

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Rulemaking to implement the provisions of  
Public Utilities Code § 761.3 enacted by  
Chapter 19 of the 2001-02 Second Extraordinary  
Legislative Session.

Rulemaking 02-11-039  
(Filed November 21, 2002)

**ADMINISTRATIVE LAW JUDGE'S RULING:  
REPORT OF ACTIVITIES AND DECISIONS  
MADE AT MAY 2, 2003, MEETING OF  
CALIFORNIA ELECTRICITY GENERATION  
FACILITIES STANDARDS COMMITTEE**

As a service to the California Electricity Generation Facilities Standards Committee (Committee), the California Public Utilities Commission (CPUC) has agreed to publish, in the form of an Administrative Law Judge ruling, summaries of activities and decisions made at the Committee's meetings. *See* California Public Utilities Code Section 761.3(b)(2). This ruling is issued following the fifth meeting of the Committee held at the CPUC Auditorium in San Francisco from 10:00 a.m. to 11:15 a.m., on Friday, May 2, 2003. Commissioner Carl Wood, Chair, Michael Kahn, and Glenn Bjorklund, Committee members, were all in attendance.

The meeting covered the agenda items previously announced in the April 21, 2003 notice to the service list maintained for this proceeding. The following persons addressed or asked questions of the Committee: Joel Perlstein, legal counsel to Committee; Richard Clark, CPUC, Committee Staff Director; Mark Ziering, CPUC; Janet Laduca, PG&E; Larry Cope, Southern California

Edison; Douglas Kerner, Duke Energy NA; Brian Cragg, West Coast Power; and Susie Berlin, Northern California Power Agency. The proceedings were transcribed by a court reporter, and the transcript is now available from the Chief Hearing Reporter (415) 703-2288.

The Committee undertook the following actions:

1. Financial Disclosure Requirements. Upon the recommendation of Perlstein, the Committee considered the need of its members to file state financial disclosure statements. Kahn made the following motion:

The Committee's members shall promptly file Statements of Economic Interests (Form 700s) disclosing the following kinds of financial interests: Any investments in, income from, or business positions with business entities that are involved in the electric power industry; as well as any interest in real property located in California used in the generation of electricity. Forms covering calendar year 2002 shall be filed with the Executive Director of the CPUC, unless the Committee member has already filed with the CPUC's Executive Director a Form 700 covering that period that contains at least as broad a disclosure.

The motion was seconded by Bjorklund, and approved 3-0 by the Committee.

2. General Duty Standard. The Committee considered the proposed General Duty Standard, previously distributed to Committee members and the service list. Upon the motion of Kahn, seconded by Bjorklund, and approved 3-0, the Committee (a) approved the resolution attached hereto as Appendix A, which itself incorporates paragraphs 1-3 of the proposed General Duty Standard; and (b) deferred approval of paragraphs 4-6 of the proposed General Duty Standard until a comment period, established by the Chair by a separate ruling, has been provided. Paragraphs 4-6 of the proposed General Duty Standard will be considered at the Committee's next meeting. Kahn noted that all comments will be duly considered by the Committee.

3. Maintenance Standards. Clark reported that the legal review of the Maintenance Standards, previously approved by the Committee on February 2, 2003, is complete. The February 2, 2003 set of Maintenance Standards impermissibly mixes standards, which are to be developed by the Committee, with enforcement measures, which are to be developed by the Commission. Clark recommended additional Committee action to clarify the content of the Maintenance Standards.

Upon the motion of Kahn, seconded by Bjorklund, and followed by a 3-0 vote, the Committee approved a resolution, attached hereto as Appendix B, clarifying the content of the Maintenance Standards.

4. Non-Thermal Logbook Standards. The Committee considered the proposed logbook standards for non-thermal generating units. Bjorklund asked whether logbook requirements are necessary for hydroelectric plants since they are less susceptible to output manipulation. The Committee unanimously agreed that the Chair will announce a period for comments on the non-thermal logbook standards and staff will report to the Committee at its next meeting and provide staff's arguments on why the standards should be adopted.

5. Operations Standards. Clark reported that staff will be working with its contractors and holding workshops with generators to develop proposed operations standards. A first draft of these operations standards should be ready by September 2003.

6. Next Meeting. No date was established for the Committee's next meeting. The Chair will issue the notice of the time and place for the next meeting.

The meeting concluded at 11:15 a.m.

Persons interested in these proceedings may and should consult the CPUC's *Daily Calendar* and web site ([www.cpuc.ca.gov](http://www.cpuc.ca.gov)) for further notices and documents concerning these meetings. The service list is available on the web pages maintained for this proceeding:

[www.cpuc.ca.gov/published/proceedings/R0211039.htm](http://www.cpuc.ca.gov/published/proceedings/R0211039.htm).

**IT IS SO RULED.**

Dated May 9, 2003, at San Francisco, California.

/s/ JOHN E. THORSON  
John E. Thorson  
Administrative Law Judge

**Appendix A**  
**CALIFORNIA ELECTRICITY GENERATION**  
**FACILITIES STANDARDS COMMITTEE**

**RESOLUTION NO. 1**

Adopted May 2, 2003

**WHEREAS** the People of the State of California and the California Legislature have found, declared, and enacted the following in Senate Bill No. X2 39 (Chapter 19, Statutes of 2001-2002, Second Extraordinary Session):

- (a) Electric generating facilities and powerplants in California are essential facilities for maintaining and protecting the public health and safety of California residents and businesses.
- (b) It is in the public interest to ensure that electric generating facilities and powerplants located in California are effectively and appropriately maintained and efficiently operated.
- (c) Owners and operators of electric generating facilities and powerplants provide a critical and essential good to the California public.
- (d) To protect the public health and safety, and to ensure electrical service reliability and adequacy, the California Electricity Generation Facilities Standards Committee (Committee) is established to develop and adopt standards for the maintenance and operation of facilities for the generation of electric energy owned by an electrical corporation or located in California, except those specifically exempted in California Public Utilities Code Sections 761.3(d) and 761.3(h).

**WHEREAS** the Committee desires to adopt General Duty Standards for Operation and Maintenance which complement the specific Standards that the Committee has adopted or is now developing.

**WHEREAS** the Committee seeks to have both general and specific Operation and Maintenance Standards in place for Summer 2003, which may be revised or supplemented by later Committee adoption of revised or supplemental standards.

**WHEREAS** the Committee's Presiding Officer on April 16, 2003, distributed a proposed Resolution and General Duty Standards for comment.

**WHEREAS** on or before April 23, 2003, comments were received from Pacific Gas and Electric Company, Southern California Edison Company, Mirant Americas Inc., West Coast Power, California Municipal Utilities Association, Duke Energy North America, AES Generators, Elk Hills Power, and Reliant Energy, and, on April 28, 2003, reply comments were received from Constellation Generation Group.

And **WHEREAS** the comments and reply comments have guided revisions now contained in Attachment A.

**THEREFORE, IT IS RESOLVED AND ORDERED** by the California Electricity Generation Facilities Standards Committee (Committee) that:

1. The General Duty Standards for Operation and Maintenance stated in Attachment A are adopted.
2. The General Duty Standards for Operation and Maintenance are established as the general operation and maintenance standards of facilities used for the generation of electric energy owned by an electrical corporation or located

in California, except to the extent specifically exempted by California Public Utilities Code Sections 761.3(d) and 761.3(h). The General Duty Standards for Operation and Maintenance complement the more specific Standards that the Committee has adopted, or may subsequently adopt. To the extent addressed by a more specific Standard, compliance with the specific Standard shall satisfy compliance with the general Standard.

3. Committee Staff shall both (a) file this Resolution and adopted General Duty Standards for Operation and Maintenance with the California Public Utilities Commission, and (b) see that a copy is served on the service list of participants before the Committee, as soon as reasonably possible.

4. This Resolution is effective today.

Dated May 2, 2003, at San Francisco, California.

Certification of Staff Director:

I certify that the foregoing resolution was duly introduced, passed, and adopted at a meeting of the California Electricity Generation Facilities Standards Committee held on May 2, 2003, the following members voting favorably thereon:

Carl W. Wood, Presiding Officer  
Michael Kahn, Member  
Glenn Bjorklund, Member

/s/ RICHARD CLARK  
Richard Clark  
Committee Staff Director

**(END OF APPENDIX A)**

**ATTACHMENT A**  
**GENERAL DUTY STANDARDS**  
**FOR OPERATION AND MAINTENANCE**

Adopted May 2, 2003, by the  
California Electricity Generation Facilities Standards Committee

Pursuant to California Public Utilities Code 761.3, each facility used for the generation of electricity owned by an electrical corporation or located in California (Facility) shall be operated and maintained in accordance with the following standards:

1. Each Facility shall be operated and maintained in a safe, reliable, and efficient manner that reasonably protects the public health and safety of California residents, businesses, employees, and the community.
2. Consistent with prudent industry practice, each Facility shall be operated and maintained so as to be reasonably available to meet the demand for electricity, and promote electric supply system reliability.
3. Each Facility shall comply with the protocols of the California Independent System Operator for the scheduling of powerplant outages.

Pursuant to California Public Utilities Code 761.3(a), the California Public Utilities Commission shall implement and enforce these General Duty Standards for Operation and Maintenance. Pursuant to the provisions of California Public Utilities Code Section 761.3(f), nothing in these General Duty Standards for Operation and Maintenance shall modify, delay, or abrogate any deadline, standard, rule or regulation that is adopted by a federal, state, or local agency for the purposes of protecting public

health or the environment, including, but not limited to, any requirements imposed by the California State Air Resources Board, an air pollution control district, or an air quality management district pursuant to Division 26 (commencing with Section 39000) of the California Health and Safety Code.

These General Duty Standards for Operation and Maintenance apply to all facilities used for the generation of electric energy owned by an electrical corporation or located in California with the following exceptions (see California Public Utilities Code Sections 761.3(d) and 761.3(h)):

1. Nuclear-powered generating facilities that are federally regulated and subject to standards developed by the Nuclear Regulatory Commission, and that participate as members of the Institute of Nuclear Power Operations;
2. Qualifying small power production facilities or qualifying cogeneration facilities within the meaning of §§ 201 and 210 of Title 11 of the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Secs. 796(17), 796(18), and 824a-3), and the regulations adopted pursuant to those sections by the Federal Energy Regulatory Commission (18 C.F.R. Secs. 292.101 to 292.602, inclusive).
3. Generation units installed, operated, and maintained at a customer site, exclusively to serve that customer's load.
4. Facilities owned by a local publicly owned electric utility as defined in California Public Utilities Code Section 9604(d).
5. Any public agency that may generate electricity incidental to the provision of water or wastewater treatment.
6. Facilities owned by a city or county operating as a public utility, furnishing electric service as provided in California Public Utilities Code Section 10001.

**(END OF ATTACHMENT A)**

**APPENDIX B**

**CALIFORNIA ELECTRICITY GENERATION  
FACILITIES STANDARDS COMMITTEE**

**RESOLUTION NO. 2**

Adopted May 2, 2003

**WHEREAS** the People of the State of California and the California Legislature have found, declared, and enacted the following in Senate Bill No. X2 39 (Chapter 19, Statutes of 2001-2002, Second Extraordinary Session):

- (a) Electric generating facilities and powerplants in California are essential facilities for maintaining and protecting the public health and safety of California residents and businesses.
- (b) It is in the public interest to ensure that electric generating facilities and powerplants located in California are effectively and appropriately maintained and efficiently operated.
- (c) Owners and operators of electric generating facilities and powerplants provide a critical and essential good to the California public.
- (d) To protect the public health and safety, and to ensure electrical service reliability and adequacy, the California Electricity Generation Facilities Standards Committee (Committee) is established to develop and adopt standards for the maintenance and operation of facilities for the generation of electric energy owned by an electrical corporation or located in California, except those specifically exempted in California Public Utilities Code Sections 761.3(d) and 761.3(h).

**WHEREAS** Senate Bill No. X2 39 and Public Utilities Code Section 761.3 direct the Committee to adopt standards for maintenance and operation of facilities for the generation of electric energy located in California.

**WHEREAS** Senate Bill No. X2 39 and Public Utilities Code Section 761.3 direct the California Public Utilities Commission to implement and enforce said standards.

**WHEREAS** the Committee adopted a document containing maintenance standards on February 3, 2003, subject to legal review.

**WHEREAS** the document adopted by the Committee on February 3, 2003, contains not only maintenance standards, but also a suggested implementation and enforcement model for the Commission's consideration, as well as guidelines for generators.

And, **WHEREAS** the Committee wishes to clarify the respective roles of the various sections of the document.

**THEREFORE, IT IS RESOLVED AND ORDERED** by the California Electricity Generation Facilities Standards Committee (Committee) that:

1. The Maintenance Standards document adopted February 3, 2003 shall be changed as ordered below, and the new document shall be titled "Maintenance Standards for Generators with Suggested Implementation and Enforcement Model."
2. Section 1 of the document shall be titled "Maintenance Standards for Generators."
3. Sections 2 through 5 shall be titled "Suggested Implementation and Enforcement Model."



**CERTIFICATE OF SERVICE**

I certify that I have by mail this day served a true copy of the original attached Administrative Law Judge’s Ruling: Report of Activities and Decisions Made at May 2, 2003 Meeting of California Electricity Generation Facilities Standards Committee on all parties of record in this proceeding or their attorneys of record.

Dated May 9, 2003, at San Francisco, California.

/s/ ELIZABETH LEWIS  
Elizabeth Lewis

**N O T I C E**

Parties should notify the Process Office, Public Utilities Commission, 505 Van Ness Avenue, Room 2000, San Francisco, CA 94102, of any change of address to insure that they continue to receive documents. You must indicate the proceeding number on the service list on which your name appears.

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The Commission’s policy is to schedule hearings (meetings, workshops, etc.) in locations that are accessible to people with disabilities. To verify that a particular location is accessible, call: Calendar Clerk (415) 703-1203.

If specialized accommodations for the disabled are needed, e.g., sign language interpreters, those making the arrangements must call the Public Advisor at (415) 703-2074, TTY 1-866-836-7825 or (415) 703-5282 at least three working days in advance of the event.