Worker Protection
- 49 CFR – Part 218 – Railroad Operations

Applicable CA General Orders and Public Utility Codes

- General Order 26-D – Side and overhead clearances
- General Order 118-A – Walkway surfaces





ROSB/FRA Enforcement Tools

ROSB/FRA has several enforcement tools, most common:

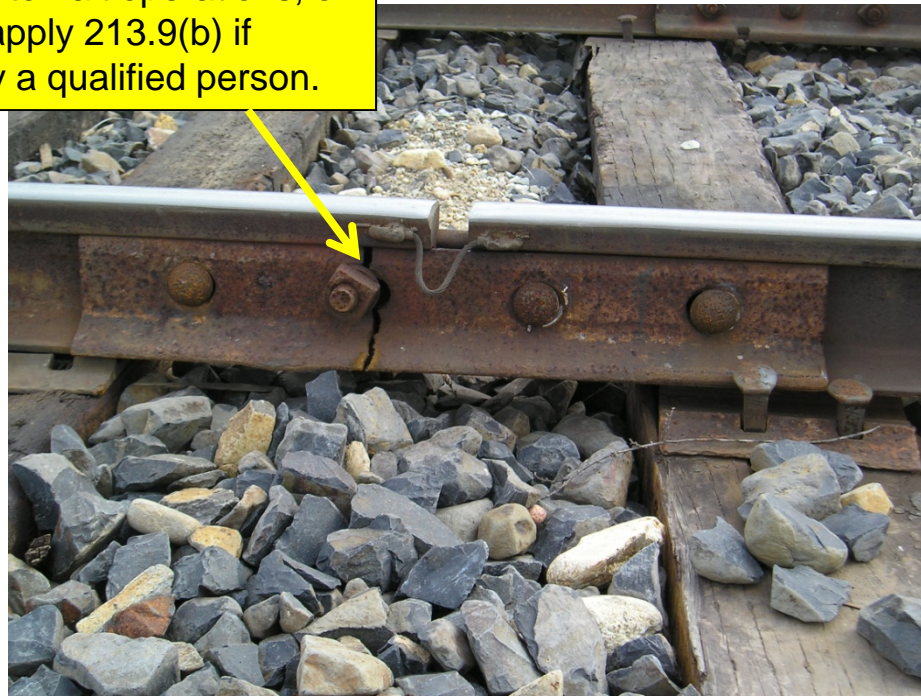
- Defect report
- Violation report (recommending a civil penalty)





- **Defect:** A condition not in compliance with the TSS.
 - Defects are noted on inspection reports:
 - Serve as notification to the railroad.
 - Serve as notice of ROSB/FRA's awareness of the defect.

Example: Center crack joint bar (defect), CFR 121.03 - Remedial action is to halt operations, or repair before next train, or apply 213.9(b) if determined safe to do so by a qualified person.

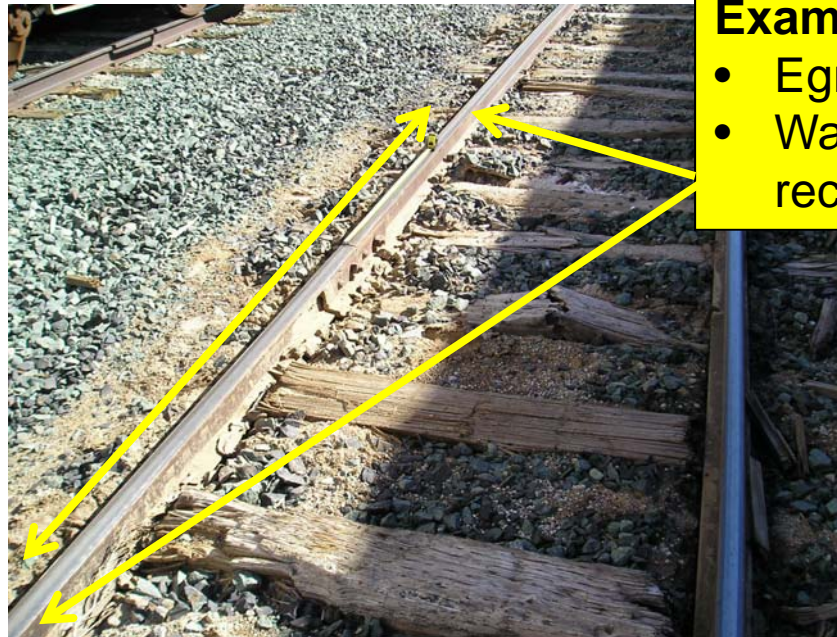




Violation (Recommendation for Civil Penalty)

A **violation** serves three primary purposes:

- 1) Notifies the railroad of an egregious safety condition.
- 2) Notifies the railroad of non-compliance with the Track Safety Standards.
- 3) Notifies the railroad that civil penalty is recommended.



Example:

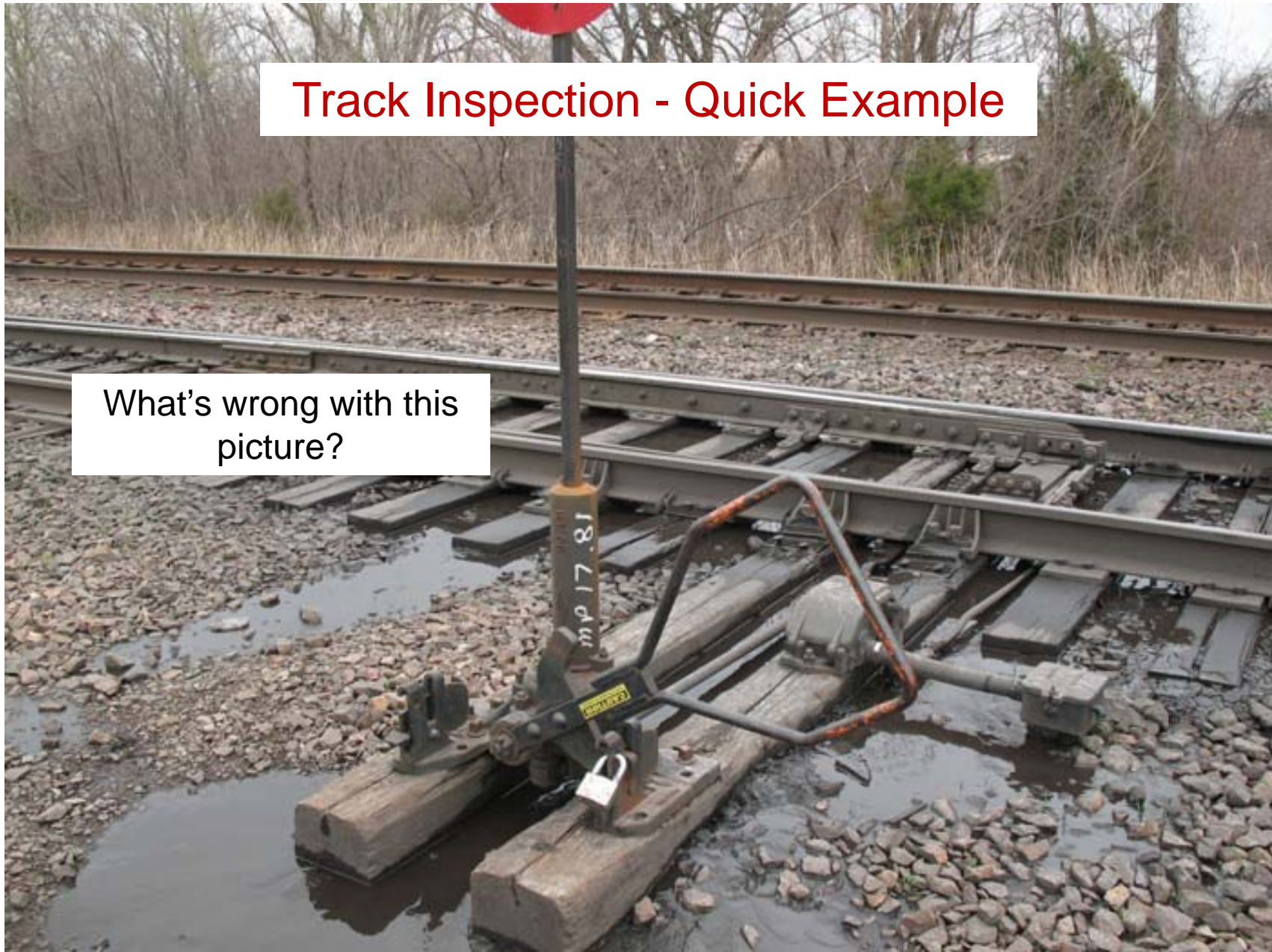
- Egregious joint tie defect
- Warrants a civil penalty recommendation





Track Inspection - Quick Example

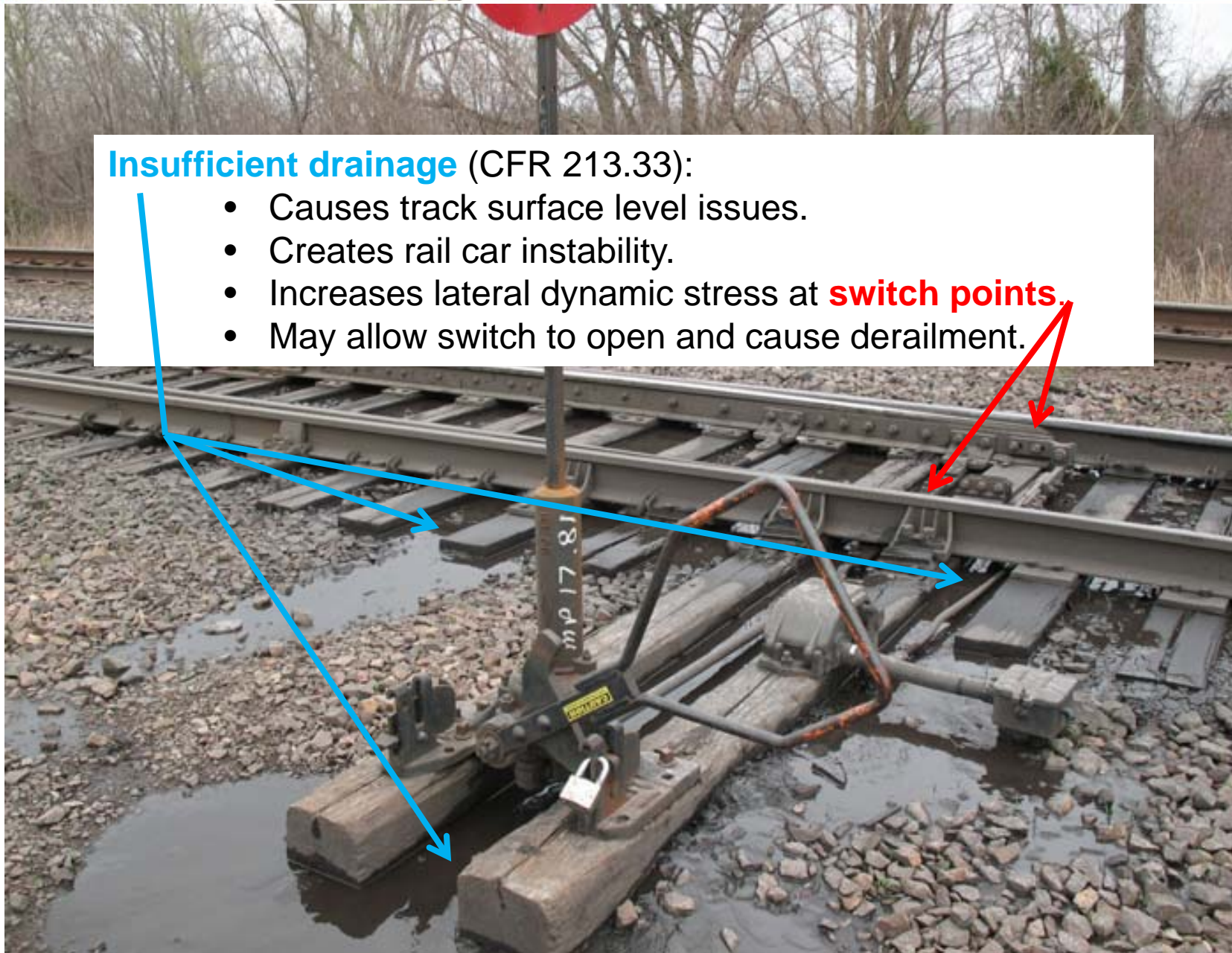
What's wrong with this picture?

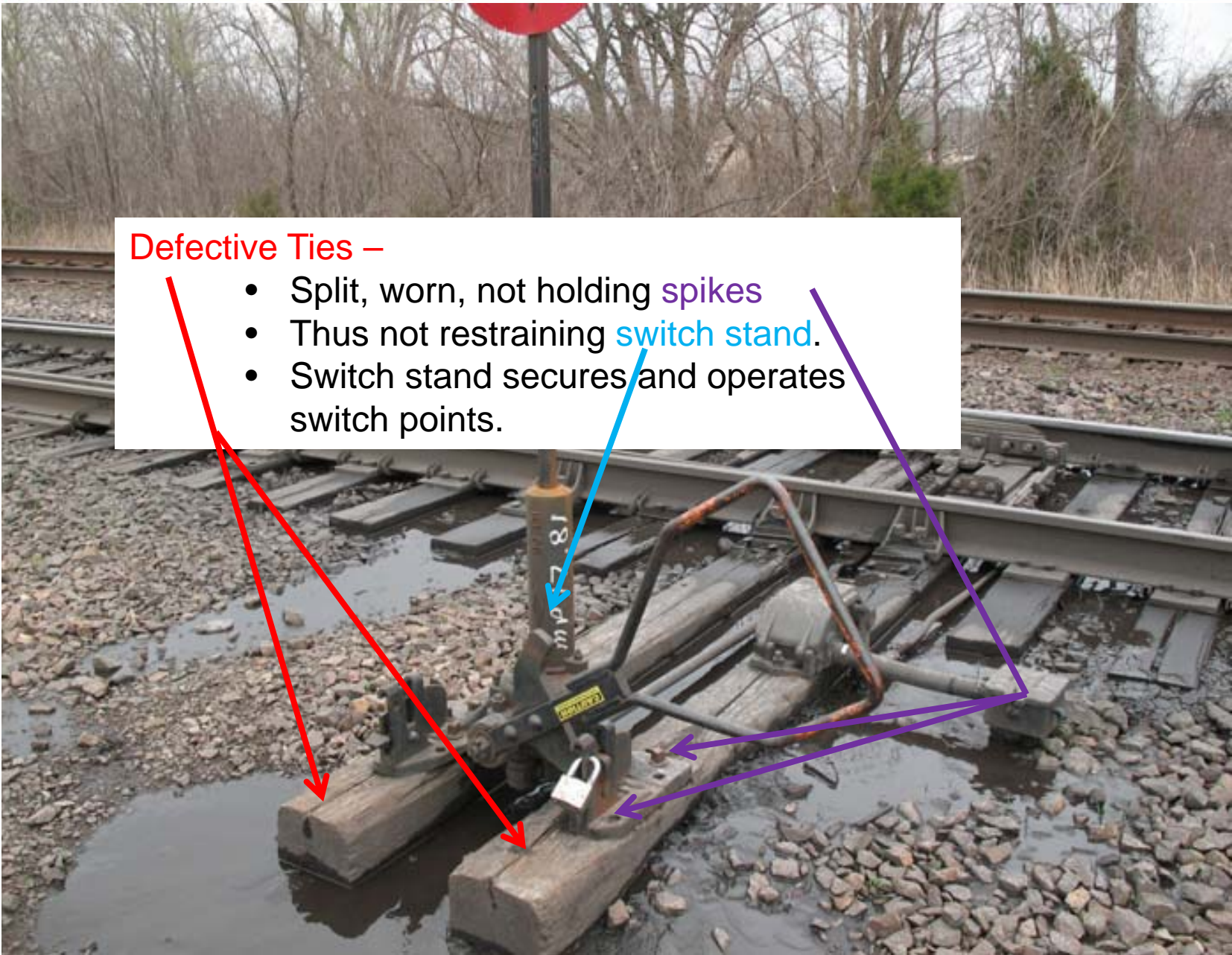




Insufficient drainage (CFR 213.33):

- Causes track surface level issues.
- Creates rail car instability.
- Increases lateral dynamic stress at **switch points**.
- May allow switch to open and cause derailment.





Defective Ties –

- Split, worn, not holding spikes
- Thus not restraining switch stand.
- Switch stand secures and operates switch points.







Resulting Actions

- Issues discussed with railroad management.
- Action plan made.
- Railroad inspection failure analyzed and addressed.
- Defect or violation issued.
- Follow-up inspection.
- 2012:
 - 3,361 track standards defect reports.
 - 15 track standards violation reports.





Effective track inspections can prevent accidents like this.





ROSB





Regular Agenda – Management Reports and Resolutions

Item #41 [12000]

Report and Discussion by Safety and Enforcement Division on Recent Safety Program Activities





Management Reports





The CPUC Thanks You For Attending Today's Meeting

The Public Meeting is adjourned.

The next Public Meeting will be:

**April 18, 2013, at 9:30 a.m.
in San Francisco, CA**

