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CALIFORNIA ENERGY Commission

In the matter of:

Business Meeting	)	Docket No. 26-BUSMTG-01

WEDNESDAY, JANUARY 21, 2026

10:00 A.M. - 3:00 P.M.

In-person at:

CALIFORNIA NATURAL RESOURCES BUILDING
715 P STREET
FIRST FLOOR AUDITORIUM
SACRAMENTO, CALIFORNIA 95814
(Wheelchair Accessible)

The California Energy Commission (CEC) aims to begin the business meeting promptly at the start time and the end time is an estimate based on the agenda proposed. The meeting may end sooner or later than the time indicated depending on various factors. Commissioners may attend remotely in accordance with Government Code section 11123.2(j).

Pursuant to the California Code of Regulations (CCR), title 20, section 1104(e), any person may make an oral comment on any agenda item. To ensure the orderly conduct of business, such comments will be limited to two minutes or less per person.

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Reported by:
Martha Nelson

APPEARANCES

COMMISSIONERS

David Hochschild, Chair

J. Andrew McAllister, Commissioner

Nancy Skinner, Commissioner

STAFF

Drew Bohan, Executive Director

Jennifer Martin-Gallardo, Deputy Executive Director

Sanjay Ranchod, Chief Counsel

Diana Maneta, Policy and Technical Lead, Equitable Building Decarbonization Branch, Reliability, Renewable Energy and Decarbonization Incentives Division

Nick Fugate, Lead Forecaster, Energy Assessments Division, Demand Analysis Office

Ferris Chu, Electric Generation System Specialist I, Energy Research and Development Division

Taylor Nguyen, Fuels & Transportation Division, Zero Emissions Vehicles Acceleration Branch

Claire Sweeney, Energy Commission Specialist, Energy Research and Development Division, Sustainability and Resilience Branch

Cyrus Ghandi, Supervisor, Food Production Investment Program

PUBLIC ADVISOR'S OFFICE

Ryan Young, Deputy Public Advisor

APPEARANCES

PRESENTER

Delphine Hou, Deputy Director, Statewide Energy, Department of Water Resources

ALSO PRESENT

Matt Coldwell, CPUC, Energy Division

Cristy Sanada, California Independent System Operator

PUBLIC COMMENT

Robert Pennington, Permit Sonoma

Adam Jorge, Sonoma Clean Power

Claudio Clini, Alliance for Tribal Clean Energy

Josh Simmons, Southern California Tribal Chairman's Association, Tribal Energy and Climate Collaborative

Selena Rowan, Trinidad Rancheria

Josh Harmon, Pacific Gas & Electric

Sarah Taheri, San Diego Gas & Electric, and SoCalGas

Carrie Bentley, Western Power Trading Forum

Meredith Alexander, California Coalition of Large Energy Users

Katy Morsony, California Community Choice Association

Orville Thomas, Cal EPIC

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P R O C E E D I N G S

10:00 a.m.

WEDNESDAY, JANUARY 21, 2026

(Whereupon an introduction video is played and not transcribed.)

CHAIR HOCHSCHILD: Well, good morning, friends, and welcome. I'm David Hochschild, Chair of the California Energy Commission. Today is January 21st. I call this meeting to order. Joining me are Commissioner McAllister and Commissioner Skinner. We do have a quorum.

Let's begin with the Pledge of Allegiance.

(The Pledge of Allegiance is recited in unison.)

CHAIR HOCHSCHILD: We'll begin with public comments and then move on to agency announcements.

MR. YOUNG: Good morning and welcome. This is Ryan Briscoe Young, the Energy Commission's Deputy Public Advisor.

The Commission welcomes public comment at its business meetings. (Clears throat.) Excuse me. There will be multiple opportunities for public comment today. This initial public comment period is for any informational or non-voting items on the agenda. If you'd like to make a comment on a voting item, we ask that you wait for the dedicated public comment period to make your comment for that item.

Now for the instructions on how to notify us if you'd like to make a comment at this time.

If you are in the room, please use the QR code posted in the back or visit the Public Advisor table in the back of the room. Public Advisor table, can you wave? Thank you. If you're on Zoom, you're going to click the raised-hand feature on your screen. And if you're joining by phone, please press star nine to raise your hand.

To ensure that we can hear from everyone and get through the agenda, comments will be limited to two minutes or less per speaker and one speaker per entity. You'll be called upon when it's your time to make your comment.

We're going to start with people in the room. Seeing no public comments, I'm going to move to Zoom. Max Chamalko (phonetic), I'm opening your line. Please unmute on your end, spell your name for the record and state any affiliation, and begin your comment. Max Chamalko, you don't want to unmute on your end?

Chair, that concludes public comment at this time.

CHAIR HOCHSCHILD: Thank you.

We'll turn next to agency announcements. And I just want to begin by recognizing one really important milestone that our state recently hit, which is we hit two and a half million electric vehicles on the road. I really

want to congratulate Commissioner Skinner and the whole FTE team for all the work to support the charging infrastructure. That is a big deal and more to come, especially at this moment. So really kudos to the whole team who have been supporting that effort as we electrify transportation increasingly in the years to come.

Today, we're going to be seeking approval for over $73 million in investments contributing to California's economy.

And with that, let me just see if either of my colleagues has any agency announcements they want to share.

Okay, hearing none, we'll turn next to Item 3, consent calendar.

Is there any public comment on Item 3?

MR. YOUNG: Thank you, Chair.

Again, this is Ryan Young, Deputy Public Advisor. The Commission now welcomes public comment on Item 3. Again, to notify us that you'd like to make a comment and you're in the room, please use the QR code posted in the back or visit the Public Advisor table. If you're on Zoom, please click the raise-hand feature on your screen. And if you're joining by phone, please press star nine to raise your hand.

Robert Pennington, I'm going to unmute your line. Please state and spell your name for the record and we

welcome your comment.

MR. PENNINGTON: Hi. Robert Pennington. Robert, R-O-B-E-R-T, Pennington, P-E-N-N-I-N-G-T-O-N, on behalf of Permit Sonoma, which is the Planning Department for the County of Sonoma.

So on behalf of our team and regional partners, I want to express our sincere gratitude to the CEC and staff for proposed funding of our Sonoma-Lake-Mendocino Proactive Regional Geothermal Planning Project. This investment is a critical step to advance clean, firm power in our region and will allow us to develop cutting-edge tools, like a 3D subsurface geothermal model, high-resolution LiDAR mapping, and a surface constraint analysis to guide responsible geothermal development in our area.

The project will also grow local expertise in geothermal permitting and initiate meaningful community and tribal engagement. It is our hope and expectation that this grant will attract geothermal energy investment and development while protecting sensitive resources.

So thank you, Commissioners, and also a big thank you to your staff for their support. We look forward to working together, advancing this project, and seeing more geothermal energy development in the Sonoma-Lake-Mendocino County region.

Thank you.

MR. YOUNG: Chair, that concludes public comment for this item.

Actually, I've been made aware we have a commenter in the room. Please approach the podium, state and spell your name for the record, and welcome your comment.

MR. JORGE: Hi. Good morning, Chair, Commissioners, and staff. I'm Adam Jorge with Sonoma Clean Power. I'm grateful to be here this morning. Oh, that's A-D-A-M J-O-R-G-E.

I'm grateful to be here this morning to thank the Commission for this opportunity to support our local government partners as they pursue a greater understanding of the region's geologic and environmental conditions. Sophisticated work of this kind underpins the successful deployment of next-generation geothermal technologies. Developing a thorough understanding of the data needs, knowledge gaps, and economic and environmental co-benefits of geothermal projects in our region, and ensuring that information is shareable and accessible throughout the industry and to the public is vital to de-risking geothermal projects throughout the state. We are exceedingly grateful for this chance to provide support in match dollars to this excellent project.

Once again, thank you to the Commission and to

Permit Sonoma for the opportunity. We look forward to working with all involved.

MR. YOUNG: Thank you for your comment.

Back to you, Chair.

CHAIR HOCHSCHILD: Thank you. With that, I would welcome a motion from Commissioner McAllister on Item 3.

COMMISSIONER MCALLISTER: Move Item 3.

CHAIR HOCHSCHILD: Is there a second from Commissioner Skinner?

COMMISSIONER SKINNER: Second.

CHAIR HOCHSCHILD: All in favor, say aye.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Aye.

CHAIR HOCHSCHILD: Commissioner Skinner?

COMMISSIONER SKINNER: Aye.

CHAIR HOCHSCHILD: And I vote aye as well. Item 3 passes three to zero.

We'll turn now to Item 4, information item, Department of Water Resources update on the Strategic Reliability Reserve Investments.

Good to see you again, Delphine.

MS. HOU: Good morning, Chair, Commissioners. Thank you so much for having me back. Excellent. And I am hoping we are able to queue up our sister agency at the PUC representative, as well as the Kaiser representative. So

hopefully that'll come up. But let me just start.

As I said, thank you very much for having me back again. I think this is number 14 in terms of updates. My name is Delphine Hou. I'm the Deputy Director for Statewide Energy Office with the Department of Water Resources here to provide an update on the Electricity Supply Strategic Reliability Reserve Program.

Next slide, please.

Just background. Assembly Bill 205/209 created the state's Strategic Reliability Reserve, three parts of it for the reserve, two actually overseen by the CEC, focused on demand response and distributed resources, whereas DWR's program is focused on grid-connected resources. The Electricity Supply Strategic Reliability Reserve Program, or ESSERP, acts as an insurance policy and safeguards the state's electrical grid during extreme and combined events, as we've seen in the past, such as heat waves, wildfires, droughts caused by climate change. The program also supports California's transition to a clean energy future.

Next slide, please.

So per the Water Code, DWR is here to provide regular updates at the Energy Commission meeting for investments made and under consideration for the reserve. And the legislation requires the attendance of our CEC --

I'm sorry, excuse me, our PUC and CAISO colleagues, so hopefully they're on the line with us today.

As I mentioned, this is our 14th update, so never a dull moment. We expect the next update to occur in the second quarter of 2026.

Next slide, please.

In terms of background, there's five broad categories. The first is the extension of operating -- existing operating resources that were planned for retirement. The second is new temporary power generators of five megawatts or more. The third is generation facilities using clean, zero-emission fuel technology of any size. The fourth is new energy storage of 20 megawatts or more. And the last is imports and capacity products.

Next slide, please.

So this is a big summary slide that kind of shows all the investments that have occurred throughout the years. Early years, as we've mentioned before, it was a little bit more diverse in trying to get as many resources as possible, so a reliance there on temporary diesel generators, firm imports. As you can see, that has decreased, and right now our portfolio is about 3,000 megawatts of natural gas-fired resources.

The important thing to note is that for all new resources in the reserve, they are default off, so nothing

is on aside from regular maintenance and only turned on when actually needed by the grid. So that balances some of the concerns around emissions, use of those resources.

So currently, DWR does not have any new resources under contract, but we remain open to opportunities, but we do want to make sure that we're following the legislative intent of prioritizing those investments that do not compete with facilities already planned for by load-serving entities and public utilities.

So I want to thank you for your time. Also, I see Cristy from CAISO on the line. Thank you for her time here. And much of our work is not possible without the deep coordination and collaboration we have with the CEC team, PUC, and CAISO.

So thank you very much. That concludes my presentation.

CHAIR HOCHSCHILD: Thank you so much, Delphine.

Any questions from my colleagues? Commissioner McAllister?

COMMISSIONER MCALLISTER: No questions, but I feel like just I want to thank you and the team for just being such steadfast partners on this and for not just for briefing us periodically, but also just running the whole enterprise, which has been a big deal.

And I feel like we can't let this go by without

channeling Vice Chair Gunda a little bit and saying just a wholehearted thank you. I mean, it's achieved a lot and really helped stabilize the reliability conversation and just create that platform for a really solid policy response. And so I just really feel like it functions in the sort of day-to-day, but also just the building of bridges and collaborations and trust in government that we can actually address these large challenges that we have.

So thanks, Delphine. I want to just say, please transmit that to the whole team, and we really appreciate you. Thanks.

CHAIR HOCHSCHILD: Well said. I think with 14 visits, you should probably get a chair or something for her.

COMMISSIONER MCALLISTER: Right. We need some medal, you know, watch or something. No, it's been a number of years; right? So thanks.

CHAIR HOCHSCHILD: All right. Thank you.

Unless there's any other comments, we'll turn next to Item 5, Equitable Building Decarbonization Tribal Direct Install Program.

And I welcome Diana Maneta to present.

MS. MANETA: Good morning, Chair and Commissioners. My name is Diana Maneta. I'm Policy and Technical Lead for the Equitable Building Decarbonization

Programs in the Reliability, Renewable Energy and Decarbonization Incentives Division. Today, I'll be presenting the proposed guidelines for the Equitable Building Decarbonization Tribal Direct Install Program.

I'd like to start by thanking our Lead Commissioner, Andrew McAllister, for his leadership and active engagement in the development of these guidelines. I also want to thank CEC's Tribal Affairs Team, Sierra Graves, Davina Whitethorn, and Kelsey Freeman for all their support. These guidelines were developed by the EBD Tribal Team, which includes Monica Steele, Katie Webster, Halle Kasai, and myself.

And most importantly, we'd like to thank the many tribes, tribal members, and other stakeholders who participated in one of our tribal listening sessions or public workshops or submitted comments on the program. We received a great deal of thoughtful input that shaped the guidelines that are before you today.

Next slide, please.

So the CEC was directed by Assembly Bill 209 in 2022 to create the Equitable Building Decarbonization, or EBD, Program. The Tribal Direct Install Program is one component of the EBD Program. It aligns with the legislature's direction to provide a preference in the Direct Install Program for buildings owned or managed by

California Native American tribes or tribal organizations and buildings owned by members of California Native American tribes.

The Tribal Direct Install Program will have numerous benefits to Californians, far beyond the direct benefits that will be received by residents of homes upgraded through the program. It will reduce greenhouse gas emissions from existing buildings, thereby helping to avoid the worst impacts of climate change and contributing to California's goal of carbon neutrality by 2045. It will advance energy equity by directing benefits to tribal households and communities. It will improve resiliency to extreme heat, air quality, and energy affordability, support grid reliability, and support the local workforce in tribal communities.

The program will also advance several other policy goals, including California's goal of 6 million heat pump installations by 2030, as well as the CEC's commitment as part of the Tribal Energy Sovereignty Resolution to increase tribal set-asides within state programs and funding opportunities.

Next slide, please.

Building decarbonization means reducing or eliminating greenhouse gas emissions from buildings through strategies such as replacing gas appliances with efficient

electric appliances, making buildings more energy efficient, increasing load flexibility, and reducing refrigerant emissions. In addition to reducing emissions, these upgrades can also make buildings safer, more comfortable, and more affordable to heat and cool.

However, there are significant challenges to decarbonizing buildings. These include the cost of the upgrades, split incentives between landlords and renters, workforce availability, and infrastructure constraints, particularly electrical capacity in buildings.

These challenges are especially acute in low-income, disadvantaged, and tribal communities, the very communities that are most in need of building upgrades, as they often bear the highest energy burdens and have suffered the most from historical environmental injustices, economic disparities, and the current climate crisis.

The EBD program is designed explicitly to address these challenges by providing building decarbonization upgrades at no cost to qualifying homes. In the case of the Tribal Direct Install Program, these upgrades will be provided to homes owned or managed by tribes or tribal organizations and homes owned by tribal members.

Next slide, please.

The Tribal Direct Install Program is one of three EBD subprograms. The other two are the Statewide Direct

Install Program and the Statewide Incentive Program. The budget for the Tribal Direct Install Program is $30 million, and the primary funding source is the Greenhouse Gas Reduction Fund. The likely end date for the Tribal Program is 2030, based on the deadline to expend these funds.

I do want to note that tribal members are not limited to participating in the Tribal Direct Install Program. They can also participate in the Statewide Direct Install Program and the Statewide Incentive Program, as long as they meet the eligibility requirements for those programs.

Next slide.

Stakeholder engagement in the development of the EBD Tribal Program began in December 2022, when the CEC released a Request for Information, and Commissioner McAllister hosted a lead Commissioner workshop on the overall scoping of the program. At that time, the CEC requested input on how to most effectively provide a preference for tribes and tribal members as part of the program. Based on input received, the CEC chose to set aside funds for this separately administered tribal program to be developed through engagement with tribes.

The CEC subsequently held several tribal listening sessions in 2023 and 2024 to receive input from

tribes and tribal members on how the program should best be designed to meet the needs of tribes. The input we received during the listening sessions informed the development of draft guidelines, which were released in September of 2025. The draft guidelines were modeled in some respects after the guidelines for the Statewide Direct Install Program, which had been adopted in 2023, though with significant differences based on the input we received about how to best meet the unique needs of tribes.

In September and October, we held two additional tribal listening sessions, as well as a public workshop, to solicit input on the draft guidelines. That input was used to revise the draft guidelines and develop the proposed final guidelines that are before you today. In addition to the formal noticed meetings listed here, we also had numerous meetings with individual tribes, tribal organizations, and others to seek input throughout this process. In total, more than 150 people participated in these listening sessions and workshops, including representatives of at least 16 tribes. We also received 34 written comments to the docket throughout this process.

I want to emphasize that the CEC is always open to input from tribes and all stakeholders, and we look forward to continued input and engagement beyond the adoption of these guidelines as we move into program

implementation.

Next slide, please.

Under the proposed guidelines, all California Native American tribes that are on the contact list maintained by the California Native American Heritage Commission will have the opportunity to participate in the program. All tribes will be eligible to receive a guaranteed minimum funding allocation of $75,000, with the option to request additional funds pending availability.

An important element of the program is that tribes will have the option to choose how they would like to participate. They can either receive their funding allocation as a direct grant from the CEC and implement the program for their tribe, or they can choose to receive their allocation in the form of services provided by a third-party program implementer selected by the CEC, who will implement the program on their behalf. This structure was designed to give all tribes the opportunity to participate, regardless of their administrative capacity.

The funds allocated to each tribe will be used to provide efficient electric appliances and other energy efficiency upgrades free of charge to homes owned by members of the tribe or homes owned or managed by the tribe itself or a tribal organization. Whether tribes choose to implement the program themselves or receive services from

the program implementer, the tribe will be responsible for identifying the specific homes to be upgraded.

Next slide, please.

Homes selected by the tribe to be upgraded must meet the following criteria.

First, as I mentioned, they must be owned or managed by the tribe or a tribal organization or owned by a member of the tribe. Homes are not required to be located on tribal land, but they must be within the state of California. Single-family homes, multifamily buildings, and manufactured and mobile homes are all eligible. The program is limited to existing buildings, not new construction.

To be eligible, homes must use natural gas, propane, or another fossil fuel for space heating or water heating prior to the upgrade. As part of the upgrade, the fossil fuel equipment will be replaced or supplemented by efficient electric equipment.

Within these parameters, tribes will have the flexibility to select homes that they identify as the best fit for the program. When selecting homes to serve, tribes are strongly encouraged to prioritize low-income households. Other recommended criteria for tribes to consider include households with high energy burdens, homes vulnerable to extreme heat or cold, and homes occupied by

vulnerable tribal members, such as the elderly, young children, and those living with disabilities or chronic illnesses.

Next slide, please.

Participating homes will receive decarbonization upgrades at no cost to the building owner or occupant. Measures that are eligible to be funded through the program are listed on this slide. They include heat pumps for heating and cooling, heat pump water heaters, other efficient electric appliances, weatherization upgrades, electrical wiring and panel upgrades, and remediation and safety improvements.

Not every household that participates in the program will receive every measure on this list, but at a minimum, each home served will receive a heat pump for space heating and cooling, or a heat pump water heater, or both. In addition, at the conclusion of the retrofit, at least two of the following four end uses in the home must be electric; space heating, water heating, cooking, and clothes drying.

While solar PV systems are not eligible to be funded through this program, electrical upgrades to make the building solar-ready are eligible.

Next slide.

Following the adoption of these guidelines, the

CEC will release an application for tribes anticipated in the second quarter of this year. During the application period, tribes will be able to select whether they would like to receive a direct grant or receive their allocation in the form of services from the program implementer. They will also have the option to request additional funds beyond the $75,000 minimum allocation. The CEC plans to hold virtual office hours during the application period to answer questions and assist tribes with the application process.

Following the conclusion of the Tribal application period, the CEC will release a competitive solicitation to select the program implementer. Tribes receiving direct grants will enter into grant agreements with the CEC. We anticipate bringing those agreements to CEC business meetings in the first half of 2027. Tribes receiving services from the implementer will enter into agreements with the implementer once the implementer has been selected. Home retrofits are estimated to begin in the second half of 2027.

Next slide, please.

With that, I'd like to recommend that the Commission approve the resolution to adopt the Equitable Building Decarbonization Tribal Direct Install Program and approve staff's determination the action is exempt from

CEQA.

Thank you.

CHAIR HOCHSCHILD: Thank you.

With that, let's go to public comment on Item 5.

MR. YOUNG: Thank you, Chair.

The Commission now welcomes public comment on Item 5 to notify us that you want to comment on this item. And if you're in the room, please use the QR code posted in the back of the room or visit the Public Advisory table. If you're on Zoom, click on the raised-hand feature on your screen. And if you're joining by phone, please press star nine to raise your hand.

Chair, at this time, my office received a letter just this morning that they'd like to read into the record, if that's all right?

CHAIR HOCHSCHILD: Okay, let's -- we don't have any other, before we read that, there's no other public comments on the phone or in-person?

MR. YOUNG: There is none in the room. We have a few on Zoom.

CHAIR HOCHSCHILD: Maybe let's do the ones on Zoom and then we'll go to the letter.

MR. YOUNG: All right.

Claudio Clini, I'm going to unmute your line. Please spell your name for the record and we welcome your

public comment.

MR. CLINI: Thank you. My name is Claudio Clini, C-L-A-U-D-I-O C-L-I-N-I. I'm appearing before you today as a representative for the Alliance for Tribal Clean Energy, a nonprofit committed to facilitating tribal nations achieving their energy sovereignty goals.

Thank you for the opportunity to testify on the Equitable Building Decarbonization Tribal Direct Install Program guidelines. My comments focus on how the program's design, funding, and implementation uphold tribal sovereignty. Important to note, I'm not a tribal citizen, nor do I speak for any tribal nations. I encourage the state to look to their previous and future consultations with tribal nations on this matter to get their direct perspective.

My comments today are in support of this proposal.

First, I'd like to acknowledge the California Energy Commission's efforts to include tribal nations in the design of this program. Meaningful consultation is essential to sovereignty because it ensures policies affecting tribal lands and citizens are shaped by the tribes themselves. We understand that tribes provided substantive suggestions during the consultation process and that the feedback directly informs the program. For

example, the eligibility for tribal member homes. We strongly support and encourage the state to continue consultation requirements as the program is implemented.

What makes this program particularly strong is that it places the decision-making authority with tribal nations where it belongs. By allowing tribes to determine the order of housing decarbonization and choose whether to administer the program themselves or work with a CEC-selected implementer, the guidelines respect tribal self-governance and self-determination in practice.

It is also important to recognize that not all tribal nations are in the same position to immediately take on program implementation. Historical and ongoing policies of disinvestment and exclusion have created capacity gaps that still exist today.

Finally, we strongly support the sustained funding level of $30 million. This will be the first CEC program where every tribal nation in California is eligible for a base allocation of funds. This creates an unprecedented opportunity for fair participation at a time when building decarbonization is a state and nationwide priority, and these guidelines represent a meaningful step towards honoring tribal sovereignty while maintaining and meeting urgent climate and housing needs.

Thank you for your time.

MR. YOUNG: Thank you.

Josh Simmons, I'm going to unmute your line. Please spell your name, state of affiliation, and we welcome your comment.

MR. SIMMONS: Good morning. My name is Josh Simmons, J-O-S-H S-I-M-M-O-N-S, and I am here on behalf of the Southern California Tribal Chairman's Association, Tribal Energy and Climate Collaborative, also known as TECC.

I sincerely appreciate and support CEC's commitment to launching and implementing the Tribal EBD Direct Install Program. In the updated guidelines, it states the proposed budget is about $30 million. While program funding may be adjusted. I urge the CEC to maintain this program's $30 million budget for tribes, particularly with so many recent cuts to federal and state programs.

TECC is currently supporting the SoCal EBD Program, which has various restrictions, making it unsuitable for tribal communities and their residents, whereas the Tribal EBD Program is specifically designed to serve and work for tribes. It is important to ensure that the program and its implementer can serve as many tribes and homes as possible.

Related to this, I strongly encourage CEC to do a

second application round in partnership with the implementer to ensure that tribes that didn't understand the program, didn't trust it otherwise, weren't able to apply, have another chance to participate. Ideally, this will happen after some homes have been successfully retrofitted to demonstrate program success and benefits to rightfully skeptical tribes that opted not to participate initially.

I also need to state that the administrative cost cap of 15 percent is arbitrary, unreasonable, and unjustifiably inflexible for such a complex program and will undermine program success. Fifteen percent is what the CEC recently adopted as a de minimis, it's my understanding, for indirect costs, and it's my understanding that the indirect and overhead costs would be subject to this cap. The cap covers a range of programmatic activities representing a substantial amount of direct costs, which include, first, recruiting contractors and vendors from all corners of the state, negotiating their contracts, and then managing the contractors implementing cost controls.

As an attorney with a great deal of experience negotiating these contracts that are complex. There's a great deal of liability and risk that need to be covered through insurance. The program management costs and effort

are being underestimated. And then reporting with CEC grants, I have direct experience where this can be particularly onerous and costly. The recommendation would be to decouple indirect costs from administrative costs.

MR. YOUNG: Thank you. Please conclude your comments.

MR. SIMMONS: And then to just allow for exceeding the 15 percent cost cap subject to CEC's approval if it can be reasonably justified.

Thank you very much.

MR. YOUNG: Ron Sundberg (phonetic), I'm opening your line. Please unmute on your end. Spell your name, state of affiliation, and we welcome your comments.

MS. ROWAN: Hello. This is actually Selena Rowan from Trinidad Venturia. That's S-E-L-E-N-A R-O-W-A-N. I'm the Climate Resiliency Program Manager, and I'm just writing to -- I'm commenting to support the $30 million Tribal set-aside allocated by the Equitable Building Decarbonization Program for Tribal Direct Install Program funding. We're looking forward to participating in this program and believe it will be beneficial for the Tribal members we work with.

Thank you.

MR. YOUNG: That's all the comments from online. I'm going to turn to our letter. This is from the La Jolla

Band of Luiseno Indians.

"Dear Commissioners, on behalf of the La Jolla Band of Luiseno Indians, I'm writing to express strong support for the Energy Commission's Equitable Building Decarb Tribal Direct Install Program. This program represents a critical investment in advancing equity -- energy equity, promoting clean energy access, and supporting long-term environmental well-being of California Native American tribes and tribal communities.

"The EBD Tribal Install Program provides a highly valuable service by offering no-cost installation of energy efficiency electric appliances, energy efficiency retrofits, and related upgrades for buildings owned and managed by California Native American tribes. Tribal organizations are owned by tribal members.

"The La Jolla Band is particularly pleased to see the program's thoughtful, inclusive design, specifically the provision that eligible buildings do not need to be located on tribal lands to participate. This reflects a deep understanding of diverse living situations of California Native American individuals and families.

"We commend the California Energy Commission for its

continued leadership in designing programs that recognize and uplift the unique needs of Tribal communities. The EBD Tribal Install Program represents a meaningful step towards environmental justice and inclusive climate action, clean energy access, and equity across California.

"Sincerely, Fred Nelson, Jr., Tribal Vice Chairman."

And I conclude with public comments, sir.

CHAIR HOCHSCHILD: Okay. Thank you.

We'll turn to Commission discussion. I wanted to just first thank the team for all the work. Diana, I can really hear in the rules you were walking through the flexibility that's built in. And, you know, things like not every grant, you know, for a tribal member has to be on Tribal land. Of course, that's -- you know, many tribal members don't live on Tribal land. So these kind of things, I think, are very clearly a result of feedback and input. So thank you for doing all the listing that you've done to put this together.

I really wanted to thank Commissioner McAllister for his incredible leadership on this program. And, you know, since we had our Tribal Energy Sovereignty Resolution three years or so ago, there's been, you know, almost every quarter, new meaningful programs, projects we're funding that really put meat on the bones of that commitment to do

better by the Tribes in California. And this is yet another step in that direction.

So I really wanted to thank you, Commissioner, for your leadership on this, the attention to detail. This is a really important $30 million commitment we're making. And with that, I just welcome your comments.

COMMISSIONER MCALLISTER: Thank you, Chair. And thank you, Diana and Haile and the whole team for doing such an amazing job. You know, all the different components of the EBD program have taken a while to put together. The main program is rolling out. We have great regional administrators.

This program, $30 million, you know, we have set aside for tribes. And I really appreciate your comments about the need for flexibility when we're working with the tribes, and really the need to continue to develop the muscle memory at the Commission, you know, up and down all of our processes. But, you know, as you know, I believe process is fundamental. It's an expression of our values.

And we had to sort of, in order to develop the main program, you know, the bulk of the funding for, you know, the statewide EBD program, we did sort of have to take a pause on the tribal because we wanted to get back to it in earnest with a meaningful process that would allow, that would treat the tribes as equal partners and that

would refer to them as equal partners. When policy calls, you know, as a nation, they might make differently than say we would as the State of California.

And so that, doing that in a meaningful way, it takes effort. It takes process. It takes, you know, a lot of workshops, a lot of dialogue and really taking a -- really sort of putting the feed in the worldview of the tribes. And it's even hard to just generalize about, you know, all the tribes. They have very different worldviews often and they have different processes and ways they gain input internally.

And so that all takes a lot of, you know, active listening and basic respect. And I think the staff has just done an amazing job along those lines. And so that's part of the reason why, you know, it seems to have taken a while. But the, you know, the cadence of decision-making and implementation, that also will be different from the rest of the statewide program. So it's an issue of fundamental respect.

And so I think taking to heart the resolution, which was, I think, so meaningful for all of us and long overdue, that sort of -- this item is an expression of that commitment. And so I really want to just, again, thank the staff and all the tribal participants and all the stakeholders who kind of helped us understand the

particulars. And probably that's the reason we ended up with this balance of, on the one hand, allowing tribes who needed the technical support and a more proactive implementation by, you know, a third party to choose that option. But the ones that didn't and that have sort of institutional strength and more knowledge and just have more scale could opt to implement the program themselves. And we gave them flexibility about how they went about implementing, how they are going to go about implementing in terms of, you know, which homes they're going to target and which -- sort of how they're going to approach it. And so we didn't want to burden the tribes with rules that were really developed for non-tribal entities in the statewide program.

So anyway, I just wanted to give a little bit of background there.

Thanks to all the commenters. Really appreciate your being with us today. And, you know, really believe we need to stay a firm and predictable course with respect to the tribes, and I think this does this, as I think Diana Was very robust.

And I also, you know, wanted to thank HCD, actually, because a little bit in left field here, it didn't come up in the presentation, but I think the manufactured housing element of EBD broadly across the

state and including with tribes, they've -- we've worked closely and I think very productively with HCD to gain clarity on how to install heat pumps in manufactured housing. HCD is the federally-designated entity that oversees the federal building code for manufactured homes. It's not part of our Title 24. And so having that partnership with our sister agency, who does have a big influence in manufactured housing, which is a big, big presence on tribal lands, certainly, and it's relevant for this program, that's been very helpful as well.

So, you know, we can always do better together, tribal support. I mean, there's no -- you know, I'm not claiming certainly that we've got it figured out because I think it's long history that we have to sort of, you know, do our best to correct and to certainly not make the same mistakes going forward. The process is part of the point here, is that building that muscle, building the muscle memory to produce a program that does reflect that inherent respect, I think is what we were trying to achieve, and I don't think this does it.

I did want to invite perhaps Diana or Haile to come up and talk about the overhead issue or the admin cost issue rather. So maybe you can give a little more context there?

MS. MANETA: Sure, happy to do that,

Commissioner. Yeah, we heard some concern about the admin cost cap for the program and totally understand concerns about programs like this do require a lot of overhead, a lot of administration to run. We did actually increase the admin cost cap from the draft guidelines. It was 10 percent in these proposed guidelines. It's 15 percent.

I also want to clarify that administrative costs do not include -- that cost cap doesn't include all the costs that folks might think of it as administrative.

COMMISSIONER MCALLISTER: Yeah.

MS. MANETA: We have another cost category called project-related cost that includes things like identifying homes to serve, doing home assessments, doing quality control, doing follow-up surveys. There's a number of things that are sometimes considered administrative that we consider project-related and so outside of that cap.

So I think we're really trying our best to find the right balance, allowing enough flexibility in the admin and project-related categories while also ensuring that the bulk of the funds do go to where the actual retrofits actually improving people's homes.

COMMISSIONER MCALLISTER: Thanks. Thanks for that context, really appreciate it. And, again, thanks for all the commenters and tribes that participated along the way.

And with that, I'm happy to make a motion, unless somebody else has comments.

CHAIR HOCHSCHILD: Any comments from Commissioner Skinner?

COMMISSIONER SKINNER: Thank you.

And thank you, Commissioner McAllister for your experience in this and your explanations, and staff for the presentation. I think this is just another great example and good evidence of the progress California as a state has made, but also our agency, the Commission has made in helping to ensure that our services are available to, and not only available to, but really utilized by our tribal partners. And, of course, because they are -- they have their separate legal status, we do have to design things differently in order to accommodate that. But I think it is really a great evidence of that. And clearly, a very important needed program because of the status of much of the housing on our tribal lands.

So I fully support it and I appreciate everybody's work on it.

CHAIR HOCHSCHILD: Just one question before we go, though, just if we could walk through the timeline again. It looks like the projects wouldn't come back to us for a year; is that right? What was the, Diana, the --

COMMISSIONER MCALLISTER: Yeah.

MS. MANETA: Yeah, we're expecting the -- so basically, the tribal application process we're anticipating to start in the second quarter. We want to leave plenty of time for tribes to respond to that. We know they have --

CHAIR HOCHSCHILD: Yeah.

MS. MANETA: -- their own government processes they need to go through. So by the time we get through that -- oh, thank you, here's the slide -- by the time we get through that and finalize the agreements with the tribes, we do expect grant agreements to bring those to business meetings in the first half of 2027, so yeah, in about a year.

CHAIR HOCHSCHILD: Got it. Okay.

COMMISSIONER MCALLISTER: And the tribal, there will be some tribal direct agreements for the ones who want to implement themselves. And then there will be a process to select an administrator for those who don't. And then that administrator will work with those smaller tribes to implement in those areas. So there's so many tribal (indiscernible), so that we can have those two buckets.

CHAIR HOCHSCHILD: Okay.

COMMISSIONER MCALLISTER: And, you know, finally, I'll just say, you know, the hope would -- $3 million, you know, I mean, historical terms for tribes, maybe that's a

lot, but it's really not that much money, obviously, and so, you know, for state and tribal diversity and just tribal breadth that we have in the state. And so -- but this program structure, I think, you know, hopefully it will show success and we'll be able to, to the extent the budget allows or other funding sources appear, we can pump more money into it over time and really make it, make it more of a, you know, get in production mode with the tribes and really sort of help them figure it out and implement it over time, so -- but, you know, obviously no promises there.

CHAIR HOCHSCHILD: Thank you again for all your good work on this.

And with that, I'd welcome a motion from Commissioner McAllister on Item 5.

COMMISSIONER MCALLISTER: Move Item 5.

CHAIR HOCHSCHILD: Is there a second for Commissioner Skinner?

COMMISSIONER SKINNER: Second.

CHAIR HOCHSCHILD: All in favor, say aye.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Aye.

CHAIR HOCHSCHILD: Commissioner Skinner?

COMMISSIONER SKINNER: Aye.

CHAIR HOCHSCHILD: And I vote aye as well. Item

5 passes three to zero. Thank you.

We'll turn next to Item 6, resolution adopting the California Energy Demand Forecast 2025 through 2045.

And I welcome Nick Fugate.

MR. FUGATE: Good morning, Commissioners. My name is Nick Fugate. I'm a Lead Forecaster with the CEC's Energy Assessments Division. And I'm here today to propose adoption of the California Energy Demand Forecast for years through 2045.

The forecast is specific to end-user energy demand. It covers electricity and gas, both consumption and sales, as well as peak electricity demand for various planning areas across the state. It also includes hourly electricity demand for planning areas within the California ISO balancing area.

And I would note at the top here that we are expecting representatives from the CPUC and CAISO to speak in support of this item, so I'll introduce them at the end of my presentation.

Next slide.

The CEC has a decades-long history of developing Energy Demand Forecasts dating back to the Warren-Alquist Act and the Energy Commission's founding. This is one of our charter responsibilities. The purpose behind these forecasts extends beyond our statutory mandate to support a

whole host of state-sponsored planning activities aimed at keeping California's energy supply clean, affordable, and reliable.

Next slide.

The California Energy Demand Forecast, often referred to as the IEPR Forecast, is foundational to procurement and system planning in the state. It's used by the CPUC and utilities to set resource adequacy requirements and as an input to the determination of the planning reserve margin. It's used by the CPUC for integrated resource planning, which drives procurement. And it's used by both CPUC and CEC for system reliability assessments. The California ISO uses the CEC forecast for transmission system planning. And the forecast is used by investor-owned utilities to support distribution system planning.

Next slide.

We adopt a new set of forecasts annually to ensure that system studies are rooted in fresh outlooks. This year, we intentionally minimized modeling changes to preserve stability at dimension of the forecast. As always, we refreshed our economic and demographic drivers with new projections from Moody's and Department of Finance.

We updated inputs and scenario definitions for

key load modifier, PV and storage, data centers, efficiency, and electrification. Because there is a great deal of uncertainty around these modifiers, we produced scenarios so that users of our forecast can assess multiple outcomes or select the scenario that best suits their particular use case.

Finally, we developed a new product this cycle, an initial assessment of the potential for known loads to cause incremental load growth beyond our forecast. This deserves some context, so next slide.

Known loads are energization requests made to utilities at the distribution system level, requests to interconnect things like apartment buildings, housing developments, warehouses, schools, and the like. The utilities submit this data to the CPUC as part of distribution system planning, and the data are shared with our forecasting team.

The data include projects --I'm sorry, project-level information such as capacity, customer sector, energization date, and assumed load profile. The forecast team used this data, along with assumptions informed by discussions with utility distribution planners, to develop a high bookend for system-level impacts that could reasonably be expected to result from these projects. We then calculated the difference between those impacts and

the year-over-year growth in our forecast.

There are reasons to consider incorporating some known load impact into our forecast, notably because of a misalignment that can occur between distribution planning and transmission planning. Utility distribution planners can plan for capacity additions that exceed the IEPR forecast, but transmission planning typically adheres to the IEPR directly. And this can lead to situations where distribution system upgrades are made to accommodate new loads, but no upgrades are made to the transmission. And this mismatch can cause delays to conducting projects. It can also lead to reliability risks. And on the other hand, we want to be careful about overestimating load in the short term, as this can lead to unnecessary cost to rate payers.

This is the first year that the CEC has considered using known load data in the forecast, and the first year that the IOUs have compiled these data for our forecasting. This means that we don't have a historical record to look at when evaluating key assumptions made in our analysis.

Also, the approach we've taken to determine incrementality to our forecast allows for substantial room for double counting. It's meant to give a bookend estimate to cover the very high end risk rather than to project a

most-likely outcome at the system level.

So while we are working with the IOUs to sort through the energization timelines to better understand this data, to validate our key assumptions, and to refine our analytical approach, there is still this question of how to mitigate the potential risk implied by known loads data.

Next slide, please.

So, this led to some deliberation between the CEC, CPUC, and CAISO about how best to balance uncertainties while being cautious about reliability and also considering affordability. This type of deliberation happens routinely at the end of every forecast cycle. Our three organizations reach a common understanding as to which components of our forecast are most reasonable to use in various planning studies. Typically, this has amounted to defining what we call a planning scenario, suitable for most system level studies, and a local reliability scenario, reflecting more aggressive load growth to mitigate the locational uncertainty associated with planning at the local level.

This cycle, known loads, together with data center loads, have added a new dimension of uncertainty, and so the picture is a bit more complicated. System RA and Flex RA will use the 2025 IEPR planning without known

loads. Because of the potential reliability risks, CEC will monitor known loads through 2026, leading up to 2027. The joint agencies have mitigations in the event that load is looking like it will be higher than what was planned for. Additionally, the CEC staff that work on the summer reliability assessment will run scenarios with and without known loads.

The two columns here in the middle, these are studies that are done by the California ISO that typically use the local reliability scenario. CAISO has agreed to run their models for these studies with and without known loads, an exception just for this cycle. The reason for running it with and without known loads is because the local capacity studies inform local RA, and we want to take more time to understand the known loads impacts before considering them per resource obligations.

The transmission local studies identify local areas that may need transmission upgrades, and so including known loads here helps with aligning distribution and transmission planning, which was our original objective when considering the known load projects this year.

And lastly, IRP and the transmission bulk system planning typically use the planning forecasts. These are midterm planning efforts looking three to seven years out, so here the joint agencies and CAISO will use the 2024 IEPR

planning forecast since uncertainty with known loads and data centers have the potential to result in higher levels of load than projected in the 2025 vintage, specifically in that 2028 to 2032 time frame. Sticking with the 2024 IEPR planning forecast will promote stability in resource and infrastructure planning that is already underway.

Next slide.

Here's a look at how these scenarios play out, specifically for statewide annual electricity sales. The 2025 IEPR Forecast begins at a slightly lower point than previously forecast. The planning scenario remains lower than the 2024 vintage throughout the forecast period, and growth is slower in the initial years of the forecast. Much of this can be attributed to building and transportation electrification. For this cycle, we revised our assumptions in response to federal opposition to decarbonization standards, effectively deferring electrification impacts to later years of the forecast.

We haven't yet seen the same direct opposition to efficiency standards. And, in fact, we modeled a broader set of standards this cycle, resulting in greater load reduction due to efficiency.

The 2025 IEPR local reliability scenario is actually quite close to the 2024 vintage throughout the forecast. This is because the reduction in electrification

impacts is not as significant, and in general we use more conservative assumptions around efficiency impacts relative to the planning scenario. Adding known loads to the local reliability scenario causes a significant increase to load in the near term, which is then held constant across subsequent years of the forecast.

Next slide, please.

Here's a look at the implications of these scenarios, which I should reiterate are generally crafted to support electricity system planning on end-user gas demand. We only update our gas forecast every two years, so I'm comparing the 2025 IEPR Forecast to the 2023 vintage. I've added a baseline for reference, showing our gas forecast without the impact of efficiency or fuel substitution scenarios.

Building electrification significantly reduces gas demand in the planning and local reliability scenarios. Similarly to the last slide, we see that those impacts are deferred to later years in the new planning scenario.

Despite starting from a lower base year level, our planning forecast ends at a higher level than previously forecast.

Next slide.

And here's a look at peak electricity demand for the CAISO system. The story here is largely similar to the

sales forecast. We do start at a slightly higher point than previously forecast rather than a lower starting point, but otherwise deferred electrification and higher efficiency impacts produce a lower planning forecast relative to the 2024 IEPR.

The local reliability scenario is comparable to last year. And then our known loads analysis has 3,800 megawatts on top of the local reliability scenario. This impact materializes by 2028 and persists for the remainder of the forecast period.

Next slide, please.

I did want to highlight the main drivers to peak load growth just to show their relative contribution. This chart shows the absolute megawatt change of these specific categories of load impacts from 2025 to 2045. This is all for CAISO, and we're looking just at September on the peak day from 6:00 to 7:00 p.m. These are taken from our planning forecast.

Our consumption forecast without any of these drivers still grows a considerable amount, over 6,000 megawatts. So this is the portion of our forecast that's generally driven by, say, economic and demographic growth. Our climate change analysis adds about 1,800 megawatts. Data centers contribute more than 4,700 megawatts. Despite the more conservative assumptions, vehicle

electrification (indiscernible).

CHAIR HOCHSCHILD: Sorry, Nick. When you say climate change, you mean by that just higher temperatures, higher AC, or is there something else?

MR. FUGATE: Yeah.

CHAIR HOCHSCHILD: Yeah.

MR. FUGATE: That's it exactly it.

CHAIR HOCHSCHILD: Okay. Yeah.

MR. FUGATE: So despite the more conservative assumptions, vehicle electrification is still the largest single category with all vehicle classes combining for over 8,200 megawatts. Additional achievable fuel substitution accounts for another almost 4,500 megawatts. PV and storage adoption both grow substantially over the forecast period, but their impacts at the peak hour are marginal, combining for about 1,500 megawatts of load reduction. And additional achievable efficiency reduces load by over, I sorry, over 4,000 megawatts.

All combined, the net increase is just shy of 20,000 megawatts by 2045.

CHAIR HOCHSCHILD: Can I ask a question? It's not kind of called out here separately, but if building electrification were a category, because now we've gone from, you know, virtually no new construction being built all-electric to the vast majority being all-electric today,

where would that be increased building electrification?

MR. FUGATE: I don't have it labeled as building electrification, but fuel substitution impacts is essentially our building electrification category.

CHAIR HOCHSCHILD: Got it.

COMMISSIONER MCALLISTER: (Indiscernible.)

CHAIR HOCHSCHILD: Right, but that's -- okay, so I guess that's inclusive of new construction and retrofits, you know, just --

MR. FUGATE: Yeah, so, yeah, that is. That is. We considered both of them together, yeah.

CHAIR HOCHSCHILD: Okay, I'm just trying to get a handle. Like, just for new construction alone, I don't know if we can hazard a guess, like how significant is that load?

MR. FUGATE: I wouldn't --

CHAIR HOCHSCHILD: Okay.

MR. FUGATE: I don't have that off the --

CHAIR HOCHSCHILD: Okay.

MR. FUGATE: Top of my head.

CHAIR HOCHSCHILD: No problem. I was just curious.

COMMISSIONER MCALLISTER: I'm thinking the new construction would just be in the base forecast; right? Like the reflection of the fact that going forward,

increasing number of all-electric new construction, that would be in the kind of baseline forecast, I would imagine, since --

MR. FUGATE: Yeah, so we do have new construction growth in our --

COMMISSIONER MCALLISTER: Yeah.

MR. FUGATE: -- in our forecast.

COMMISSIONER MCALLISTER: Yeah.

MR. FUGATE: Right. So our assumptions, I mean, that is part of our --

COMMISSIONER MCALLISTER: Yeah.

MR. FUGATE: -- residential sector model and residential commercial. Those models are largely like the marginal kind of energy intensity.

COMMISSIONER MCALLISTER: Yeah.

MR. FUGATE: New construction is informed primarily by, say, our RASS and our CEUS surveys.

COMMISSIONER MCALLISTER: Yeah.

MR. FUGATE: And then there's additional analysis that we do on top of that to project what, sort of, like what that new construction contributes to, like the overall population of fuel substitution that can occur on top of that.

COMMISSIONER MCALLISTER: Yeah, I guess maybe just building on that question, that the data that we have

from RASS and CEUS, but particularly in this case, the RASS for residential, would be a little bit -- would have some lag to it. And so to the extent we have new data that shows that, you know, 60, 70 percent of new residential is all-electric, would just be good to -- and that's actually existing policy that's in place, it's the Building Code, and it's actually what's happening out there already, so that, I think, just confirming that that would be in the base forecast. And then sort of policy drivers for additional incremental would be, you know, in another bucket.

MR. FUGATE: Yeah, there are a lot of kind of interacting pieces here.

COMMISSIONER MCALLISTER: Yeah.

MR. FUGATE: Because like a lot of what's modeled in the AFS has to do with errors --

COMMISSIONER MCALLISTER: Yeah. Yeah.

MR. FUGATE: -- that we're anticipating. And so like there is some --

COMMISSIONER MCALLISTER: Yeah.

MR. FUGATE: -- some that apply to new construction. So it's hard to --

COMMISSIONER MCALLISTER: Yeah, I got it. Okay. Yeah. Yeah, again, I think the effects are going to be relatively small here in this graph, but I really do

appreciate this graph to break it all out, so thanks.

MR. FUGATE: We can move to the next slide.

So here I'm showing a full list of workshops and DAWG meetings that we have held throughout the year. And on behalf of the CEC's Forecast Team, I would like to thank all of our colleagues and stakeholders who took the time to participate in these meetings and provide input to our process.

Particularly, as our meeting schedule extended quite late into the year and even into 2026, we held our last DAWG meeting on January 5th of this month, which is a little out of the ordinary. Typically, we present draft results at a final December workshop, then any adjustments that we make are, after that, are included in the final package that we propose for adoption.

This cycle, we were already aware of and discussed at our December workshop several adjustments that we were to make I didn't have time to pull into our workshop presentations. Most notably, we had identified some sizable known load projects that were duplicative with our data center accounting. While we described the correction we were intending to make at the workshop, we didn't want to wait until today to show the impact.

Also, following the workshop, we deliberated with CPUC and CAISO. I mentioned this on a previous slide.

It's a routine part of our process. But I'll add that out of these deliberations comes what we call the single forecast set agreement. It's a public facing record of how our various forecast scenarios and products are expected to be used. We typically document this agreement within the body of the IEPR report, but because the agreement is duplicated than usual this cycle, we wanted to preview it at a DAWG meeting rather than waiting for the final IEPR report publication.

You go to the next slide.

So adoption of the forecast today will ensure that dependent planning processes can proceed without critical delays. So I will conclude with the staff recommendation that the Commission adopt the California Energy Demand Forecast for 2025 to 2045, along with the staff recommendation that the forecast is not a project under CEQA.

And so, Chair, if it's all right, I would like to invite Matt Coldwell with the CPUC.

CHAIR HOCHSCHILD: Yeah, please do.

MR. FUGATE: -- to speak.

MR. COLDWELL: Thanks Nick.

So, yeah, good morning. My name is Matt Coldwell and I'm here today on behalf of the CPUC's Energy Division. And let me just start by thanking the Commissioners and the

CEC staff and management for giving Energy Division an opportunity to just make a few brief remarks this morning.

So the bottom line is I'm here today to express our support for the resolution adopting the 2025 California Energy Demand Forecast. So Nick did a great job at covering all the reasons why the joint agencies and the California ISO came to the decision that he outlined, so I won't repeat what he's already said, although I do just want to comment quickly on what Nick talked through on the initial known load analysis that's included in this year's forecast, which, as Nick mentioned, is the very first time that the CEC has incorporated this data into its forecasting process.

And so -- (clears throat) excuse me -- so in recent years, the Joint Agency and California ISO had identified that this data can have a potential value for inclusion in the CEC's forecast. And so in October of 2024, as part of the CPUC's High Distributed Energy Resources proceeding, the CPUC approved a decision to make various improvements to the electric utility distribution planning process.

And part of that direction in the decision required the state's large investor-owned utilities to provide the CEC with the known loads data so the CEC can begin to look at different methods to potentially

incorporate it into its forecast. And so that's what you're seeing as a result here today in this year.

So since that decision, Energy Division staff has really worked closely with CEC staff. So we really appreciate that. You know, we worked closely with them on collecting the known load data. And we've had several discussions about how the data can be potentially used in the 2025 forecasts.

And so for all the reasons that Nick mentioned, we really are encouraged by how known loads are reflected in this year's forecast and really look forward to seeing how that evolves, you know, through time and in future forecast cycles.

So just wanted to emphasize our commitment to continue to work with the Joint Agencies and California ISO on future vetting and monitoring and refinements to that known load data analysis.

And I'll just end by, you know, congratulating CEC staff and their continued excellent work to produce the Statewide Energy Demand Forecast every year. So I really thank them and staff at the California Air Resources Board, as well as the California ISO, for the continued collaboration and partnership on statewide energy planning.

So I'll just leave it at that. Thank you.

MR. FUGATE: Thank you, Matt.

And we also should have, should have Cristy Sanada at the California ISO.

MS. SANADA: Good morning. I'm Cristy Sanada. I'm speaking on behalf of the California Independent System Operator. Thank you very much to the CEC for the opportunity to speak today.

I am speaking in support of CEC adopting the 2025 California Energy Demand Forecast. The CEC's Demand Forecast is a key part of the Memorandum of Understanding among the CEC, CPUC, and CAISO to align on inputs that are used in respective energy planning processes. The CAISO, in particular, uses the CEC's forecast set in its transmission planning process which includes bulk system, economic policy, and local transmission planning. We also use the CEC's forecast in our calculation of forward, flexible, and local resource adequacy requirements.

Because the CEC's forecast and grid planning and procurement processes are so closely intertwined, the CEC, PUC, CAISO, and CARB meet year-round to discuss the development of the forecast and use of adopted forecast sets in respective processes. This long-standing collaboration is critical to not just support forecast development but also to ensure that state agencies and CAISO have clear lines of sight into how forecast updates may impact planning and procurement.

Ultimately, the CAISO supports the CEC adopting the 2025 California Energy Demand Forecast and supports the Joint Agency direction on forecast compositions for different use cases.

The forecast development cycle never fails to find new challenges to work through. This cycle's challenges centered on the use of new known load data from utilities which Nick and Matt talked about quite a bit already. But we think that the CEC's approach ultimately strikes the right balance this forecast cycle in light of these uncertainties.

Specifically, the CAISO supports the CEC adopting a local reliability forecast with known loads which will provide lead time to plan and develop potential long-term transmission infrastructure needs to support potential load growth and reliability in local areas.

The CAISO also supports the CEC adopting a planning forecast without known loads, recognizing that although the CEC staff did a significant amount of work with this new data set this cycle, uncertainties still remain regarding the actual timing of these new loads in the very near term and whether components and known loads may already be accounted for in other parts of the CEC's forecast. The CAISO supports CEC taking additional time to vet known load data and interactions with existing forecast

components before including incremental effects into the planning forecast.

And I want to touch on something that Nick mentioned regarding the decision to not include the known loads in the planning forecast this cycle. The CAISO and joint agencies have committed to monitoring the progress of known load development throughout 2026. And in the event that load is showing growth at a higher pace than assumed in the adopted forecast, then the CAISO and Joint Agencies have identified measures that can be leveraged to manage potential reliability risks that may emerge. So we will collectively keep a close eye on these trends this year.

And then finally, and most importantly, I just want to thank the CEC staff who has been so diligent in collaborating across agencies and CAISO with stakeholders, taking input, updating and exploring new approaches throughout the forecast cycle. We really appreciate all the hard work as always and look forward to continuing the excellent collaboration.

Thank you.

CHAIR HOCHSCHILD: Anyone else you wanted to comment?

MR. FUGATE: No.

CHAIR HOCHSCHILD: Okay.

MR. FUGATE: I think that's all we're expecting.

CHAIR HOCHSCHILD: Okay. Great. Thank you.

Let's go to public comment on Item 6.

MR. YOUNG: Thank you, Chair.

The Commission now welcomes public comments on Item 6 to notify us that you want to comment on this item. And if you're in the room, please use the QR code posted in the back or visit the Public Advisor table in the back of the room. If you're on Zoom, please click on the raised-hand feature on your screen. And if you're joining us by phone, please press star nine to raise your hand.

We have a number of commenters in the room. I'm first going to welcome Josh Harmon. Josh, please approach the podium, state and spell your name for the record, and we welcome your public comment. After Josh, we're going to hear from Sarah Taheri.

MR. HARMON: Josh Harmon, J-O-S-H H-A-R-M-O-N, on behalf of Pacific Gas & Electric Company. Good morning, Chair, Commissioners.

We just want to thank the entire Demand Forecasting Team at the CEC for the excellent collaboration over the last year. Accurately predicting future demands on the system and where exactly that demand will occur is only getting more difficult. And we truly appreciate staff's partnership and working through these questions together.

Specifically, staff iterated with us to ensure we had a shared understanding of the demand data that we were working with and that we were working with the most current information. This proved especially tricky for data centers. Adjustments were needed late in the IEPR cycle because we continued to get significant project updates from customers, such as signed agreements for service that moved them from CEC's Group 2 to the more certain Group 1.

We also appreciate and support CEC's decision to include known loads for the transmission local studies use cases but not for the planning forecast this year. This approach supports affordability while ensuring that grid investments are appropriately sized. We recognize that known loads were an especially impactful and complex variable this cycle and commend staff's ability to include them on short notice.

As always, we're excited to support the CEC's continuous improvement on the Demand Forecast and look forward to another year of partnership.

Thank you.

MR. YOUNG: Thank you. We'll next welcome Sarah Taheri, followed by Carrie Bentley.

Sarah, please state and spell your name for the record. We welcome your comment.

MS. TAHERI: Great. Thank you. My name is Sarah

Taheri. It's S-A-R-A-H T-A-H-E-R-I. And I'm here today with San Diego Gas & Electric, and SoCalGas.

As was noted and discussed in the presentation of this item, the CEC forecast plays a significant role in shaping California's energy and climate policies. Downstream from the CEC's work, the forecast informs significant proceedings at other agencies, including but not limited to rate making, resource adequacy, resource planning and procurement, distribution and transmission planning, CARB's Cap and Invest Program, and various agency proceedings related to zero-emission appliances.

We recognize the forecast process is complex, both in content and timing of interdependent proceedings. And we recognize that adding new components to the forecast creates further complexity. However, given the wide span of uses for the forecast, it's critical that robust consideration be given to ensure that the forecast uses best available data, can be nimble enough to adjust to shifts in policy, and reflects a diverse range of possible scenarios. We look forward to continuing to collaborate with the CEC to support those goals.

On behalf of SDG&E specifically, I did want to just share some insights into our process here. We've been having ongoing discussions with the CEC team to discuss continued disparities between the CEC's 2025 retail sales

forecast and San Diego's actual weather-normalized data. The difference is about five percent, so the CEC's forecast is about five percent lower than SDG&E's 2025 weather normalized actuals. And our concern is that that low point is kind of percolating across year to year, resulting in low forecasts in each subsequent year.

We hope to continue to collaborate and work with CEC staff on analyzing that data and better understanding it. Our goal is to make sure that as we partner with the CEC, we are protecting against unintended consequences that may come up as this forecast gets used in downstream proceedings, so I appreciate that.

Just briefly in closing, I want to thank all the staff on behalf of both companies, and put in a plug for some extra vacation time given their work over the holidays. So thank you so much. Appreciate the consideration.

MR. YOUNG: Thank you.

I'd next like to welcome Carrie Bentley, followed by Meredith Alexander.

Carrie, please approach the podium, state and spell your name for the record, and we welcome your comment.

MS. BENTLEY: Hi, Carrie Bentley, C-A-R-R-I-E B-E-N-T-L-E-Y, and I represent the Western Power Trading

Forum. Good morning, Chair and Commissioners. WPTF is a nonprofit trade forum dedicated to transparency and competition. Our members include generator owners, developers, and load-serving entities here in California.

WPTF has long been a follower of the Demand Forecast and supporter of the Demand Forecast ever-changing methodology. At the last two reliability events in 2020 and 2022, we actually produced webinars and public reports showing that the CEC load forecast was not a contributing factor in the reliability events and demonstrated how well staff has continually adjusted their methodology over time to account for varying actual load, new large load interconnections and increasing behind-the-meter policies.

Last year in the DAWG discussions around known load, it was as usual, thoughtful, conservative and yield an improvement to the load forecast. Known loads accounted for new state law and CPUC policy on energization timelines, as well as closed and observed gap between distribution and transmission-level forecasting.

On the 5th, however, this showed that known loads would be removed from the forecast in a Joint Agency decision. And there were many comments over concerns over affordability. WPTF does not believe that affordability should be a consideration in the load forecast itself, nor do we believe that the Public Resource Code or Memorandum

of Understanding supports Joint Agency decisions in the load forecast itself. The CPUC has other tools in its toolkit to address reliability and intervening in the load forecast risks reliability.

We request that the Commission reconsider the adoption of known loads, or at least immediately launch reliability workshops around the impact of not including this in it's important reliability summer assessments.

Thank you for your continual work and for considering our concerns.

MR. YOUNG: Thank you.

I'd now like to welcome Meredith Alexander. Please state and spell your name for the record and we welcome your comment.

MS. ALEXANDER: Meredith M-E-R-E-D-I-T-H, Alexander, A-L-E-X-A-N-D-E-R. I'm here on behalf of the California Coalition of Large Energy Users, or CCLEU (phonetic). Good morning, Chair Hochschild and Commissioners. Thank you again for the opportunity to comment.

CCLEU is a new organization made up of some of the state's largest energy customers, all of whom are also actively working on projects that will add load to California's grid. Therefore, CCLEU finds the accuracy of load forecast to be of utmost importance and so we're

weighing in at this time. We've been very interested and supportive of the Commission's commitment this year to capturing near-term load growth in the forecast and find this to be, again, critically important.

As a new organization, we weren't directly engaged throughout the Demand Analysis Working Group discussions, but observed that they were moving in a very valuable direction. In December, your staff presented the final draft methodology, as also discussed here, which we found reflected adjustments in response to stakeholders and to new data analysis. And we observed broad stakeholder support for the staff's December proposal.

Therefore, CLLEU is also troubled by the change shared at the January 5th working group meeting, which we observe was done without full transparency and deliberation, specifically the removal of known loads from the planning and the local forecast.

At this point, we're concerned that there could be real effects on reliability and costs in the next few years. If the forecast is artificially low, load-serving entities could under-procure capacity, meaning that our load-serving entities are not sufficiently resourced to serve our new loads. At a worst case, this could put our state at risks of the type of unplanned outages we saw in 2020 or repeating the extraordinary and very expensive

measures that were taken in 2022 to keep the lights on.

So we very much appreciate that you will factor known loads into your summer reliability studies. But we're asking you again to reconsider their inclusion in the planning and local forecast. And we look forward to working with your staff going forward.

Thank you.

MR. YOUNG: Thank you.

I'm next going to turn to Zoom. We have one commenter, Katy Morsony. I'm going to unmute your line. Please unmute on your end, state and spell your name for the record, and we welcome your comment.

MS. MORSONY: Good morning. Can you hear me?

MR. YOUNG: We can hear you. Thank you.

MS. MORSONY: Wonderful. Thank you. Good morning. My name is Katy, K-A-T-Y, Morsony, M-O-R-S-O-N-Y. I'm here today on behalf of the California Community Choice Association. CalCCA represents 24 member CCAs serving the generation needs of 15 million Californians.

I'd like to start by thanking you for the opportunity to comment on the 2025 IEPR Demand Forecast. CalCCA is here today to urge the CEC to adopt the Demand Forecast presented at the January 5th Demand Analysis Working Group and discuss today.

I'd like to commend the CEC staff for a

thoughtful and participatory process to develop the 2025 IEPR. CalCCA appreciates the opportunity it's had to participate in the development of the forecast through workshops, demand analysis working groups, and drafting comments. And the end result of all of the CEC's hard work is reflected in the measured approach taken in the 2025 Demand Forecast.

In particular, CalCCA wants to support the decision to exclude known loads from the planning forecast. The role of known loads in the forecast has been under consideration throughout the development of the forecast and believe -- we believe that the end results today should be adopted. Protecting against unnecessary cost pressures means that the planning forecast should reflect the best estimate of demand and rely on more certain data. There is significant uncertainty in known loads, including the timing of energization of the load, and excluding the load from the planning forecast protects ratepayers against higher cost associated with load that has not necessarily materialized or has -- with load that has not yet materialized.

CalCCA also notes that throughout this process, the CEC has offered many opportunities for feedback on known loads and including known loads in the forecast. Additional time for consideration is not necessary.

We look forward to continuing to participate in the IEPR process moving forward. CalCCA in particular will be participating on future discussions relating to known loads, but also hoping to provide feedback on how data center loads will be impacting the forecast.

Thank you so much for your time today.

MR. YOUNG: Thank you for the comments.

Chair, that concludes public comment for this item. Back to you.

CHAIR HOCHSCHILD: Okay. Well, let me just begin with thank you, Nick, to you and the team. What you do is very difficult to do.

And, you know, one thing I want to just observe and there's so much electrification happening in areas that we never -- because I just bought an electric chainsaw. I do, you know --

COMMISSIONER MCALLISTER: Yeah.

CHAIR HOCHSCHILD: -- my gardening and stuff, and I've been chopping wood with this chainsaw, works great. And this is something that, you know, two years ago, I would have said you're crazy, but we're seeing this, you know, with everything from electric tractors to two wheeled, three wheel electric device. I mean, and gauging that and the rate of adoption of these is -- it's a complex job.

I wanted to, just before I turn it over to Commissioner McAllister, I just had a couple quick observations. I think the take-home point for me in that really helpful chart is that you are seeing EV load basically be double data centers; right? And there's a lot of talk about this. So how much data center load really shows up is, you know, right now, just to good to know where we're at.

But I guess the question I want to begin with is relative to the uncertainty that you've had in previous reports, how much uncertainty is there about this estimate versus in the past when we put out a load forecast, you know, our confidence, you know, level, is it roughly comparable? Do you feel it's higher uncertainty or what?

MR. FUGATE: I think the uncertainty is sort of the key consideration in our forecast right now. It's been the story the last couple of cycles. This known loads question has put uncertainty sort of front and center in all of our discussions this cycle.

And, yeah, I think it is fair to say that the uncertainty has increased significantly over the last few cycles. And I think one of our responses to that has been to fill up more scenarios. So I think you see each cycle, we are adding scenarios to each of these kind of categories of load modifiers to sort of capture a broader range of

what would happen for, you know, to provide that for stakeholders to consider.

So I'm just providing a point forecast. We do, I think you saw in my presentation, we do land on several sort of point forecasts, but wrapped around that are several other scenarios that we have developed across all these different categories to reflect other ways that future growth in these that really critical considerations could play out.

CHAIR HOCHSCHILD: Right. Okay.

With that, let me turn it over to Commissioner McAllister.

COMMISSIONER MCALLISTER: Thanks, Chair.

Well, thanks, Nick, for a great presentation, and Heidi and the whole team, really appreciate all of you, getting briefed along the way, you know, multiple times. And I'm comfortable with this proposal to adopt this forecast.

I did want to just make a few comments.

I really appreciate folks who showed up in the room and on Zoom to talk, to comment on it, and certainly appreciate the concerns about the, you know, the decisions sort of in the discussion at the DAWG and across the agencies. And I think it does reflect this increased uncertainty. And I think we're landing in a good place to

use, you know, all, you know, do an all-in, more of an all-in approach for the local reliability but be a little more judicious and circumspect on the planning, the broader planning activities.

And, you know, I know that the reason that sort of the talking through it and sort of understanding the dialogue across all the stakeholders, you know, the known loads discussion, as Nick said, I think it was very brave, actually, for staff to take that on and put it front and center and just embrace the uncertainty that we all face. I mean, you know, the media, every day, there's a lot of alarmism about data centers and that's much about electrification from the emissions perspective, but just from reliability perspective and data centers and AI, et cetera.

And I think, you know, load people really just don't have the tools to understand it and tools to think about it in a productive way. And I think that's been what this conversation has been about is digging in, what data do we know, what uncertainties, what we don't know, and it's changing every day. And so, you know, the data, I've got to give some kudos to the utilities for also really trying to figure out what load is going to show up, which interconnection requests are real, which projects are likely to get built and where. And that is an evolving

conversation and that's been very clear throughout.

And so, you know, I think that the team, Nick and Heidi and Aleecia and David Erne, and Vice Chair Gunda, certainly his leadership has been critical throughout, so, you know, I think we're landing in a good place. And this work will continue. Part of the message is that we're not going to just wait until the next update, you know, to talk about known loads. We're actually going to continually improve this. There's a positive kind of feedback across the agencies. The PUC has role and authorities and that they can use to take this forecast and build on it and make decisions appropriately as we learn more and work together. And likewise, the Cal ISO. So I think this is an amazing resource for the state.

And, you know, I'd also just point out that -- and I say this every time, but the fact that the Energy Commission, you know, the State Energy Office of California takes the lead on the forecast is was completely unique. No other state does it like this. And, you know, often it's sort of take the utility's word for it without a whole lot of due diligence because of lack of staff at PUCs across the country. And so we're super fortunate to have a more public conversation, stakeholder convenings, active engagement from our utilities. So I want to acknowledge the SDG&E conversation, which, again, will continue sort of

in real time as we, you know, dig in together with SDG&E staff.

So I will reiterate what the Chair said, just really appreciate the slide 38, I think it was, which is that waterfall chart, to unpack what's really going on and really ground truth our evolution towards a more electrified economy and all that that implies dealing with climate change, you know, buildings and transportation, and so the positive contribution of energy efficiency. I think over time, we may even be able in the capacity -- so that was a capacity waterfall chart. And that chart over time, hopefully we'll be able to break out a little bit of load flexibility as well. It's a downward pressure on the peak capacity. And so -- and efficiency and flexibility, I think have to be key resources on the affordability front to really improve the capacity factor of our system and decrease unit costs.

So, you know, I think those are the things that the forecast wrestles with. And it's just, I think it's a resource, both the substance of it and the product, but also the conversation and the platform to really be able to listen to everybody across the state. And again, you know, some disagreements about the details here, but that's kind of as it should be, given the fact that our uncertainty bars are greater than they have been in the past.

So I don't have any questions for you, Nick, but I just wanted to give a little bit more on the context here.

And I particularly want to thank Matt Caldwell, Cristy Sonata for their -- for your comments. I really appreciate your being here and giving some additional context from your perspective and your agency's perspectives.

So, yeah, I guess that's the extend of my comments. Really want to just support this item and appreciate the community, really that's what it is, that works on the forecast every year in earnest. And this is a moment we get to vote, but it's really an ongoing investigation, trying to ground truth, find out everything we didn't know and understand what we don't.

CHAIR HOCHSCHILD: Commissioner Skinner, do you --

COMMISSIONER SKINNER: This is one of the obviously most important aspects of the Commission's role and job, and one that I've always been very, very fascinated with and interested in. So I appreciate. And we heard from much -- much of the comment that we heard was around this question of either, you know, questioning or supporting the -- our -- this is the first time we've incorporated the known load and then how we factor it in

our line of what we project.

And so, of course, I love the fact that we're going to monitor it because as we know, no matter what choice we had made, there are unknown variables, and this is a forecast. So really appreciate that part of our role that we recognize and just do is that ongoing monitoring.

Now, a question I have, so your chart shows this growth in load from electric vehicles. Now it also, in that, you know, you factor things like battery storage, behind-the-meter photovoltaic, various things like that. And I wondered in, in the projection, given that there was the factoring of the EV growth, was there also any factor, you know, independent of how much it's used today of the -- that the EVs themselves are battery storage and whether there was any incorporation of their either use or potential for being part of a load reduction device because of their storage capacity?

MR. FUGATE: Thank you for that question. So that is not a -- we don't model that explicitly at this time. So when I -- when we have discussed, for example, storage impacts at workshops and DAWG meetings this cycle, and what I was showing on my waterfall chart here, that is not inclusive of any potential for EVs to act as battery storage systems to sort of move load. So it's mostly battery storage systems. Some of them, standalone systems,

many of them, because they're -- we expect to be paired with storage -- or with PV. So those are the storage systems we're explicitly modeling at this time, but --

COMMISSIONER SKINNER: Appreciate that. At some point, I think, once, obviously, if it starts becoming more utilized, then I would hope that it would be factored. And we are now seeing more and more of our OEMs put their model EVs on the market with the capability that would allow customers to use it like that.

COMMISSIONER MCALLISTER: Great.

MR. FUGATE: Appreciate that.

COMMISSIONER MCALLISTER: Anything else?

CHAIR HOCHSCHILD: No, just, I did want to note the -- some of the concerns raised by --

COMMISSIONER MCALLISTER: Yeah.

CHAIR HOCHSCHILD: -- stakeholders today and appreciate that. I will say, my faith in the vice Chair and in the team doing this is really robust and --

COMMISSIONER MCALLISTER: Yeah.

CHAIR HOCHSCHILD: But I do want to note, there are so many moving parts and so many new electric technologies being introduced to the market, really at rates we've never seen before, that dialogue, close dialogue with stakeholders and continued engagement throughout the year is more important than ever so that we

get --

COMMISSIONER MCALLISTER: Yeah.

CHAIR HOCHSCHILD: -- as close to being right as we possibly can.

COMMISSIONER MCALLISTER: That would be great.

CHAIR HOCHSCHILD: So with that, I would --

COMMISSIONER MCALLISTER: Well, I will note, I'll see you and raise you one in terms of the electric chainsaw. I have one of those. It works great. And then I just bought an electric lawnmower --

CHAIR HOCHSCHILD: Okay.

COMMISSIONER MCALLISTER: -- battery powered electric lawnmower, which I'm super excited to get ahold of. And also --

CHAIR HOCHSCHILD: Load growth right here.

MR. FUGATE: Yeah.

COMMISSIONER MCALLISTER: Also -- yeah, exactly. Also, I'm not sure my yard work is going to grade create load much, but certainly not peak load.

But also just completed our switch to an EV household. So made a trip over the weekend, you know, and the charging infrastructure was full on there and no issue at all. And just, really, the products that we have are just better products. You know, it's like with energy efficiency, right, that often it's just a better product.

So, you know, you didn't know that you needed that iPhone until you actually bought it --

CHAIR HOCHSCHILD: Right.

COMMISSIONER MCALLISTER: -- and it was just a better product and made your life better. And I think that's what we're seeing across the board with electrification. So really excited about it. So no more combustion in my life and, you know, it's quieter and cleaner.

So thanks, Nick. And I will --

CHAIR HOCHSCHILD: Off-peak lawnmowing will be the new -- okay.

With that, I would welcome a motion --

COMMISSIONER MCALLISTER: So --

CHAIR HOCHSCHILD: -- on Item 6 from Commissioner McAllister.

COMMISSIONER MCALLISTER: Move Item 6.

CHAIR HOCHSCHILD: Is there a second from Commissioner Skinner?

COMMISSIONER SKINNER: Second.

CHAIR HOCHSCHILD: All in favor, say aye.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Aye.

CHAIR HOCHSCHILD: Commissioner Skinner?

COMMISSIONER SKINNER: Aye.

CHAIR HOCHSCHILD: And I vote aye as well. Item 6 passes three to zero. Thank you, Nick. Appreciate it.

MR. FUGATE: Thank you.

CHAIR HOCHSCHILD: With that, we'll turn to Item 7, Gas Research and Development Program 2025 Annual Report.

Ferris Chu.

MS. CHU: Good morning, Chair and Commissioners. My name is Ferris Chiu and I am an Electric Generation System Specialist in the Strategic Analysis Unit at the Energy Research and Development Division. Today, I will be presenting an overview of the Gas Research and Development Program Annual Report covering fiscal year 2024 to 2025.

Next slide, please.

The fiscal year 2024 to 2025 report provides the legislature, the California Public Utilities Commission, and the public a summary of the California Energy Commission's administration of the Gas Research and Development Program, the impacts, and the rate payer benefits. We will be going over the program background, quantified benefits, investments, and project highlights.

Next slide, please.

Every year, we seek to highlight some of the achievements of the program, including cumulative impacts over the years. The Gas Research and Development Program has invested $344.5 million across 314 research,

development, and demonstration projects since the program's inception in 2004, working to ensure that California's gas system remains cost-effective and safe while pursuing equitable decommissioning.

Award recipients have attracted $5.9 billion to date in follow-on investments. And approximately 46 percent of program funds for demonstration have been invested in non-combustion projects located in and benefiting disadvantaged and low-income communities since fiscal year 2016 to 2017.

Next slide, please.

We would also like to highlight benefits to Californian. Based on the fiscal year 2024 to 2025 Gas R&D Recipient Survey, an estimated 375,000 therms of fossil gas consumption was avoided during the fiscal year. An estimated 2,000 metric tons of carbon dioxide equivalent emissions were avoided, which is equivalent to removing almost 500 internal combustion cars from the road for one year. Roughly 1,200 participants took part in community engagement activities, and about $500,000 were reported in on-bill savings.

In this year's report, we've selected six projects that feature notable success from the last year within the Gas R&D Program. In the interest of time, we will be going over one of the projects.

Next slide, please. Thank you.

This highlighted project focuses on locating methane hotspots and monitoring emissions in the San Joaquin Valley. Detecting sources of methane allows California to effectively plan the mitigation and reduction of methane emissions. The project team at Lawrence Berkeley National Laboratory aims to advance detection of large emitters of methane in the San Joaquin Valley, a region home to more than 4 million Californians and significant social and environmental challenges.

Methane mitigation would lower greenhouse gas emissions by about 3.1 million metric tons of carbon dioxide equivalent per year, as well as a reduction of about 3,000 tons of hazardous air pollutants per year. Through this project, an estimated $7 million per year could be saved from avoiding leaks and inefficiencies in the San Joaquin Valley. And the avoided climate and health damages from mitigated emissions are estimated to save over $56 million per year.

Next slide, please.

Staff recommends the Commission approve the Gas Research and Development 2025 Annual Report. Following this, staff will submit the annual report to the legislature and to the California Public Utilities Commission.

Next slide, please.

Thank you. This concludes my presentation. I am available to take any questions you may have. Thank you for your time.

CHAIR HOCHSCHILD: Thank you.

We will turn now to public comment on Item 7.

MR. YOUNG: Thank you, Chair.

CHAIR HOCHSCHILD: Yeah.

MR. YOUNG: The Commission now welcomes public comment on Item 7. To notify us that you wish to comment on this item and if you're in the room, please use the QR code posted in the back or visit the Public Advisor table in the back of the room. If you're on Zoom, you're going to click on the raise-hand feature on your screen. And if you're joining us by phone, press star nine to raise your hand.

Chair, we don't have any commenters either in the room or in-person. Back to you.

CHAIR HOCHSCHILD: Okay, let me go to my colleagues for any comments.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Great. I really appreciate it. I really appreciate the presentation. Thanks, Ferris. And I appreciate all the work that goes into it. It reflects an amazing amount of work over many

years. And I appreciate highlighting some of the projects that are most notable. But I really appreciated the briefing. And I think this reflects really well on all the work and encompasses the effort well and expresses it well. And we'll be good reading over the legislature and the PUC, so thanks. And no other comments.

CHAIR HOCHSCHILD: Commissioner Skinner, no comments? Okay.

With that, I would welcome a motion on Item 7 from Commissioner McAllister.

COMMISSIONER MCALLISTER: Move Item 7.

CHAIR HOCHSCHILD: Is there a second from Commissioner Skinner?

COMMISSIONER SKINNER: Second.

CHAIR HOCHSCHILD: All in favor, say aye.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Aye.

CHAIR HOCHSCHILD: Commissioner Skinner?

COMMISSIONER SKINNER: Aye.

CHAIR HOCHSCHILD: And I vote aye as well. Item 7 passes three to zero. Thank you, Ferris. Good job.

We'll turn next to Item 8, California Energy Power and Innovation Collaborative.

And I welcome Taylor to present.

MR. NGUYEN: Hi, good morning, Chair and

Commissioners. My name is Taylor Nguyen. I'm staff in the Fuels & Transportation Division. And I'm excited to present Item 8 to you today, which covers one of the (indiscernible) the solicitation.

Next slide, please.

So the purpose -- the agreement that I'm presented today is the product to the solicitation titled (indiscernible) interoperability collaboration yard, or Charge Yard for short. Charge yard provides funding for the development of a physical laboratory to conduct end-to-end interoperability and conformance testing for the electric vehicle charging ecosystem.

Importantly, the lab will help accelerate the development of charging standards and subsequent certification procedures, as well as next generation charging features like bidirectional charging. And last year, I wanted to note that the recipient would be, we will develop an operational model that will allow the lab to sustain operations after five years in CEC funding for this project.

Next slide, please.

So late last year, we announced a $4 million award to California Energy Power and Innovation Collaborative, or that's Cal EPIC for short. The project site is already operational as a Rivian technician training

site located nearby in Sacramento's Depot Park. And to support operations and testing, Cal EPIC has partnered with Charging Interface Initiative North America, or CharIN, and the Korea Electrotechnology Research Institute, KERI, who operates a conformance test lab (indiscernible).

And last on this slide, I want to mention that a total of five events would be held annually at the facility, encompassing three interoperability testivals and two non-test events, like workshops and discussions and conferences. The sub-recipient, CharIN, is experienced with hosting these types of industry events, which includes the CEC-funded VOLT Symposium that was hosted back in May 2023. And the idea with these events is to convene stakeholders from across the industry to share learnings, foster collaborations, and demonstrate technical findings.

Next slide.

And for the benefit to Californians, Chare Yard would benefit Californians by advancing CEC's goals of a reliable charging experience and plug-and-charge capability, ultimately improving the overall driver experience. And how this is done as an industry collaborative interoperability testing space, Charge Yard allows for a rotating variety of different car manufacturers and charging networks to test their products together seamless -- to ensure that their hardware and

software carry and communicate seamlessly.

In addition to interop testing, the project will advance charging standards. In its first year of operations, staff at Charge Yard will be tasked with developing test cases for charging communication standards that enable plug-and-charge and charging network roaming. Moreover, the lab will be able to provide conformance testing certification for plug-and-charge standards, which is currently a nascent market in California.

All in all, the testing and certification capabilities of Charge Yard will help the CEC advance its goals towards a seamless and reliable charging experience, which is a significant barrier to EV adoption in the state of California.

And next slide, please, so this is the last slide.

Today, staff is seeking your approval of this $4 million grant agreement, as well as adoption of our determination that these actions are exempt from CEQA.

I'd like to thank staff at FTD for making this solicitation and grant agreement possible. Happy to answer any questions. And we have comments from the grant recipients themselves today as well.

CHAIR HOCHSCHILD: Thank you.

With that, let's go to public comment on Item 8.

MR. YOUNG: Thank you.

The Commission now welcomes public comment on Item 8. To notify us that you want to make comment on this item and you're in the back of the room -- I'm sorry, and you're in the room, please use the QR code posted in the back or visit the Public Advisor table in the back of the room. If you are on Zoom, please click on the raise-hand feature on your screen. And if you're joining us by phone, please press star nine to raise your hand.

I'd like to welcome Orville Thomas at this time. Please approach the podium, state and spell your name for the record and welcome your comment.

MR. THOMAS: Orville Thomas, O-R-V-I-L-L-E, last name Thomas, T-H-O-M-A-S, CEO of Cal EPIC.

I want to thank the Chair, the Commissioners, Taylor and other staff for this process. It has been great to work with partners that are respected internationally, like CharIN and KERI, to bring something of this nature to California.

Obviously, we are very excited about the recent news of the EV adoption goals and numbers for Californians, but we do see a reliability issue when it comes to chargers. We hope that the Capital Charge Yard will help the state and stakeholders create new technology and new standards that make everyone's EV charging experience

worthwhile and reliable.

Once again, just thank you to everyone involved with the process, to the Commissioners. We look forward to getting this up and running this year and having you all out for the groundbreaking -- or the ribbon cutting.

CHAIR HOCHSCHILD: Great. Thank you, Orville.

MR. YOUNG: Thank you, Chair. That concludes public comment for this item.

CHAIR HOCHSCHILD: Okay. I had a question, but maybe I'll -- Orville, don't go too far, at any rate.

But I'll go to Commissioner Skinner first.

COMMISSIONER SKINNER: Thank you, Chair.

And I want to thank Taylor for the presentation and, of course, the FTD staff who worked on this project, and also Jeffrey Liu, who's an FTD staff but is currently on rotation as one of my advisors, who is one of the people that conceived of this.

I think most people are aware that we really, that we, the state and the Commission, are very hopeful that all of our EVs and our charging apparatus will move to plug-and-charge, which is a much more convenient form of charging. And one of the great features of Charge Yard is that ability where players across the industry can come and test these different chargers and the vehicles with their interoperability, which is essential if we're going to move

to plug-and-charge. And of course, there's other aspects of what the Charge Yard lab can provide that will also just help us advance all of our goals.

And I had the pleasure of getting to tour Cal EPIC's location where Charge Yard is going to be located. Thank you, Orville, for arranging that. And I saw firsthand, in addition to Charge Yard, there is a technician training program there that -- where the technicians are being trained to be the service techs for not only EVs but potentially chargers too. And I met one of the -- well, I met many, but I was particularly impressed with one particular woman trainee who expressed her enthusiasm for working to become a full-time service tech. And they were working on Rivian vehicles at the time.

And, yeah, I think it's just a great, great program and really appreciate staff's work on it and, Orville, your -- Cal EPIC's good effort in this.

CHAIR HOCHSCHILD: Yeah, I just want to follow up with one question, which is obviously one of the big steps forward in the charging space over the last year or two has been the movement from three standards, CHAdeMO, CCS, and NACS to align on a single standard going forward. I think about, you know, how much more difficult our life would be if household outlets had, you know, multiple different

prong types everywhere you go. Clearly, it's necessary to mature and align.

What are some examples of the next phase of improvements you're most excited about that could be the fruit borne by this project?

MR. THOMAS: Yeah, I think Commissioner Skinner touched on something, plug-and-charge. And I think as we start getting into this NACS and CCS world, given how many CCS-adapted vehicles are out there, we want to make sure that we're bringing kind of the price of maintenance down and a universality in how to maintain those chargers that are more of the version 1.0 that have already been funded and installed.

And so what we've done also is partner with ChargerHelp and SmarterHelp to take their program that they originated in Los Angeles and have gone to have national certifications and bring that to Northern California too.

So we are very excited about V2G, Commissioner Skinner, something that we've worked on for years, working with utilities like SMUD, PG&E, Southern California Edison, and others, thinking about how chargers can also serve as distributed energy resource tools and aids with battery backup. And then also how in the event that the grid is not ready to support fleet electrification, we can work with microgrid providers to do solar or battery backup or

have opportunities to utilize different types of gases to produce electricity for fleets that are looking to have transportation electrification.

And then we also are very keen and watching closely some of the things that are going on nationally around wireless charging and use cases that might be for idling at ports or other circumstances.

CHAIR HOCHSCHILD: Great, really helpful.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Yeah, I really love this project, and kudos to Commissioner Skinner for leading this and getting us to where we are and all the staff involved. Really appreciate the presentation.

One question. You know, we talk about bidirectionality and, you know, load modulation, load flexibility as -- I mean, we know that this is a category of supply really that, you know, aggregated load modulation that reaches across transportation, buildings, industry. You know, we've had some recent successes with behind-the-meter batteries being aggregated and playing on the grid in significant numbers that, you know, actually do move the needle up to CAISO, for example, you know, multiple hundreds of megawatts.

I'm wondering just sort of how you see this effort in that broader landscape. So transportation is

sort of growing, you know, the electrification piece of the pie more than some of those other areas, but it's only a matter of time until we have, you know, all these sectors playing their role. And so I just wonder how you see Cal EPIC fitting into that broader landscape and coordinating across sectors, like say with interoperability standards with buildings and appliances?

MR. THOMAS: Yeah, and that's where we're really excited about some of our board members like SMUD and Southern California Edison being great pilot project partners and use cases to direct where we want to see some of this research go. It's great that we have known individual organizations like CharIN and KERI that are doing this work on a global level and that have been doing either testivals or research facilities for decades -- or not decades, for years.

And so we really think that this is an opportunity to start having California lead on what that V2X is going to look like, whether that is going to be buildings and allowing the grid to operate a little more efficiency and flexibly. How do we incorporate large fleets, especially school buses and those that have started to, you know, transition to Class 8 vehicles, and then making sure that that bidirectionality is accompanied with more research on next generation batteries that will be

able to hold their storage a little longer and provide then that grid flexibility and resiliency.

COMMISSIONER MCALLISTER: Great. I really appreciate it. And as you move forward, I'd really appreciate just a periodic update about that interoperability question. Because I feel like, you know, we are a standards-making body at the Energy Commission and we are looking at creating some high level interoperability standards that do cover EV chargers, you know, residential say, or, you know, we're still defining the scope but -- and doing the same for different appliances, thermostats and the like.

So want to just make sure that we're all running in the same direction and sort of having -- you know, don't want to, you know, be the hammer to, you know, assume that regulation is needed here, but do want to explore whether we can usefully ensure interoperability so that we do get that grid benefit that we're all looking for at an aggregated level. So thanks.

MR. THOMAS: And that's part of our excitement about being able to have this in Sacramento is the proximity to regulatory staff and stakeholders and those that are in the legislature so that we can make sure that we are doing the appropriate amount of regulations and legislation and being able to educate as much as possible.

COMMISSIONER MCALLISTER: Yeah. Thanks.

CHAIR HOCHSCHILD: With that, I would welcome a motion on Item 8 from Commissioner Skinner.

COMMISSIONER SKINNER: I move the item.

CHAIR HOCHSCHILD: Is there a second from Commissioner McAllister?

COMMISSIONER MCALLISTER: Second.

CHAIR HOCHSCHILD: All in favor, say aye.

Commissioner Skinner?

COMMISSIONER SKINNER: Aye.

CHAIR HOCHSCHILD: Commissioner McAllister?

COMMISSIONER MCALLISTER: Aye.

CHAIR HOCHSCHILD: And I vote aye as well. Item 8 passes three to zero. Thank you. Congratulations.

MR. THOMAS: Thank you.

CHAIR HOCHSCHILD: We'll turn next to Item 9, Food Production Investment Program.

MS. SWEENEY: Hello, Chair and Commissioners. My name is Claire Sweeney. I'm an Energy Commission Specialist with the Food Production Investment Program in the Energy Research and Development Division. Today, I am presenting three proposed awards resulting from the Food Production Investment Program 2025 solicitation.

Next slide.

California leads the nation in food and beverage

manufacturing with over 6,500 facilities. The industry contributes $123 billion annually directly and indirectly to California's economy and spends an estimated $1.4 billion annually in energy costs.

Next slide.

To date, the Food Production Investment Program has awarded approximately $131 million to 59 projects across six categories. The projected emissions reductions from these projects is about 173,000 metric tons of CO2 equivalent per year.

Next slide.

The purpose of this solicitation is to fund the deployment and demonstration of advanced energy efficiency, decarbonization, renewable energy, and load reduction technologies at food processing and supporting facilities in California, which enables food processors to demonstrate the reliability, scalability, and benefits of these technologies. The available funding for this solicitation is $10.5 million and projects are required to provide 25 percent match funding. Eligible awards range from $1 million to $2.5 million, and six projects were recommended for awards. Today, I will be presenting three projects to you and three will be brought forward to a future business meeting.

Next slide.

These projects will provide a variety of benefits, including reducing greenhouse gas emissions, improving energy efficiency, increasing load flexibility capacity, and improving air quality in under-resourced communities. Two of the three projects I'm presenting today are located in under-resourced communities.

Next slide, please.

So the first project is with Gallo Global Nutrition who requested a $2.3 million grant to replace two existing refrigeration systems with ultra-low global warming potential, or GWP, ammonia systems equipped with advanced controls, variable frequency drives, heat recovery, and floating head pressure technology at their protein plant in Atwater. The project is expected to reduce GHG emissions by 550 metric tons of CO2 equivalent per year, electricity use by 370,000 kilowatt hours per year, and 65,000 therms per year from fossil gas. The project will decommission and remove 2,500 pounds of high GWP refrigerants from the facility.

Next slide, please.

The second project is with Harvest Food Products who requested a $2.5 million grant to install a transcritical CO2 refrigeration system at their frozen egg roll facility in Hayward. The new system will include variable frequency drives, advanced controls, an adiabatic

gas cooler, and a heat recovery system. The project expects to reduce GHG emissions by 1,000 metric tons of CO2 equivalent per year, electricity use by 500,000 kilowatt hours per year, and 5,500 therms per year from fossil gas. This project will decommission and remove 8,500 pounds of high GWP refrigerant from the facility.

Next slide, please.

The last project is with FC Tracy Holdings who requested a grant of about $1 million to install a microgrid with an advanced energy management system that tracks, forecasts, and optimizes site energy usage at their post-harvest facility in Tracy. Once operational, the system is expected to reduce GHG emissions by 350 metric tons of carbon dioxide equivalent per year, grid electricity usage by 1.6 million kilowatt hours per year, and peak load by 500 kilowatts.

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Staff recommends approving the three Food Production Investment Program 2025 project grants and adopting staff's findings that these projects are exempt from CEQA. Staff is available to answer any questions.

Thank you.

CHAIR HOCHSCHILD: Well, now you've made us all hungry when I saw the dumplings picture there. Congratulations on all this terrific work.

Let's go to public comment on Item 9.

MR. YOUNG: Thank you.

The Commission now welcomes public comments on Item 9. To notify us that you want to make a comment on this item and if you're in the room, please use the QR code posted in the back or visit the Public Advisor table. If you're on Zoom, please click the raise-hand feature on your screen. And if you're joining by phone, please press star nine to raise your hand.

Yeah, I'm not seeing any commenters in the room or online, so back to you.

CHAIR HOCHSCHILD: Okay. Yeah, so these all look terrific. You know, one question I wanted to ask, I know in the past, we like worked with Sun-Maid Raisins on trying to electrify their gas dryers. And that actually didn’t -- wasn’t a project successful at that time. But I know it's been a moving part.

Have we -- are there other examples that we're seeing in this space around the electrification technology being able to supplant gas for drying of, you know, grapes and that kind of thing? This was early in the -- earlier in the course of the development of this program, that project was. I don't know if you're familiar with -- yeah.

MS. SWEENEY: We don't have any projects like that in this round.

CHAIR HOCHSCHILD: Yeah.

MS. SWEENEY: But I think we've had a couple of projects that were similar to that.

CHAIR HOCHSCHILD: Yeah. Yeah. Okay. And then what is the way in which, you know, when there's a successful project, you got a couple of interesting types of projects here, that, you know, results are shared out within the food processing industry? How, you know, how quickly does word travel in terms of being able to replicate these kind of innovations? And what's the mechanism for that?

MS. SWEENEY: Okay, so when the projects are completed, they will do reports we post on the CCC website. And then the projects kind of vary in how much they share internally or conferences, but they do report to us that they share those things. And a lot of times the subcontractors that the projects work with will work with other facilities and share those results with the other facilities (indiscernible).

CHAIR HOCHSCHILD: Okay. Well, one thing I just would maybe float for consideration, in the past with some of these grants, we've done joint visits or virtual visits with Secretary Ross from Agriculture. So we might look into doing that once there's something to see that's been installed. And, you know, it would be good to engage with

her again. Yeah, we can follow up. Yeah, yeah, yeah, that's right. Yeah. Okay.

Any other comments? Commissioner McAllister?

COMMISSIONER MCALLISTER: I'm just super supportive. I mean, FPIP is really a model program and just want to do everything we can to get the word out as the Chair is kind of, you know, implying, so really support these three.

And could you maybe give us a little bit of a status report on the program overall and how sort of what we can expect going forward? I know that there are limited funds and I want to just sort of get the lay of the land broadly.

MS. SWEENEY: So the funds we're using currently are sort of from -- leftover from previous rounds. And we don't currently have future funding coming in.

MR. GHANDI: Well, Commissioners, my name is Cyrus Ghandi. I supervise the Food Production Investment Fund.

I just want to go back to your previous question. You asked whether there are any examples of electrification projects. We do have two examples. We have two coffee roasting electrification projects. They're both located in Oakland, California. And with, you know, tech transfer activities, it is part of each agreement. This is a

required part of each agreement. It's built into the activities that -- you know, tech transfer is something that is built into the required activities throughout the project. And they also will publish their -- you know, the work they've done in that space in their final report, which is the final product. And it's a public-facing product that is going to be posted on the CC website.

COMMISSIONER MCALLISTER: Great. Thanks, Cyrus and Claire. I really appreciate the briefings along the way and for this item as well, so thanks for the great work. I support this item. Appreciate it.

MR. GHANDI: Yeah, and on the funding, the funding questions, yes, so we've received funding in the past. We've spent $131.2 overall so far. And we have $10.5 remaining that we're spending on this solicitation. And we don't have any prospect of any future funding coming in, anything solid yet. But we're hoping for more funding because this is an oversubscribed program with a lot of interest from the food processing sector.

COMMISSIONER MCALLISTER: Yeah. It's such a key part of our economy and all the success. And Secretary Ross has been a huge booster and just a really great partner in all this. So I really appreciate it.

Yeah, back to you, Chair.

CHAIR HOCHSCHILD: Unless there's other comments,

I would welcome a motion from Commissioner McAllister on Item 9.

COMMISSIONER MCALLISTER: Move Item 9.

CHAIR HOCHSCHILD: Is there a second from Commissioner Skinner?

COMMISSIONER SKINNER: Second.

CHAIR HOCHSCHILD: All in favor, say aye.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Aye.

CHAIR HOCHSCHILD: Commissioner Skinner?

COMMISSIONER SKINNER: Aye.

CHAIR HOCHSCHILD: And I vote aye as well. Item 9 passes three to zero.

We'll turn next to Item 10, Lead Commissioner and Presiding Member Reports.

Why don't we start with you, Commissioner?

COMMISSIONER SKINNER: Thanks so much. A couple of things.

I participated in a webinar that the Center for Law, Energy, & the Environment at Berkeley Law did on different policies and programs that could help us increase the demand for medium-duty and heavy-duty ZEV vehicles. And the webinar was based on a report that CLEE (phonetic), that's the name of the organization, just recently released, which is titled Driving Demand Solutions to

Increase the Market for Heavy-Duty Zero-Mission Vehicles. And I also participated in some seminars prior to it that helped inform that report.

But I think clearly we, while we are seeing, we just experienced the first quarter where there were no federal tax incentives for our EVs, and yet California saw some still continued interest in EV sales. We went to 19 percent, which prior to incentives, in other words, that percent is higher than when -- what our sales used to be before incentives. So, you know, hopefully our EV market will stay healthy. And, of course, with the governor's proposed budget ask for providing a California specific incentive for ZEVs, we look forward to that.

However, in the heavy-duty market, while we could have a real game changer with the Tesla semis that Coca-Cola is now utilizing but aren't fully in the market yet, we don't see the growth in heavy-duty that, of course, we are greatly interested in, because our heavy-duty vehicles are, as primarily using diesel, are really some of our major contributors into California's air quality problems. So we really want to see that transition in the heavy-duty market.

So please report. I just, for any of us who are interested in looking at different levers, policy and program levers that could help stimulate that market, I

really recommend that report.

And I already mentioned about our ZEV sales in this last quarter, but the greatest news about that, and our Chair mentioned it in his opening comments, is California has now reached 2.5 million zero-emission vehicles, EVs, on our roads, which is incredible. And of course, we thank the Commission, all of us for our help in achieving that.

And just looking forward to 2026, some of the Fuels and Transportation Division's goals include releasing the third assessment of how many EV chargers we're going to need to support our ZEV goals. And in looking at the different habits of EV drivers, where EV drivers prefer to charge, and the growth in DC fast chargers, we are likely to see some very large changes in the type of projection we're going to make in that assessment compared to previous years.

We also are in the midst of doing our, what's called the SB 1000 Report that assesses how our infrastructure, our EV infrastructure deployment so far has been proportionately -- you know, where it's placed and whether it's disproportionately deployed, so do all Californians have good access or not?

And then finally, one of the other goals, and obviously FTD has additional goals, but the ones I want to

highlight today is that we will be targeting some of our funding opportunities towards multifamily housing. We've always supported, we've always had grant solicitations that will support that, but given drivers' interest in having charging at or near home, and given how many Californians do live in multifamily properties, we really want to target an expansion of charging at those facilities.

So those are some of the goals of FTDs that I look forward to working on in this 2026 year.

CHAIR HOCHSCHILD: Thank you, Commissioner Skinner.

Commissioner McAllister?

COMMISSIONER MCALLISTER: Great. I want to correct an egregious mistake I made in the item about the travel guidelines. Sierra Graves has been amazing, and I should have thanked her then. I'm thanking her now. She, our travel liaison, just ensuring that the tribes know what we're doing when workshops happen and just building relationships with them, just leaning into that has been vital for all of our travel work, but particularly development of the guidelines relevant for today. So thanks to you, Sierra. I appreciate you.

And let's see, I want to point out, today and tomorrow there's a building decarbonization workshop happening at the PUC. I will be there in-person tomorrow

in San Francisco, but they're doing really a packed agenda today and tomorrow. I just want to thank Commissioner Houck for her leadership there, and also her partnership with Commissioner Douglas. I think both of them are really focused on trying to unify the gas and electricity conversations around buildings. And so that should produce some good outcomes, a lot of good perspectives from all scales, from local government, all the way up to global efforts. And so just really appreciate their convening and looking forward to being there with them tomorrow.

And along those lines, my staff is, in coordination with the Chair's staff, trying to kind of identify a time, likely sometime this summer, maybe June, to do a redux of our electrification summit, probably a one-day event, a little bit more targeted than we have in the past, but don't want to let the momentum flag on the building electrification or that just electrification conversation generally, obviously a lot of focus on heat pumps, but there is a lot more to electrification than just heat pumps. So I want to just say, stay tuned for that. When we figure out the particulars, all of you will be the first to know.

And also want to note that the Building Electrification Action Plan that the Efficiency Division staff has been working on for a long time now, it's been

through one cycle review, comments in on it, and then also revising for a final that will be going out into the world in the coming couple of months, probably. But that's a real foundational document. I want to thank Owen Howlett for pushing on that, and Scott Blanc, and also Ram Narayanamurthy, who's now with us at the Energy Commission, I'm lucky to have him as well. So look out for the Building Energy Action Plan.

And then also, the Building Performance Standards Report that the legislature asked us to do also will be going out into the public sometime soon. And that's really a report bill that, likely, that the legislature will look at and determine whether any of them -- the bill that we're doing it for is from Senator Becker. And, you know, we'll see if anybody wants to pick that up and propose a building performance standards program for the state going forward. So that's a promising policy initiative that's happening in local governments and a few states across the nation. And we'll see if it sort of is a fit for pivoting California's larger buildings, about 50,000 square feet to electrification. And so I look forward to that conversation during the legislative session, and obviously with leadership of the governor's office.

I think, yeah, I talked a little bit about my electrification journey, sort of putting a bow on it over

the last few months. And I was really -- you know, I've had a LEAF, a Nissan LEAF for a number of years now, you know, a 2016 Nissan LEAF, and the battery is -- you know, the autonomy is like 70 or 80 miles. So it's really an around town car for my daughter. It was nice because she couldn't get too far. But I just recently bought, you know, a sort of full-fledged EV with, you know, 300 miles of autonomy and it's a real game changer. It's quite remarkable just how I feel zero range anxiety and have taken some, you know, significant trips in it.

And you don't really know until you experience. And I know both of you have already had EVs for a while, but they've come so far so fast. And just the componentry that full-on electrification allows, the connectivity and just all the modern kind of amenities, it's quite remarkable. And the price was not -- I mean, it really was very cost competitive, even in initial costs.

And so anyway, I just, not that I was surprised by any of this, but when you sort of live it, it does make you settle into the reality and just super positive. So I just wanted to kind of make a plug for that.

And I think I'll stop there.

CHAIR HOCHSCHILD: Thank you, Commissioner.

Well, I think this is our first Commission meeting of the new year. And I certainly had a chance to

recharge my batteries over the winter break and they came back refreshed.

I think the only thing I would highlight, last week was the State of the State speech from the governor and the number of key energy milestones that he pointed to, just how far we've come, more than two thirds of our grid being powered by clean energy, getting to 100 percent clean energy, the majority of the days last year for a period of the day, all the EV charging and EV penetration goals. I mean, that had just straight lines to the work that we're doing here at CEC. It felt really good.

And, you know, increasingly it's getting a lot of attention and the governor was -- you know, he's right now as we speak in Davos with world leaders. It's, you know, really unusual for state governors to get invited to this international leadership forum, but it's really putting our agency and our sister agencies on the global stage at a time when it's more important than ever. So feel super grateful for that.

I think I will leave it there and then we'll go next to Executive Director's Report, Item 11.

MR. BOHAN: Thank you, Commissioners. No report today.

CHAIR HOCHSCHILD: Public Advisor's Report, Item 12.

MR. YOUNG: No report at this time. Thank you.

CHAIR HOCHSCHILD: Okay, Chief Counsel's Report.

MR. RANCHOD: No report today, Chair, but Chief Counsel's Office does recommend that the Commission adjourned to a closed session. Pursuant to Government Code section 11126(e), the CEC may adjourn to a closed session with its legal counsel to discuss pending litigation. That includes the matters listed in Item 13B of the agenda, and to discuss whether to initiate litigation in order to discuss a significant exposure to litigation against the CEC.

CHAIR HOCHSCHILD: Okay, would you guess that closed session is likely to last, what would you say, 30 minutes, 20, about 30?

MR. RANCHOD: Approximately 30 minutes.

CHAIR HOCHSCHILD: Okay, let me propose the following. I have to now do a call at 12L30, but it's only 15 minutes. So why don't we convene in my office at 12:45 and then we'll come back down after that's done around 1:15 or so. Sound good? Okay. Thanks everybody.

(Off the record at 12:21 p.m.)

(On the record at 1:25 p.m.)

CHAIR HOCHSCHILD: We're back from closed session. Nothing to report. And we are adjourned. Thanks everybody.

(The meeting adjourned at 1:25 p.m.)

CERTIFICATE OF REPORTER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were reported by me, a certified electronic court reporter and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of February, 2026.

MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

I do hereby certify that the testimony in the foregoing hearing was taken at the time and place therein stated; that the testimony of said witnesses were transcribed by me, a certified transcriber and a disinterested person, and was under my supervision thereafter transcribed into typewriting.

And I further certify that I am not of counsel or attorney for either or any of the parties to said hearing nor in any way interested in the outcome of the cause named in said caption.

I certify that the foregoing is a correct transcript, to the best of my ability, from the electronic sound recording of the proceedings in the above-entitled matter.

MARTHA L. NELSON, CERT**367

February 25, 2026