

**STATE OF CALIFORNIA  
CALIFORNIA STATE LANDS COMMISSION MEETING  
OPEN SESSION MINUTES  
STATE TEACHERS' RETIREMENT SYSTEM  
7801 FOLSOM BOULEVARD  
TRUCKEE RIVER CONFERENCE ROOM  
2<sup>ND</sup> FLOOR  
SACRAMENTO, CALIFORNIA 95826**

**3:30 PM**

**JULY 13, 2007**

**APPEARANCES**

**COMMISSIONERS PRESENT**

John Garamendi, Lt. Governor, Chair  
John Chiang, Controller (Ron Placet sat in for Controller during the consent calendar vote. The Controller was present for the regular calendar.)  
Anne Sheehan, Alternate for Department of Finance

**COMMISSIONERS' STAFF PRESENT**

Nettie Hoge, Lt. Governor's Office  
Ron Placet, Alternate for Controller

**STAFF MEMBERS IN ATTENDANCE**

Paul D. Thayer, Executive Officer  
Jack Rump, Chief Counsel

**REPRESENTING THE OFFICE OF THE ATTORNEY GENERAL**

Matthew Rodriguez, Senior Assistant Attorney General  
Christine Sproul, Deputy Attorney General

**RECORD OF ACTION TAKEN BY THE  
CALIFORNIA STATE LANDS COMMISSION  
MEETING OF JULY 13, 2007**

Lt. Governor John Garamendi, Chair, called the regular meeting of the California State Lands Commission to order at 3:36 p.m. at the State Teachers' Retirement System, Truckee River Conference Room, 2<sup>nd</sup> Floor, 7801 Folsom Boulevard, Sacramento, California 95826.

The minutes of the June 28, 2007 meeting were approved by a vote of 2-0, by Commission Chair John Garamendi and Ron Placet.

The recommendation of staff, relative to Consent Calendar Items C01 and C02 were approved by a vote of 2-0, by Commission Chair John Garamendi and Ron Placet.

**Regular Item 03:** The Commission listened to a staff presentation on the consideration of a certification of an EIR and authorization of an amendment to a lease to North Baja Pipeline, LLC. After taking testimony from North Baja and other state and private agencies, the Commission, by a vote of 3-0 (Lt. Governor John Garamendi, Controller John Chiang and Alternate Anne Sheehan), voted to approve the item with the following amendments included:

In addition to the terms of the lease drafted by the staff of the State Lands Commission, the lease shall require the following:

- 1) The applicant, in consultation with any California air quality district within whose jurisdiction gas from the North Baja Pipeline will be used, shall conduct a study to determine the impacts, if any, of using gas with a higher Wobbe index than is presently used in the district. This study shall:
  - a) establish a mutually agreed upon, estimated baseline for measuring and reporting the current average Wobbe index for all natural gas from all sources being consumed in the district as of the date of initial delivery of any gas north of the Mexico California border through the North Baja pipeline.
  - b) measure on a regular basis, NOx emissions directly attributable to any incremental increases in the Wobbe index of gas used in the district, resulting from the operation of the North Baja Pipeline. This measurement shall consider the Wobbe index of gas supplies that are supplanted by gas from the Pipeline.

c) determine appropriate mitigation measures, in cooperation with the relevant local air district and the relevant utilities responsible for gas distribution, that will offset or eliminate any increases to NOX emissions in the district that are attributable to higher Wobbe index gas from the Pipeline.

2) A plan for the study, which will include the calculation of the baseline required in (a), shall be submitted by October 1, 2007 for the review and approval of the State Lands Commission.

3) Within one year after the first delivery in a district of gas from the Pipeline, and annually thereafter, the applicant will submit the results of the study to the Commission for its review and approval.

4) As approved by the Commission, the applicant shall carry out the mitigation measures.

The meeting was adjourned by Lieutenant Governor John Garamendi at 6:35 p.m.

**PUBLIC ADDRESSING THE FOLLOWING CALENDAR ITEMS  
CALIFORNIA STATE LANDS COMMISSION MEETING**

**JULY 13, 2007**

REGULAR ITEM 03 – NORTH BAJA PIPELINE, LLC.

- Les Bamberg, Sempra LNG
- Jim Bore, California Energy Commission
- Tom Filler, Staff Environmental Scientist, DEMP, CSLC
- Dale Kelly-Cochrane, VP of Planning & Analysis, Sempra LNG
- Cheung Liu, Deputy Executive Officer, South Coast Air Quality Management District
- Pat Perez
- Henry Morse, General Manager, North Baja Pipeline
- Jim Porter, Public Land Management Specialist, LMD, CSLC
- Megan Quinn, Attorney at Remy, Thomas, Moose and Manley
- Aaron Quintanar, Border Power Plant Working Group
- Roger Schwecke, Southern California Gas Co. & San Diego Gas & Electric