

DOCKETED

Docket Number:	25-BUSMTG-01
Project Title:	2025 Business Meeting Agendas, Transcripts, and Public Comments
TN #:	268888
Document Title:	Transcript of the July 10, 2025 Business Meeting
Description:	N/A
Filer:	Kim Todd
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	3/2/2026 1:29:58 PM
Docketed Date:	3/2/2026

CALIFORNIA ENERGY COMMISSION

In the matter of:

Business Meeting)
) Docket No. 25-BUSMTG-01
)

THURSDAY, JULY 10, 2025

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

In-person at:

CALIFORNIA NATURAL RESOURCES AGENCY 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).

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Reported by:
 Martha Nelson

APPEARANCESCOMMISSIONERS

Siva Gunda, Vice Chair

Andrew McAllister, Commissioner

Noemi Gallardo, Commissioner

Nancy Skinner, Commissioner

STAFF

Drew Bohan, Executive Director

Sanjay Ranchod, Chief Counsel

Jeremy Smith, Deputy Director, Energy Assessments Division

Theresa Keates, Special Advisor, Vice Chair Gunda's Office

Julia Harnad, Energy Sustainability Specialist, Energy
Research and Development Division, Sustainability and
Resilience Branch

Fabiola Lao, Equity, Outreach, and Engagement Lead, Office
of the Public Advisor, Energy Equity, and Tribal Affairs

Carousel Gore, Equal Employment Opportunity Office &
Training Unit Manager, Equal Employment Office

Fritz Foo, Supervisor of Outreach & Engagement, Energy
Research & Development Division

Baldomero Lasam, PE, Mechanical Engineer, Renewable Fuels
Unit, Energy Supply Branch

PUBLIC ADVISOR

Mona Badie

APPEARANCESALSO PRESENT

Jennifer Lucchesi, Director, California Department of Conservation

Carl Paganelli, Deputy Chief, Department of Industrial Relations, Cal/OSHA

Emily Grubert, Consultant to CEC, Associate Professor of Sustainable Energy Policy, University of Notre Dame

Joshua Lappen, Postdoctoral Research Associate, University of Notre Dame

Dave Hackett, Stillwater Associates

Tom O'Connor, ICF Consulting

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

Cristy Sanada, CAISO

Molly Sterkel, PUC

PUBLIC COMMENT

Mario Giuliani, General Manager, City of Benicia

Lorelei Oviatt, Director of Planning and Natural Resources, Kern County

Mark Mulliner, California State Building and Construction Trades Council

Cathy Reheis-Boyd, Western States Petroleum Association

Victor Hernandez, Heat and Frost Insulators Local 16

Rennae Ross, Boilermakers 549

James Holland, Boilermakers of Southern California Local 92

APPEARANCESPUBLIC COMMENT (cont'd)

Chuck Leonard, Plumbers & Steamfitters Local 342

Daniel Barad, Union of Concerned Scientists

Mike Smith, United Steelworkers

Pete Wohlgezogen, UA Local 250 Steamfitters and
Refrigeration

Colin Johnson, Bricklayers and Allied Craftworkers

Jennifer Cohen, Pacific Merchant Shipping Association

William Kunz, Southern California Pipe Trades, District
Council 16

Katelyn Roedner Sutter, Environmental Defense Fund

Rachel Shoemake, IBEW Local 302

John Hershey, UA Local 447 Plumbers & Pipefitters

Connie Cho, Asian Pacific Environmental Network

David Sprigg, Plumbers & Pipefitters Local 447

Erica Valentine, UA Local 393

Timothy Jeffries, International Brotherhood of Boilermakers

Eddie Alvarez, International Brotherhood of Boilermakers

Danny Bernardini, Napa Solano Building & Construction
Trades Council

Luis Arida, IBEW Local 11

Mitchell Bechtel, District Council of Ironworkers

Steven Brown, Ironworkers Local 378

APPEARANCESPUBLIC COMMENT (cont'd)

Andrew Farfan, Ironworkers Local 378

Francisco Llanes, Ironworkers Local 378

Jose Villegas, Ironworkers Local 378

Jorge Pachia, Ironworkers Local 378

Julia May, Communities for a Better Environment

Mitch Ponce, Ironworkers Local 433

Colin Murphy, Energy Futures Research Group

Drew Valdivia, Plumbers & Steamfitters Union UA Local 398

David Hanson, Plumbers & Steamfitters UA Local 398

Chathu Abeyrathna, Silicon Valley Clean Water

Michael Ganny, WattEV

Brett Singer, Lawrence Berkeley National Laboratory

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1 that you would make your comments at this time because
2 there will be no dedicated public comment period for those
3 items.

4 And we do have folks that have signed up using
5 our QR code. That's the best way to sign up to make public
6 comment. And Dorothy at the Public Advisor's table is
7 there to assist you if you need support in signing up for
8 public comment using the QR code.

9 After we hear from folks in the room, we're going
10 to transition to Zoom. So if you are here on Zoom and you
11 would like to make a public comment, please raise your
12 hand, it looks like an open palm symbol on your screen, or
13 star 9 if joining by phone.

14 And before we transition to public comment, I
15 wanted to announce that we are inviting any local or other
16 governmental entities joining us today who would like to
17 make remarks in the room with us to approach the podium at
18 this time. We'll take government comments at this time,
19 and then we will transition to public comments.

20 So if you are with a city or a county or another
21 local entity that would like to comment on item 4, that's
22 the Vice Chair's response to the Governor's April 21st
23 letter regarding the transportation fuels industry, or
24 you're here for the DWR update on strategic liability
25 reserve investments to approach the podium at this time.

1 And then we'll transition to government entities on Zoom.

2 MR. GIULIANI: Good morning, Vice Chair,
3 Commissioners. My name is Mario Giuliani. I'm the City
4 Manager of the City of Benicia, and for at least the next
5 few months, home of the Benicia Valero Refinery, which
6 brings me before you today.

7 But before I talk about Valero, I do want to
8 address and acknowledge the leadership of Vice Chair Gunda
9 and his staff.

10 Since April, the Vice Chair and his staff have
11 been in constant contact with me and other members of our
12 community, in fact, calling as frequently on Mother's Day,
13 Saturdays, late at night. Under Vice Chair Gunda's
14 leadership and his staff, he has engaged a variety of
15 stakeholders. And I want to acknowledge that, the hope
16 that I have in that engagement process. We have a variety
17 of folks with diverse interests. And yet, a group of
18 people have worked with Vice Chair Gunda to come up with
19 much of the body of work that you received from the letter
20 to the Governor on July 1.

21 And I think the big takeaway there is there is
22 opportunity for action. There's opportunity to continue
23 California's leadership in environmental stewardship, but
24 finding a path that creates the energy that we need as a
25 state. And in a world full of acrimony and adversity, this

1 was an example of the very best in public service and
2 leadership.

3 And so my ask of you as Commissioners is to work
4 with your network and the Governor's Office and our state
5 legislature to take this item, this urgent item, in a
6 moment of crisis that could be pending in 2026 and to take
7 action.

8 Specifically related to Benicia, Valero is the
9 newest refinery in all of the West Coast. With the loss of
10 Phillips 66 and potentially the loss of Valero in April of
11 2026, that's 20 percent of California's fuel that
12 evaporates overnight, not to mention the large amount of
13 asphalt that the Valero Benicia refinery produces from
14 Northern California. Clearly, it will have a seismic and
15 significant impact to the City of Benicia's budget as well
16 as our community to the tune of over \$10 million on a
17 budget that is just \$60 million. And I know in a state
18 budget worth billions, that may seem small, but it's
19 certainly significant to a town of 26,000.

20 And I will conclude by saying not only does it
21 impact Benicia, it's going to impact the entire state of
22 California. This state is a leader in environmental
23 stewardship, but we cannot lose that leadership by adopting
24 policies that will so undermine our energy capacity that we
25 put ourselves back a generation in advancing good climate

1 policy.

2 I very much appreciate the work that this
3 Commission has done, in particular, Vice Chair Gunda and
4 his staff. They have been exceptional public servants.
5 And it's in that spirit that I think we can all have
6 confidence that we will get through this potential crisis.

7 Thank you very much.

8 MS. BADIE: Thank you.

9 Do we have any other government speakers in the
10 room with us before I transition to Zoom?

11 All right, and on Zoom, we have Lorelei Oviatt
12 with Kern County Planning.

13 I'm going to open your line, Lorelei, and then
14 you can just unmute on your end, and you may begin.

15 MS. OVIATT: Thank you. I'm Lorelei Oviatt,
16 L-O-R-E-L-E-I O-V-I-A-T-T. I'm the Director of Planning
17 and Natural Resources, and I'm here today representing the
18 Kern County Board of Supervisors.

19 Kern County is the center of all types of energy
20 for California. We produce 80 percent of the oil, 70
21 percent of the wind and solar, and 80 percent of the
22 battery storage is permitted and constructed in Kern
23 County.

24 We appreciate the leadership of the Commission,
25 Vice Chair Gunda, and the Governor in this conversation,

1 and the inclusion of all points of view, including Kern
2 County, supported by the exceptional staff work of Vice
3 Chair Gunda's team under the leadership of Special Advisor
4 Theresa Keates.

5 Kern County continues to provide renewable energy
6 and currently processing an additional 5,000 megawatts of
7 commercial-scale solar, 6,000 megawatts of battery storage,
8 which is 40,000 megawatt hours of storage capacity, and
9 that is on an accelerated schedule to meet the 2030
10 deadline that the federal tax credits have now created for
11 these companies. Yet our oil industry has been unable to
12 get permits for the last three years due to a stop on our
13 Comprehensive Oil and Gas Ordinance for the last CEQA
14 issues after nine years of litigation.

15 Providing in-state supplies for the refineries
16 with enhanced environmental protections of over 100
17 conditions and mitigation measures, while respecting the
18 setbacks of Senate Bill 1137, will stabilize the current
19 pipeline crisis while providing an opening for continued
20 dialogue on the state's transition goals.

21 We urge action immediately for the legislative
22 and regulatory actions needed to provide the fuel that
23 consumers use at prices all Californians can afford. And
24 we appreciate the leadership and we appreciate being
25 included in this important conversation.

1 Thank you.

2 MS. BADIE: Thank you.

3 All right, and that is the last call for our
4 government speakers.

5 I'm going to transition to public comment, and
6 we're going to start with folks in the room. I'm going to
7 call on names, and just wait to approach the podium until I
8 call your name.

9 So first one we have identified as SBCTC, and I'm
10 not sure who submitted that comment request. It is
11 helpful, it's not required but it is helpful, if you
12 announce your name before making comments. Do we still
13 have SBCTC?

14 Good morning. Mark Mulliner, California State
15 Building and Construction Trades Council. I'm here on
16 behalf of President Hannan and our 450,000 members, 62,000
17 of which are state accredited apprentices, and our
18 affiliates are in the room. We are here to say thank you
19 to Vice Chair Gunda for creating the working group.
20 President Hannan directly told me to say thank you.

21 And what we are here to also remind is that the
22 state building trades has been here. We have been
23 resisting extremism. We have been trying to work with
24 groups to do a just transition to actually create jobs,
25 keep jobs, and transition into a better environment, but it

1 has to be with a group of people that want to work
2 together. If we do not want to work together, any one
3 extremism group that prevents that from happening, as we
4 see at a national level, extremism does not help our
5 country or any of our partners. We have to recognize that.

6 And we need to move forward working together,
7 making sure that our partners, and I can say that with 100
8 percent certainty, that the oil and gas industry are our
9 partners. They are here to, of course, make profit, make
10 money, but they are also here to provide good services for
11 California.

12 We have the cleanest oil and gas production in
13 the world, and we want it to be here. We want to continue
14 that mantra, that why have a third-world country creating
15 something at a standard from 50 years ago when we could be
16 doing it right here? And over the next 30 to 40 years, it
17 will gradually reduce on its own as technology and as the
18 electric economy grows.

19 So, once again, we want to say thank you. We
20 want to encourage everybody to continue to work together
21 through cap-and-trade, through tax credits, through carbon
22 sequestration. We need all forms of energy to do a just
23 transition. And our members are being trained every day to
24 move forward with the transition.

25 Thank you.

1 MS. BADIE: Thank you for your comments.

2 Next, we're going to hear from Cathy Reheis-Boyd.
3 Apologies if I mispronounce your name, Cathy. And then
4 just a reminder to please spell your name for our court
5 reporter. And we are asking for comments to be two minutes
6 or less. There will be a timer on the screen.

7 MS. REHEIS-BOYD: No problem misspelling or
8 mispronouncing because it happens all the time. So Kathy
9 Reheis-Boyd, President and CEO of the Western States
10 Petroleum Association, C-A-T-H-Y R-E-H-E-I-S hyphen
11 B-O-Y-D. Don't ever hyphen your name.

12 So first of all, I just want to, again, like
13 everyone else is doing, appreciate and thank the leadership
14 of CEC Commissioner Siva Gunda and his staff, and literally
15 also the other agencies that were involved, the Air
16 Resources Board, the Department of Conservation, the
17 Department of Industrial Relations, and also our local
18 partners down in Kern County and certainly in Benicia, and
19 all of our environmental and environmental justice
20 stakeholders and labor that joined the group, as well, just
21 engaging with all the stakeholders and just recognizing
22 that everybody understands the need to stabilize our fuels
23 market. It has been truly an honor for me to be part of
24 those discussions, and we look forward to continuing them
25 in the future.

1 I think sending a signal of certainty and
2 collaboration to the marketplace collectively as we solve
3 infrastructure and investment constraints that really keep
4 us from proceeding and having the ability to meet
5 California's transportation needs and demands, which we
6 have to do 24/7, 365. And restoring investor confidence in
7 California, it's really the name of the game. Technical
8 realities, as we know, if they're not addressed, can get in
9 the way of aspirational dreams and certainly don't want
10 them to get in the way of meeting California's air quality
11 and climate change goals. I would hate to see that happen.
12 And so we can only make progress, I think everyone in this
13 room agrees, when the economy and the environment are hand
14 in glove.

15 So the letter prompted by the Governor's request,
16 24 pages, resulted in a lot of discussion, a lot of
17 compromise, a lot of collaboration. It's the right
18 discussion. It's a lot of hard work but, frankly, if we
19 don't do hard, I don't know what we're doing. So it's a
20 step in the right direction. Our work has just begun with
21 a continued sense of urgency. I think this is the start of
22 an effective partnership to bolster the economy, preserve
23 jobs, address some of the looming affordability issues, and
24 pave the path of where we are today and where the state
25 wants to go.

1 So, again, thank you, Commissioner Gunda, thanks
2 to the agencies, and to the entire Energy Commission for
3 considering what steps have to be taken in the letter
4 that's been outlined. So as they say, carpe diem, let's
5 seize the day.

6 MS. BADIE: Thank you.

7 Next, we're going to hear from Victor Hernandez,
8 if you could please approach the podium. And then just a
9 reminder to please spell your name for a record. And we're
10 asking for comments to be two minutes or less. There will
11 be a timer on the screen.

12 After Victor, we'll hear from identified as
13 Boilermakers 549.

14 MR. HERNANDEZ: My name is Victor Hernandez,
15 V-I-C-T-O-R H-E-R-N-A-N-D-E-Z. I am with Heat and Frost
16 Insulators Local 16. I represent 700 members; 30 percent
17 of our yearly hours come from the refineries. It would be
18 a devastating blow to our Local. A lot of our members live
19 in these communities around the refineries.

20 We can talk about the price of gas going up, the
21 price of groceries going up, but something that I want all
22 of us to consider is the cost that we put in the time that
23 we spend with our families. Our members that live close to
24 where they work can participate in their communities. They
25 can be coaches, they can be in PTAs, and the best and most

1 rewarding is having dinner with their kids. That's the
2 point I wanted to bring up.

3 California Energy Commission, thank you for
4 working with the building trades to craft the response to
5 the Governor.

6 And I will conclude. Thank you.

7 MS. BADIE: Thank you.

8 Next, we're going to hear by someone signing up
9 as Boilermakers 549. Showing your name is optional, but it
10 does -- if you do share your name, please spell it for our
11 record as well.

12 And then after this commenter, we'll hear from
13 James Holland.

14 MS. ROSS: All right. Good morning, everyone.
15 My name is Rennae R-E-N-N-A-E, Ross, R-O-S-S. I don't
16 stand before you today as a union member of Boilermaker, I
17 also stand before you as a community member, a long-time.
18 I grew up right there off of the highway for my whole life.
19 I've seen what happens when industry leaves that area, if
20 you're all familiar with Antioch and Pittsburgh. But I've
21 also seen the good that it brings, not just for myself
22 growing up there and wanting to work in those refineries.

23 Having the opportunity to do so now and seeing
24 the effect, you know, when permits aren't issued, and the
25 oil and where it's coming from, and all of these things

1 that go through the refineries that are problems that we
2 have to deal with, it definitely impedes what we're here
3 trying to do. I understand that there needs to be a
4 change, but I also realized that it could be done together.
5 There's always a way. We can do this at the right pace
6 that can be suitable for everyone.

7 So I definitely appreciate the collaboration.
8 We're all here for the same goal and willing to work
9 together. So I thank the CEC for allowing us to come out
10 here today and be partners with you.

11 Thank you.

12 MS. BADIE: Thank you.

13 Next, we'll hear from James Holland. And then
14 after James, we'll hear from Chuck Leonard.

15 MR. HOLLAND: Good morning, Vice Chair Gunda. My
16 name is James Holland, J-A-M-E-S space H-O-L-L-A-N-D. I'm
17 a business agent for the Boilermakers of Southern
18 California Local 92. I've been a 32-year member of the
19 trade.

20 My forefathers in the trades, not just my trade,
21 but in all the trades built these refineries and the
22 surrounding communities around them. Once they are gone,
23 so are tens and thousands of jobs, not to mention the
24 community jobs in which they support, which are many.

25 California and Californians cannot afford the

1 policy changes forcing refineries producers -- excuse me.
2 California and Californians cannot afford the policy
3 changes forcing the refinery and producers to leave the
4 state. Stop prioritizing politics over energy
5 affordability.

6 Please begin to reissue permits. Let's try --
7 and, excuse me, I'm nervous. Please begin to reissue
8 permits for oil extraction. Let's revitalize Kern County.
9 That's a goldmine.

10 In closing, I want to thank the CEC for the work
11 with the building trades and preparing this for the
12 Governor.

13 Thank you.

14 MS. BADIE: Thank you, James.

15 Next, we'll hear from Chuck Leonard. And after
16 Chuck, we'll hear from Daniel Barad.

17 MR. LEONARD: Good morning, Vice Chair,
18 Commissioners. I appreciate the opportunity to speak
19 today. My name is Chuck Leonard, C-H-E-C-K L-E-O-N-A-R-D.
20 I'm a political representative for Plumbers & Steamfitters
21 Local 342. And I know most people in this room, so I'm not
22 going to state the obvious. Most people know why we're
23 here.

24 But I think the real reason that we need to
25 address these issues is affordability. Affordability is

1 not so much -- I mean, I'm a middle-class worker. I didn't
2 graduate from high school. I'm a 42-year member of a
3 building trades union, so I've been afforded health care,
4 I've been afforded a retirement, so I have the blessing.
5 My grandson's a fourth generation in my local union, so I'm
6 blessed.

7 Well, what about the marginalized community
8 that's going to be affected when another refinery closes?
9 I understand that city budgets are going to be affected,
10 that people are going to be affected, but the poorest
11 people are going to be affected when gas is \$8.00 to \$10.00
12 a gallon. Your fence-line communities, right, your
13 marginalized communities, your Black and Brown communities,
14 your electeds that were elected to protect the poorest
15 people in the poorest communities are going to be affected
16 first.

17 And I think and I appreciate that I know that
18 this is one of the biggest things, and this is the elephant
19 in the room, right, is that everybody wants to protect
20 jobs. Everybody wants to protect the bottom line. But
21 what about the poorest people? Even my environmental
22 justice groups that are here that look out after nothing
23 but people in the marginalized communities, I think the
24 poorest people are the ones that we have to look out after
25 first, because I, too, want to make sure that our jobs are

1 protected.

2 And so I think we need to continue this
3 collaboration. And I want to thank the CEC and all the
4 efforts that you folks make, so thank you.

5 MS. BADIE: Thank you.

6 All right, we'll hear from Daniel Barad next.
7 And then after Daniel, we'll hear from Mike Smith.

8 MR. BARAD: Good morning. Daniel Barad with
9 Union of Concerned Scientists, D-A-N-I-E-L B-A-R-A-D.

10 Thank you so much for the opportunity to comment,
11 and thank you to the Vice Chair and to Theresa and Aria for
12 running an extremely thoughtful, data-informed, and
13 inclusive process on this extremely important issue. I
14 know they didn't get a lot of sleep over these last couple
15 months. But reading the letter, all the thoughtfulness
16 comes through and none of the sleep deprivation, so
17 congratulations on that.

18 California finds itself in the middle of a
19 transition to a zero-emission future. And we have to
20 continue that transition full speed ahead to meet our
21 climate goals and our federal air quality standards, but we
22 also need to make sure that prices and fuel supply are
23 stable in the near term so this transition is as smooth as
24 possible. This is going to require simultaneous near-,
25 mid-, and long-term actions.

1 In the near term, this is the things that, as an
2 environmentalist, sometimes are going to make my stomach
3 hurt, but we need to do in an extremely responsible and
4 targeted manner to minimize impacts to communities and make
5 sure we're not undermining our long-term climate and clean
6 air goals.

7 In the medium term, we have to make sure that the
8 fuel supply is flexible and we can bring in fuel in the
9 inevitable event of refinery outages or closures.

10 And finally and importantly, in the long term, we
11 have to make sure that we're investing in communities and
12 workers so that they can ultimately transition when we know
13 these refineries will one day close. And we also need to
14 make sure we're supporting policies to continue advancing
15 zero-emission vehicles, especially in light of recent
16 federal actions to revoke our Clean Air Act waivers and
17 take away key investments we thought we were going to have.

18 The letter includes responsible recommendations
19 in each of these buckets, and we urge the state to follow
20 and build upon this guidance. We know there's tough
21 conversations ahead, but we really appreciate this
22 opportunity and look forward to continue working with you
23 all.

24 Thank you.

25 MS. BADIE: Thank you.

1 Next, we'll hear from Mike Smith. And after Mike
2 Smith, excuse me, after Mike Smith, excuse me, after Mike
3 Smith, we'll hear from Pete Wohlgezogen.

4 MR. M. SMITH: Good morning, Vice Chair and
5 Commissioners. Mike Smith, M-I-K-E S-M-I-T-H. I'm with
6 the United Steelworkers. I'm the Chair of the National Oil
7 Bargaining Program that represents 30,000 oil workers
8 across the country, mostly predominantly in refineries,
9 chemical plants, pipelines, including most of the
10 proprietary workforce within the state of California at all
11 the refineries.

12 I want to express thanks and the appreciation to
13 Vice Chair Gunda and his staff in bringing all the
14 stakeholders together to try to solve this important issue.
15 The leadership of Vice Chair Gunda proved to be essential
16 in getting through this process when there was a lot of
17 diverse opinions and views and goals of all members.

18 As oil workers, proprietary oil workers who work
19 for the refineries, we are severely impacted, as well as
20 the communities, when businesses make the decisions to shut
21 down due to state policy.

22 All three strategies recommended in the letter I
23 think are essential in guiding the state through this.
24 While we still are concerned with the look and approach at
25 imports, we understand the current situation to assure

1 affordable gas. We just are -- and we are encouraged that
2 the dialogue will create a responsible way to ensure that
3 the imports don't push out state production.

4 We also believe that ensuring confidence in the
5 industry is important to continue investment and it's much
6 needed to ensure that the safe and reliable operations of
7 the refineries continue.

8 And equally important is a plan for the workers
9 and the communities impacted the most by the state's
10 policies and industry's decisions to shut down refineries,
11 ensuring no one is left behind.

12 We are encouraged by the process of Vice Chair
13 Gunda and his staff have begun and we want to thank them
14 for all the hard work as well as all the stakeholders and
15 the dialogue throughout and we look forward to continuing
16 to engage in the process.

17 Thank you.

18 MS. BADIE: Thank you.

19 And before we hear from Pete, I just wanted to do
20 another general announcement. We've got some folks joining
21 us now. If you are here to comment on the transportation
22 fuels industry letter or the DW Strategic Reliability
23 Reserve item on the agenda, please sign up for public
24 comment now. If you're in the room with us, please visit
25 the back table and use our QR code or talk to Dorothy.

1 She'll support you to sign up for public comment. And if
2 you're on Zoom, you'll use the raise-hand feature on your
3 screen. It looks like an open palm. And if you're joining
4 by phone, you'll press star 9. That will let us know you'd
5 like to comment.

6 And I appreciate your patience, Pete. We'll hear
7 from you next. And then after Pete, we'll hear from Colin
8 Johnson.

9 MR. WOHLGEZOGEN: First of all, congratulations
10 on saying that last name right. My name is Pete
11 Wohlgezogen, that's P-E-T-E W-O-H-L-G-E-Z-O-G-E-N, and I'm
12 here to represent the 6,700 members of UA Local 250
13 Steamfitters and Refrigeration in Los Angeles, California.
14 I would like to show my appreciation for the CEC staff
15 today and thank you for the ability to come and speak in
16 front of you today.

17 I've been a member of Local 250 for 25 years now,
18 spending most of my time with the trades in the refineries.
19 The refineries are the bread and butter of what our Local
20 does. The majority of our membership works in refineries
21 on a daily basis.

22 California politics has focused attention on
23 demonizing refineries because it's always been a low-
24 hanging fruit for them to base their campaigns on. They
25 have been prioritizing politics over energy, affordability,

1 jobs, and accessibility. Refineries are leaving California
2 because the policy changes and politics make it difficult
3 and too expensive to remain in our state.

4 As production and refineries leave California,
5 they are taking their industrial trades with them. These
6 high-paying union jobs are not only important to the
7 families they support, but also the economy in California.
8 One refinery closure impacts thousands of union industrial
9 workers and their families, who rely on the work to feed
10 their families.

11 Thank you for your time.

12 MS. BADIE: Thank you for your comment.

13 After Colin Johnson, we'll hear from Jennifer
14 Cohen.

15 MR. JOHNSON: Good morning. My name is Colin
16 Johnson, C-O-L-L-I-N J-O-H-N-S-O-N. I'm a Vice Chairman
17 for the Bricklayers and Allied Craftworkers of Northern
18 California. I represent several thousand members across
19 the 46 counties of Northern California, as well as several
20 hundred bricklayers that work in the refineries every day.

21 As production is starting to leave California,
22 these industrial jobs go with them. These high-paying
23 union jobs that allow people like myself and my members to
24 live in our communities are going away every day.

25 I myself drive a zero-emission vehicle, but half

1 of -- more than 90 percent of the equipment on that vehicle
2 requires oil and petroleum-based products, so the plastics,
3 the tires, everything, not just the asphalt on the roads to
4 get here, but even everything in our clothes. So getting
5 these refineries out of California is not where we need to
6 go. So we really support the CEC and their jobs here, so I
7 really appreciate that.

8 As production is needed in the decades of
9 Californians to come, we still are going to rely on oil and
10 gas, but we are also going to rely on the clean energy that
11 we're still working on. That is not feasible right now.
12 We still need some more time before that is all done.

13 So I appreciate the Commission and working with
14 the building trades and supporting this for Governor
15 Newsom. Thank you.

16 MS. BADIE: Thank you.

17 We're going to hear from Jennifer Cohen next.
18 And after Jennifer, we'll hear from William Kunz.

19 MS. COHEN: Good morning, Jennifer Cohen,
20 J-E-N-N-I-F-E-R C-O-H-E-N. Good morning, Commissioners.
21 I'm Jennifer Cohen with Pacific Merchant Shipping
22 Association, also known as PMSA.

23 I'd like to thank Vice Chair Gunda and the
24 Commission for drafting and sharing such a thoughtful and
25 pragmatic approach to the state's transition from petroleum

1 fuels.

2 PMSA is a trade association representing marine
3 terminal operators and maritime shippers. We appreciate
4 the recognition of seaports being a stakeholder in the
5 movement from petroleum and the challenges that remain for
6 emission capture and at-berth regulations. I would also
7 like to make sure that our role in alternative fuels is
8 also recognized.

9 The International Maritime Organization, or IMO,
10 has adopted decarbonization goals that the industry is
11 adhering to and has already embraced with the deployment
12 and ordering of alternative fuel vessels. New orders for
13 cleaner alternative fuel vessels increased by 78 percent in
14 the first six months of 2025 versus 2024. Vessel orders
15 have also included methanol, ammonia, and hydrogen,
16 indicating that ship owners are prioritizing future-ready
17 assets in response to regulatory pressure, fuel
18 availability, and long-term decarbonization goals.

19 Ports around the world have begun bunkering
20 programs for LNG, ammonia, and methanol. But according to
21 Offshore Energy, the number of ports equipped with LNG
22 bunkering facilities featuring storage tanks, LNG
23 distribution pipelines, and advanced safety systems, among
24 others, has increased to 201 globally, with an additional
25 57 ports expected to be upgraded with LNG bunkering

1 facilities in 2026. California, however, has fallen behind
2 as it has no permanent alternative fuel bunkering. In
3 North America, these projects are predominantly on the Gulf
4 Coast and in Mexico. The Port of Long Beach provides LNG,
5 but it arrives in diesel trucks.

6 SB 298, authored by Senator Caballero, is a
7 critical piece of this transition plan for California's
8 seaports. The bill creates a plan for the alternative fuel
9 supply chain to serve seaports. Arguably, this should be a
10 statewide effort, but the key here is that this is in
11 alignment with Commissioner Gunda's memo that we cannot
12 transition to cleaner fuels without planning.

13 In the maritime space, failure to plan for the
14 arrival of these vessels will result in foregone emission
15 reductions and economic activity. I urge you to support SB
16 298 and hope for the work -- to work with the Commission on
17 fostering a new era in clean maritime funding -- excuse me,
18 fueling in California.

19 Finally, I'd like to highlight a strategy from
20 Commissioner Gunda's memo, that collaboratively we must
21 harmonize regulations and processes to maximize market-
22 driven solutions and continue to advance state policy
23 goals. While the current federal administration is
24 reticent to participate in international climate agreements
25 or IMO proceedings, these standards do exist and will exist

1 beyond the current administration. Accordingly, we suggest
2 that international standards also be included in the
3 transition strategy.

4 Thank you so much.

5 MS. BADIE: Thank you.

6 Next, we'll hear from William Kunz. And then
7 after William, we'll hear from Katelyn Roedner Sutter. And
8 just a reminder to please spell your name for our court
9 reporter if you want to have your name spelled in the
10 record correctly. And then, also, we're asking for
11 comments to be two minutes or less. There will be a timer
12 on the screen.

13 MR. KUNZ: Thank you. Good morning. And I'd
14 like to thank you for the opportunity to speak in the open
15 dialogue with CEC. My name is William Kunz,
16 W-I-L-L-I-A-M K-U-N, as in November, Z, as in December.
17 I'm the Director of Industrial Projects for Southern
18 California Pipe Trades, District Council 16, and I proudly
19 represent over 18,000 hardworking union brothers and
20 sisters.

21 As California shapes its energy future, I want to
22 share the Pipe Trade's perspective.

23 First, we urge the state to reissue permits in
24 traditional oil fields like Kern County to stabilize
25 refinery supply, support good jobs, and reduce dependence

1 on foreign and out-of-state oil, oil often produced under
2 weaker regulations and with a higher environmental impact.

3 Second, enhanced oil recovery with carbon capture
4 deserves reconsideration. With slower EV adoption and
5 legal challenges to combustion bans, oil will remain
6 essential for many years to come. We need climate-aligned
7 solutions, not ideological bans.

8 Third, cap-and-invest rules currently
9 disincentivize carbon capture investments due to unclear
10 credits. We need to clear policies to encourage emission-
11 reducing projects, including carbon capture pipelines. We
12 support extending cap-and-trade but oppose expanding it in
13 ways that risk refinery closures and harm industrial
14 employers. We are ready to build new carbon capture
15 hydrogen and sustainable fuel infrastructure, but
16 restrictive policies deter investment. Given the
17 challenges with the current federal administration's
18 stance, California must find workarounds and take the lead
19 by supporting these technologies locally.

20 Recently, I visited Norway, which is about one-
21 third the size of California but produces over four times
22 more oil, around 1.6 to 1.8 million barrels per day
23 compared to California's 400,000. Despite this, Norway
24 generates nearly 98 percent of its electricity from
25 renewable hydropower and leads in clean energy

1 technologies. What's most notable is how Norway uses its
2 oil revenues to fund clean energy projects and social
3 programs, investing heavily in sustainability without
4 compromising economic stability. This model proves that
5 responsible oil production can support a strong clean
6 energy transition.

7 California, with its resources and economy, can
8 also balance economic strength, energy, security, and
9 climate goals. Our members are ready to do the work.
10 We're not here to resist progress but to build it. Let's
11 make policies that allow California to lead the energy
12 future.

13 Thank you.

14 MS. BADIE: Thank you for your comment.

15 Next, we'll hear from Katelyn. And then after
16 Katelyn, we'll hear from Rachel Shoemake. I hope I
17 captured that correctly.

18 MS. ROEDNER SUTTER: Good morning. I'm Katelyn
19 Roedner-Sutter. It's K-A-T-E-L-Y-N, Roedner,
20 R-O-E-D-N-E-R, and then Sutter is S-U-T-T-E-R, no hyphens
21 in any of that. I'm the California State Director for
22 Environmental Defense Fund.

23 And like many others, I just want to start with
24 my really deep appreciation for Vice Chair Gunda, Theresa,
25 and Aria for the really thoughtful, comprehensive, and

1 fact-based process and approach that they led over the last
2 several months. It really was an example of how California
3 should deal with a whole bunch of thorny issues that we are
4 wrestling with as a state, and it was really powerful to be
5 part of that experience, so thank you very much for that.

6 I have to say, as a climate advocate, I did not
7 expect to spend so much of my time figuring out how to
8 stabilize refining in California. But I do truly believe
9 and see, based on this fact-based approach, that it is
10 essential to our economic prosperity, but also our ongoing
11 climate progress. The final product that came out of this
12 process is data-driven and actionable. It's an approach
13 that I believe will work to stabilize our fuel supply in
14 the near term.

15 Myself, personally, and Environmental Defense
16 Fund are ready to continue this partnership with this
17 Commission, with the working group members, so we can
18 engage on the implementation of these recommendations, but
19 also we remain deeply committed to working with those same
20 stakeholders on the longer-term transition to a
21 decarbonized economy, which we cannot lose sight of. We
22 have near-term problems to solve. We have near-term,
23 medium-term strategies, but we have to keep our eye on
24 where we're going, and that is a decarbonized future for
25 California's communities, our workers, and the climate.

1 And I really appreciate your recognition of all parts of
2 that and the opportunity to think about all of these issues
3 together and wholistically, so thank you very much.

4 MS. BADIE: Thank you.

5 Next, we'll hear from Rachel Shoemake. And then
6 after Rachel, we'll hear from John Hershey.

7 MS. SHOEMAKE: Good morning. My name is Rachel
8 Shoemake, R-A-C-H-E-L S-H-O-E-M-A-K-E. I'm Assistant
9 Business Manager at IBEW Local 302 in Contra Costa County,
10 where we house four of California's refineries.

11 My Local has been in existence since the '30s,
12 and we've been representing workers at the refineries who
13 are workers that are directly working for the refineries
14 and on the construction side of things, building, adapting,
15 changing. Every time there's a new regulation, our workers
16 are in there making those happen. And so I'm here today
17 representing 1,300 electrical workers in Contra Costa
18 County. I just want to make sure, you know, thank you for
19 looking at this in a pragmatic way, and common sense is the
20 key here.

21 We want to make sure -- I am an owner of an EV.
22 My wife drives it from Concord to Lafayette for her job,
23 and it's perfect for that. But anytime I come up here to
24 Sacramento, I got to tell you, I'm driving a gas car.
25 Anytime I go on vacation, anytime I'm taking a longer trip,

1 I rely on that gas vehicle. And pretty much everybody that
2 I know that has an EV also has a gas car, and we have to
3 realize this and understand this as we move forward, and
4 we're just not there yet.

5 So I just want to make sure that, you know, we
6 are all working together. We are the experts in the field.
7 Please look to us. Please look to the building trades and
8 the skilled and trained workers, and let's not throw out
9 our great environmental laws, our great labor laws, and,
10 you know, reduce that overseas and to other states that
11 don't have them. Let's make sure that we take pride in
12 those laws that we create here, and we lean into them, and
13 we actually make them work rather than offshoring and
14 sending these companies to other places that really don't
15 care about our standards.

16 So let's, as Californians, take that step and
17 actually drive the economy, drive these changes for the
18 rest of the country. Thank you very much.

19 MS. BADIE: Thank you.

20 We're going to hear from John Hershey next, and
21 after John, Connie Cho.

22 MR. HERSHEY: Good morning. My name is John
23 Hershey with UA Local 447 Plumbers & Pipefitters here in
24 Sacramento. And just on behalf of all of our members, I
25 want to extend my thank you, as well, to bringing all these

1 interested parties together to come together to get an
2 actual solution on this question.

3 I don't think you'd probably find a single
4 pipefitter that is opposed to new and clean energy systems
5 so long as there's a just transition that can ensure that
6 they can continue to support their families. We can't
7 afford the risk of cleaning up the potential mess of
8 thousands of workers out of work with half-thought-out,
9 like teaching coalminers-to-code kind of programs in
10 Appalachia in the 2010s as solutions.

11 We can certainly make an imperative and just
12 transition to newer and cleaner systems in a hostile
13 federal environment. The current economic and political
14 climate does not offer the opportunity to accelerate
15 transitions to newer technologies without severely
16 disrupting the somewhat fragile situation here in
17 California. Without these proposals, there is a greater
18 risk of inflationary pressures, which would undoubtedly
19 jeopardize the long-term objectives of the people of
20 California and its high-road environmental and labor
21 policies.

22 Thank you.

23 MS. BADIE: Thank you.

24 All right, we're going to hear from Connie Cho.
25 And then after Connie, we'll hear from a commenter

1 identified as Plumbers & Pipefitters Local 447.

2 MS. CHO: Good morning. My name is Connie Cho,
3 C-H-O, and I am the Senior Policy Advisor for the Asian
4 Pacific Environmental Network, APEN, an environmental
5 justice group with members in refinery communities. They
6 are low-income communities of color, immigrants and
7 refugees, and are hit with today's rising costs, paying
8 with their bodies, medical bills, the cost of climate, and
9 also at the gas pump as they're left behind on gas-powered
10 vehicles.

11 So, first, I would also like to thank the Vice
12 Chair, his office, and Energy Assessment staff for the hard
13 work since the start of these special sessions, years ago
14 now, to preserve California's commitments to environmental
15 justice and to be persistent in your outreach of the last
16 few months to bring us to the table and to engage us in a
17 rapid fashion, as it is true that California has been put
18 in an incredibly challenging position. And while it may
19 seem overwhelming at first, with the Vice Chair's
20 leadership and the intrepid work of his staff, we do have a
21 path forward.

22 Of course, there is no way to sugarcoat the
23 expected and the high risk of negative pollution impacts of
24 some of the near-term actions recommended or proposed in
25 Kern County and at our ports, and so we will certainly take

1 up the continued invitations to engage in constructive
2 problem-solving.

3 However, nothing can take away from how, Vice
4 Chair, you have stewarded a remarkably data-driven,
5 research-informed, and intense stakeholder consultation
6 process to provide the state not just immediate next steps,
7 but to provide a foundational approach, provide a
8 foundational framework that I really hope the public is
9 able to understand just how much of a milestone this will
10 be for climate policy everywhere.

11 We are entering a new stage of the energy
12 transition, the mid-transition period, and to pinpoint the
13 fact that we are in this position because we still need to
14 do proactive planning to avoid free-falling into an
15 unplanned, chaotic transition. So as challenging as it
16 seems, we must actually grapple with planning for refinery
17 closures, not, N-O-T not, to shut them down abruptly
18 tomorrow, but to plan for their inevitable closures to
19 prevent any abuse of the threat of closure from being held
20 over the state's head and to ensure that communities and
21 workers will have an equitable transition.

22 We look forward to continued collaboration and
23 dialogue. Thank you.

24 MS. BADIE: Thank you.

25 Next, we'll hear from Plumbers & Pipefitters

1 Local 447. And sharing your name is completely optional,
2 but if you do share, if you could please spell it for our
3 court reporter, it's appreciated.

4 MR. SPRIGG: David Sprigg, D-A-V-I-D S-P-R-I-G-G.
5 I'm a 35-year member of the Plumbers & Pipefitters here in
6 Sacramento, fifth-generation Californian.

7 I don't know how many people here remember the
8 oil embargo in the '70s when it was hard to get fuel. It's
9 going to be expensive if we continue to drive the oil
10 industry out of California. We're the fourth largest
11 economy. And we don't have -- we're driving refineries
12 out. It doesn't make a lot of sense.

13 I also was raised in a rural county in
14 California. You know, someone earlier spoke about how it
15 would negatively impact the poorest, the rural folks. It's
16 13 miles to the nearest hospital. In wintertime on a snow
17 mountain road, kind of tough to -- and \$8.00 a gallon of
18 gas, maybe. I don't know. Think about all the
19 Californians, what we're doing here.

20 Thank you.

21 MS. BADIE: Thank you.

22 Next, we're going to hear from

23 Erica Valentine. And after Erica, we're going to
24 hear from Timothy Jeffries.

25 MS. VALENTINE: Erica Valentine, E-R-I-C-A

1 V-A-L-E-N-T-I-N-E. I'm the Political Director for UA Local
2 393. We represent San Jose, California.

3 First, thank you all for your leadership. And
4 most importantly, thank you for your partnership.

5 Today, I'm here to represent 3,100 members. We
6 represent 24 cities and 2 counties. I proudly stand with
7 the California State Building Trades. I'm also here to put
8 a voice to over 400,000 UA Local -- UA members throughout
9 the nation, as they will all be impacted by your decision
10 that is made here today and the leadership opportunities
11 that we explore.

12 Today, all of us are here filled with hope. We
13 are filled with hope and we are filled with opportunity
14 that the leaders that we can partner in clean energy, that
15 hopefully that we can also put a priority as we navigate
16 this opportunity so that we may be able to expand the
17 workforce, not retract, not take away from the workers and
18 the investment that the state and the nation has made in
19 the apprenticeship programs, so that these workers are
20 skilled and trained and have jobs. They have chosen to
21 live here. They have chosen these careers. They have
22 chosen to support us. They have chosen to invest their
23 time, their families, their energy that has built this
24 state of California into the fourth largest economy.

25 So today, I ask that we all consider, how is it

1 that we can prepare these opportunities of innovation? How
2 is it that we can collaborate and continue to work with the
3 experts in the room that have been a part of all of these
4 innovation solutions that we needed throughout the history?
5 How can we make them be a part of our future? How is it
6 that we can continue to take somebody's dream when they
7 join an apprenticeship program to go from a dream to a job,
8 from a job to a career, to the people that are now
9 supporting our very economy now?

10 So today, I ask that all of you continue to
11 collaborate with the state building trades, continue to
12 collaborate with all the experts, and to have us become and
13 make this the largest partnership and opportunity that we
14 all can continue to lead the nation with today.

15 Thank you.

16 MS. BADIE: Thank you.

17 After Timothy, we're going to hear from Eddie
18 Alvarez.

19 MR. JEFFRIES: Good morning, Vice Chair,
20 Commissioners. My name is Timothy Jeffries. I'm a 17,
21 just short of a 17 year career as a boilermaker. I'm
22 representing the International Brotherhood of Boilermakers
23 for both the locals in Southern California and Northern
24 California.

25 My career is short in the trades because I

1 spent -- I'm proud of my 15 years -- 12 years served as a
2 Marine Corps -- as a Marine in the United States Marine
3 Corps.

4 But I also want to express some of the things
5 that have been said earlier, that thank you for the, Vice
6 Chair, for the meeting and the numerous stakeholders
7 involved in the meeting and the very in-depth conversation
8 that we had. And I think most of the things have already
9 been said, but I'd like to at least just point out the fact
10 that what we -- protecting the industry, or not protecting
11 the industry, but as it stands right now, understanding we
12 need to have this in here for some time to go forward.

13 I believe that there's some policies that are in
14 place that we need to take a look at. We need to stop
15 enacting punitive policies, is what I want to get at, and
16 suspend some of the punitive policies that are the last
17 special sessions. Work with us to stabilize in-state
18 energy production. California, especially in Kern County,
19 as was spoken earlier, used to be one of the nation's most
20 productive oil producing areas. Let's work together to
21 revitalize Kern County.

22 As we meet the climate crisis and move forward,
23 we need to be able to utilize every tool in the tool belt.
24 And, again, thank you for working with the state building
25 trades and working with labor.

1 Thank you.

2 MS. BADIE: Thank you.

3 All right, let me go back to my screen. Oh,
4 we're going to hear from Eddie Alvarez next, then after
5 Eddie, Danny Bernardini.

6 MR. ALVAREZ: Eddie Alvarez, E-D-D-I-E, Alvarez,
7 A-L-V-A-R-E-Z. I am the council representative and member
8 of the LAOC Building Trades, representing 106,000 union
9 construction workers. And on behalf of the executive
10 secretary, Ernesto Medrano, I want to thank you for all the
11 work, Vice Chair, that you've done for this and the whole
12 entire staff and, of course, the whole entire committee on
13 this. I'm actually on the Move LA board in Los Angeles.
14 And what this here does is talks about a lot of unintended
15 consequences that we haven't been talking about as we talk
16 about following our work.

17 I really don't like using the just transition. I
18 actually don't like the term at all, because for 150 years,
19 we've been following the work from pure crude oil all the
20 way up now to the cleanest gasoline that we can find here
21 in the United States, North America, here in California,
22 and I think that's a better term as we do that.

23 And this, finally, sets up all the jobs of all
24 the -- especially the Brown and Black people that work in
25 those refineries; right? I'm a second generation trade

1 member. This is how my family got our start here in the
2 States, right, working in the construction trades. And,
3 again, the unintended consequence is something we don't
4 talk about quite a bit. The economics of these folks who
5 have finally gotten themselves out of poverty through a
6 good skilled and trained job in the union construction
7 industry, may it be at the refineries, may it be at a
8 construction site, but again, we follow our work.

9 So we want to thank you, we want to thank the
10 staff, we want to thank the Commission for putting this
11 forward and finally thinking about the unintended
12 consequences that it has of just shutting down refiners,
13 because if we have situations where we're taking oil from
14 Texas, Middle East, we're bringing those on black soot with
15 no labor rights, let alone civil rights in some of these
16 places. And if we can do it here, we can work with our
17 partners to make sure that we clean up these places that we
18 want to clean up, work together with them to keep these
19 jobs going, keep this money going into the economy, it's
20 what we need to do, it's what we should be doing, because
21 that money needs to stay. If we're going to use the
22 product, it should be built here in California; right?
23 We're the fourth largest economy in the world. And if
24 we're going to use it, we should build it here; right? And
25 there's no reason we shouldn't do.

1 So thank you very much for all your work.

2 MS. BADIE: Thank you for your comments.

3 Next, we're going to hear from Danny Bernardini.
4 And then after Danny, we'll hear from Luis Arida.

5 MR. BERNARDINI: Good morning. Thank you. Danny
6 Bernardini, D-A-N-N-Y B-E-R-N-A-R-D-I-N-I. I'm the
7 Business Manager for the Napa Solano Building &
8 Construction Trade Council, representing thousands of hard-
9 working men and women in union construction in Napa and
10 Solano County.

11 I think this, in my 10 years doing this, this
12 might be one of the first hearings I've ever been to where
13 we're talking about solutions, and we're talking about
14 working together. I think most of the other ones have been
15 limiting production, limiting location, putting an
16 industrial safety ordinance at a state level, at a county
17 level, at a city level. And each of those hearings, myself
18 and my brothers and sisters would show up and say, if you
19 keep putting these rules in place, the refineries could
20 leave. And we were dismissed, we were called -- you know,
21 we were being angry, so it's happening.

22 And you heard from the city manager earlier
23 today. It's not just about the refinery, it's about the
24 industrial park that surrounds that refinery. It's about
25 the downtown. It's about the restaurants. It's about the

1 watering holes. It's about the shops. And I'm just here
2 to express my thank you for talking with the building
3 trades and with the refineries.

4 In my previous life, I worked for a senator, and
5 we dealt with the Bakken crude. And during those hearings,
6 we met with the refineries, we met with the city, and we
7 talked about what would it take to safely transport, and
8 what would happen with the cleanup. And that didn't end up
9 taking place, but those conversations, I think, laid a lot
10 of groundwork for working together.

11 And so, again, just thank you for that. And our
12 members thank you for looking into this. And I want to
13 echo all the sentiments about working people and traveling
14 less in their car. And really, it's about finding
15 alternatives; right? Many of the same people who show up
16 and try to run refiners out of town are the same ones that
17 show up and protest battery storage; right? If we're going
18 to get rid of oil, if they're going to drive cars that have
19 gasoline or not, we need to have the infrastructure in
20 place.

21 And so, again, I know you're going to hear from a
22 lot of us, so thank you for your time today.

23 MS. BADIE: Thank you.

24 Next, we're going to hear from Luis Arida. And
25 after Luis, we're going to hear from Mitchell Bechtel.

1 MR. ARIDA: Hello. Thank you for the opportunity
2 to speak to you today. My name is Luis Arida, L-U-I-S,
3 last name A-R-I-D-A, Assistant Business Manager of IBEW
4 Local 11 in Los Angeles. I'm a state-certified electrician
5 and a member of Local 11, the Electricians Union in Los
6 Angeles County. I'm here on behalf of 12,000 members.

7 We have multiple oil refineries in Los Angeles
8 County, and my members see thousands of job hours during
9 the turnarounds. Don't eliminate these jobs prematurely.
10 Let's maintain our ability to refine oil in our state. We
11 can supply and maintain our needs in a more sustainable way
12 than importing oil from other countries. So let's keep it
13 local, with local workers and local resources.

14 I support the recommendations coming from the CEC
15 staff. California has higher environmental standards than
16 places we import from. Let's use our local resources and
17 lower emissions.

18 Lastly, thank you to the CEC Commission and staff
19 for working with building trades on this important issue.

20 Thank you.

21 MS. BADIE: Thank you.

22 Okay, and next we're going to hear from Mitchell
23 Bechtel. And after Mitchell, we'll hear from Steven Brown.

24 MR. BECHTEL: Aloha. Mitchell Bechtel on behalf
25 of the District Council of Ironworkers. You know, I just

1 really want to thank you guys for including the building
2 trades in this process.

3 Very briefly, you know, when refineries leave the
4 state, it drives up the cost of gas for all Californians.
5 We know that is something that is going to be constant for
6 us moving forward. But what we want to talk about today is
7 how that affects all the downstream economy from that,
8 specifically the communities around these refineries.

9 The communities were built around refineries, not
10 the other way around. When they leave, those populations
11 are decimated. It's our members that are working in these
12 that do this work. We don't have the opportunity to drive
13 to a job site and charge our cars or charge our pickup
14 trucks or any of the equipment that we use. We are reliant
15 on oil and gas. We're the ones that build the
16 infrastructure so that we can become carbon neutral.

17 So I would just ask you guys, please keep our
18 families and those communities in mind as we move to a
19 carbon-neutral future.

20 Thank you.

21 MS. BADIE: Thank you.

22 Next, we'll hear from Steven Brown. And after
23 Steven, we'll hear from Andrew Farfan.

24 MR. BROWN: Good morning. My name is Steven
25 Brown. I represent the Ironworkers Local 378, and I'll

1 keep it short and sweet.

2 I'm actually a first-generation ironworker. I'm
3 a signatory contractor now. I joined the Ironworkers in
4 2014, so that gives me just over 10 years now. And to be
5 honest, the way I even started my whole company was working
6 in Chevron right there in Richmond. And, yeah, the
7 opportunities that are given to first-generation
8 individuals, like myself, are created in these facilities
9 across California here. So, I mean, there's a lot more of
10 us coming out the ground now. And I never thought that I'd
11 be in this room today. But I'm saying that to say, the
12 only way that we're going to continue to create more owners
13 or individuals that are just looking for a way out is by
14 keeping these facilities open.

15 I can tell you, like I said, that when I started
16 the trades that I knew I wanted to own a company one day,
17 and you kind of don't understand how you're going to go
18 about that. And in all actuality, without these
19 opportunities, working in the Tesoros, or the Marathon now,
20 or the Chevrons and the P66s, it would be just another
21 thought.

22 So with that being said, just speaking as a young
23 man, I'm 33 years old, representing other young men and
24 women, not just in Local 378, but in our communities, yeah,
25 we need them. I mean, just as simple as that. We need

1 them.

2 And thank you.

3 MS. BADIE: Thank you. Next, we'll hear from
4 Andrew Farfan. And then after Andrew, we'll hear from
5 Francisco Llanes (phonetic).

6 MR. FARFAN: Good afternoon, everyone. I'm not
7 very good at doing this public speaking stuff, so we'll
8 give it a shot. My name is Andrew Farfan, F, as in Frank,
9 -A-R-F, as in Frank, -A-N. I represent Local 378
10 Ironworkers.

11 And, you know, I understand there's going to be
12 change and it has to happen. But are we ready to jump in
13 right now this fast? To me, it seems a little premature.
14 There's a lot of little businesses that are created from
15 these companies, let alone the revenue that's taxed by the
16 cities and the towns that are surrounding areas. This is
17 going to be a huge impact once they leave.

18 You know, we just did a job the other day in
19 Rodeo at Phillips 66, and they are converting fuel from
20 soybean, taking away the petroleum diesel and making
21 soybean diesel. Now, that's got to be a positive result.
22 I'm not saying it's our best. But to just shut everything
23 down and leave this property empty, it's not like we can
24 put shopping malls and condominiums and beautiful homes on
25 this property. This property, it's no good. So that's

1 another issue we're going to have to deal with later down
2 the road.

3 But for now, I took an electric car from
4 Vacaville to Fresno. And the problem we had with this
5 electric car is finding a charging station that we were
6 able to tie into. You know, it's like you got -- I thought
7 at the beginning, I didn't realize that you have to have a
8 membership to each different charging station. I thought
9 it was like a regular gas station, Shell, Exxon, Mobil,
10 just pull up to any one of them and fill up your car. It's
11 not the same with electricity. So that's another issue.

12 There's a bunch of little things I believe that
13 need to be worked on before we just drop everything and
14 call it good. It's not -- I don't believe it to be that
15 easy. I personally don't see it. We just need more time,
16 you know?

17 I guess that's it. Thank you.

18 MS. BADIE: Thank you for your comment.

19 Before we hear from Francisco, I just wanted to
20 do another announcement. If you're here and you'd like to
21 comment on the transportation fuels industry letter or the
22 Strategic Reliability Reserve or the JAEDI Report, as well,
23 if you could please visit the Public Advisor table in the
24 back of the room and use the QR code to sign up if you're
25 in the room. And if you're joining us by Zoom, you can

1 start raising your hand now. You'll use the raise-hand
2 feature on your screen, it looks like an open palm or you
3 can press star 9 if joining by phone. That will let us
4 know you'd like to comment.

5 And so next we'll hear from Francisco Llanes.
6 And then after Francisco, we'll hear from Jose Villegas.

7 MR. LLANES: How are you guys doing this morning?
8 My name is Francisco. I'm with the Ironworkers Local 370
9 out of Oakland. And I just wanted to say thank you for the
10 space.

11 And every time our refinery shuts down or leaves
12 California, we lose good union jobs, jobs that go out to
13 our families that they rely on. These policies don't just
14 hurt the industry, they hurt working people trying to put
15 food on the table. So let's keep them here.

16 Thank you.

17 MS. BADIE: Thank you so much.

18 All right, so next, we'll hear from Jose
19 Villegas. And after Jose, we'll hear from Mitch Ponce.

20 MR. VILLEGAS: Good morning. First off, I want
21 to thank you for giving me the opportunity to share my
22 experience in this industry.

23 I'm a journeyman ironworker from Local 378. I
24 have worked in the oil refinery for most of my career. And
25 thanks to that, I've been able to give my family a good

1 life. Yes, I've been constantly working. I know I rely on
2 my gas car to get from place A to place B and back to place
3 A.

4 So within -- but I just want to say that in my
5 experience working in the oil refineries, I know they have
6 a lot of safety protocols. We can't just go pick up the
7 job and go work. I know we have to go through classes, we
8 get training, we get prepared, and there's always the
9 safety measures they take.

10 So I just ask that we just that we just -- that
11 we don't rush into closing this industry that I know has
12 helped me out and a lot of my fellow workers from many
13 different trades. And we really depend on it. We rely on
14 it. And so it's just hoping we take it slower and really
15 look into how this will affect a lot of our working class
16 and the unions.

17 That's all I have to say. Thank you so much.

18 MS. BADIE: Thank you.

19 And I believe we're going to hear from Mitch in a
20 moment. So next we'll hear from Jorge Pachia (phonetic).

21 MR. PACHIA: Good morning, everyone. My name is
22 Jorge Pachia with Local 378 Ironworkers. And my point of
23 view with this closure is that these two facilities will
24 lose jobs.

25 Also, the best ability is availability, and all

1 these electric cars need to be charged in the charging
2 station. And these availabilities of these charging
3 stations will not be available for the mass publics.

4 Also, with gas prices going to be increased in
5 the near future, how will the politicians create more and
6 better infrastructure for our energy and transportation?

7 Thank you.

8 MS. BADIE: Thank you.

9 All right, do we have Mitch Ponce back with us in
10 the room? And I can come back to Mitch as well.

11 Is there anyone else in the room that we didn't
12 capture before we moved to Zoom?

13 All right, so let me move to Zoom. First we're
14 going to hear from Julia May. Julia, I'm going to open
15 your line. You'll just unmute on your end and then you may
16 begin your comments. Just a reminder that we are asking
17 for comments to be two minutes or less and there will be a
18 timer on the screen. Your line is open and you've unmuted,
19 but we're not getting any audio coming through.

20 MS. MAY: Oh, sorry. I had two different mutes
21 on. So now can you hear me?

22 MS. BADIE: Yes.

23 MS. MAY: Okay. Thanks. Julia May, Senior
24 Scientist, Communities for a Better Environment, a
25 statewide frontline community organization with thousands

1 of members impacted by refineries, oil drilling,
2 transportation, combustion fuels, and much more in
3 Richmond, Wilmington, Southeast L.A., and East Oakland.
4 CBE has worked to lower refinery emissions and plan a
5 fossil fuel transition for over 40 years.

6 Our low-income members, over 90 percent frontline
7 communities of colored neighbors around refineries rejoiced
8 when they heard the transition away from fossil fuels could
9 provide them with relief from frequent explosions, black
10 smoke, fires, and invisible emissions from this inherently
11 toxic industry. Frontline communities suffer constantly,
12 but also support the refinery workers and support for their
13 transition.

14 But we also can't forget that catastrophic
15 climate change is ultimately the most expensive problem our
16 state and the world faces, and we can transition in a
17 doable manner. All of us seek a smooth, reasoned
18 transition, preserving community and worker protections and
19 economies, but we have to plan smoothly lowering and
20 balancing imports and exports. The refineries export a lot
21 out of the state.

22 Sticking to zero-emission transportation
23 transition, which is well documented, is ultimately far
24 cheaper if supported and planned, and the only way to
25 address expensive climate and smog disasters. We must

1 support experienced refinery workers who keep the
2 communities safe, and while supporting community economic
3 transitions, cleaning up the toxic disasters at refinery
4 sites when they do close.

5 We're in this mess because the oil industry made
6 business decisions to close refineries in a disruptive,
7 chaotic manner in California, nationwide, and worldwide.

8 Thank you so much to the Commission for all your
9 work, and we'll have written comments. Thank you very
10 much.

11 MS. BADIE: Thank you. All right, we're going to
12 transition back to the room to hear from Mitch Ponce, and
13 just a reminder, we're asking for comments to be two
14 minutes or less. There will be a timer on the screen.

15 MR. PONCE: Thank you. My name is Mitch Ponce,
16 M-I-T-C-H, last name P-O-N-C-E. I'm with the Ironworkers
17 Local 433 in Los Angeles, also president of the L.A./Orange
18 County Building Trades Council.

19 Just wanted to thank you for the collaboration
20 with the building trades. I'm actually in a meeting right
21 now for PVF Refinery, so excuse me for being late.

22 Again, these refineries mean a lot to my
23 membership. A lot of our members are working down in the
24 refineries throughout Southern California. As you know,
25 the P66 Refinery is going to displace a lot of my members.

1 So, again, I'll be really brief, and thank you
2 again, and appreciate the collaboration. Thank you.

3 MS. BADIE: Thank you.

4 We are going to go back to Zoom, and let's see,
5 all right, next we'll hear from Colin Murphy. Colin, I'm
6 going to open your line. You'll just need to unmute on
7 your end, and then you may begin.

8 MR. MURPHY: Hi. Thank you. I'm Colin Murphy,
9 C-O-L-I-N M-U-R-P-H-Y. I'm the Co-Director of the Energy
10 Futures Research Group at the UC Davis Institute of
11 Transportation Studies. I really appreciate the
12 opportunity to comment here.

13 We hosted some of the meetings that were led by
14 Vice Chair Gunda around this topic. We were very happy to
15 be able to collaborate and participate in the process. I
16 wanted to recognize the thoughtful and very open and
17 collaborative process that those meetings entailed, and
18 recognize the product, which is largely reflected in the
19 letter that we're discussing here today, accurately
20 reflects the feelings of the people in the room and
21 encapsulates sort of the general points of agreement.

22 As several people on this call and/or on this
23 meeting have noted before, climate change is a serious
24 crisis, and the impacts to all Californians, but especially
25 to lower-income and disadvantaged Californians, is going to

1 be very serious. And so it is absolutely clear that we
2 maintain our focus on this long-term crisis.

3 But the solutions to that, which is a problem
4 that's going to take 30 years at least, even under the most
5 optimistic conditions for us to transition to low-emission
6 transportation, the solutions that do not need to be
7 disruptive, and the kinds of changes that are suggested in
8 the letter are absolutely compatible with California
9 maintaining its focus on decarbonization of the
10 transportation sector over the long term.

11 I do think this issue of refinery closures and
12 the disruptions to fuel supply indicate a need for us to
13 continue investing in research and modeling tools to better
14 understand our energy system and the impacts of market-
15 driven factors. This is a problem that jurisdictions have
16 just not noticed and not been affected by globally, and so
17 there really isn't as robust a toolkit as we would like in
18 order to understand how we manage the transition in a way
19 that it is just and non-disruptive and vulnerable
20 communities and workers are protected.

21 So I certainly urge the members of the Commission
22 to consider the need for those tools and continue research
23 in this area over the long term.

24 Thank you.

25 MS. BADIE: Thank you.

1 Next, we're going to hear from Drew Valdivia.
2 Drew, I'm going to open your line. You'll unmute on your
3 end, and then you may begin.

4 MR. VALDIVIA: Hello, good morning,
5 Commissioners. My name is Drew Valdivia, that's D-R-E-W
6 V-A-L-D-I-V-I-A. I'm with the UA Local 398 Plumbers &
7 Steamfitters Union. I'm a union organizer representing
8 families.

9 I support clean energy, but not at the cost of
10 our community's stability. Refinery closures like Phillips
11 66 in Valero threaten jobs, healthcare, and dignity for
12 thousands of skilled workers living paycheck to paycheck.
13 When you shut down a refinery without a plan, you fracture
14 entire neighborhoods.

15 We need policies to protect workers while
16 building a sustainable future. I urge you to adopt any
17 California state building trades recommendations to
18 stabilize jobs and ensure a just transition. Don't abandon
19 the people who power of the state.

20 Thank you.

21 MS. BADIE: Thank you.

22 Next, we're going to hear from David Hanson.
23 David, I'm going to open your line. You'll unmute on your
24 end, and then you may begin. Good morning, Commissioners.

25 MR. HANSON: My name is David Hanson. I

1 represent the proud union tradespeople of UA Local 398.

2 With Phillips 66 set to close in Wilmington
3 Refinery in 2025, and Valero's refinery following in early
4 2026, we face not just fuel supply crisis, but a human one.
5 Thousands of skilled workers who have safely operated
6 California's refineries under the strictest environmental
7 standards are being forced out of their livelihoods.

8 President Hannan and Secretary-Treasurer Ivanka's
9 (phonetic) letters outline pragmatic steps, issue permits
10 in traditional oil fields to maintain domestic supply,
11 reconsider enhanced oil recovery and carbon capture, and
12 end punitive rules that drive investment and jobs out of
13 California. California can lead the clean energy
14 transition, but only if it brings its workers and critical
15 infrastructure with it.

16 I want to be clear, I support the intent of
17 California's climate policies, but policies without balance
18 become peril. We've seen how skyrocketing energy costs can
19 destabilize the economy. History shows us that Presidents
20 Carter and Biden have all struggled politically when
21 inflation, driven in part by energy prices, have undermined
22 public trust. California's GDP is at similar risk of
23 erosion.

24 As the CEC's own report notes, the state could
25 see gasoline imports raised by 50 percent in Northern

1 California by 2026, driving up costs, straining supply, and
2 weakening resilience. When refining in-state becomes more
3 expensive than importing, you don't just lose fuel, you
4 lose jobs, investment, and community stability. We cannot
5 let California become a state of unintended consequences.
6 We must retain enough refining capacity to meet the near-
7 term demand while we scale clean energy alternatives.

8 I urge the Commission to pursue policies that
9 support both decarbonization and economic stability,
10 because we can't afford to get this wrong.

11 Thank you.

12 MS. BADIE: Thank you.

13 Next, we're going to hear from Alex Ross. I'm
14 going to open your line, Alex. You'll just unmute on your
15 end, and then you can begin. Okay, Alex, we did not get
16 audio with comments. If you would like to submit comments,
17 we can have you docket them in the business meeting docket,
18 and then we can share with the leadership today.

19 Next, we're going to hear from David Campbell --
20 excuse me, Dave Campbell. I'm going to open your line,
21 Dave. You'll just unmute. I think we lost you, Dave.
22 Dave, if you'd like to comment, if you could raise your
23 hand again. I want to make sure we capture all commenters
24 that want to comment.

25 Next, we're going to call on Kaye Stamford

1 (phonetic). I'm going to open your line, and then you can
2 unmute on your end and begin. Kaye Stamford, we're not
3 getting any audio, but I'm showing you as unmuted. All
4 right. Kaye, I'm going to come back to you. If you want
5 to adjust your audio settings, I will try you again in a
6 moment.

7 All right, next, we'll hear from James Facer
8 (phonetic). James, I'm going to open your line. You'll
9 just need to unmute on your end, and then you can begin.

10 All right, next, we're going to hear from Marcel
11 Adams. Marcel, I'm going to open your line.

12 All right, I think we've heard from everyone who
13 has raised their hand. And I'm just going to check back
14 with our room.

15 All right, now, excuse me, I'll transition back
16 to you, Vice Chair, for the dais.

17 VICE CHAIR GUNDA: Thank you, Mona. I think
18 moving on to the second item, I don't think we have any
19 agency announcements.

20 And I also want to just thank everybody for the
21 public comment. Really grateful for all of you being here
22 and providing your comment and those joining us online.

23 With that, let me go to item number 4 and invite
24 Theresa and Jeremy.

25 MR. SMITH: Good morning, Vice Chair and

1 Commissioners. I'm Jeremy Smith, a Deputy Director in the
2 Energy Assessments Division. I'll be presenting today with
3 Theresa Keates from the Vice Chair's Office to share an
4 overview of Vice Chair Gunda's response to the Governor's
5 April 21st letter on the state's transportation fuels
6 industry.

7 Next slide, please.

8 Gasoline prices in California reached record
9 highs in the summers of 2022 and 2023. These price spikes
10 prompted the Governor to call for special legislative
11 sessions in 2023 and 2024. Resulting legislation granted
12 the CEC new transparency tools to better understand the
13 causes underlying the price spikes, begin comprehensive
14 planning for the fuels transition, and protect consumers.

15 Senate Bill X1-2, which was signed into law in
16 2023, provided the CEC with policy tools to mitigate the
17 risk of gasoline price spikes, including the authority to
18 set a maximum gross refining margin and penalty.

19 Assembly Bill X2-1, signed in 2024, added
20 authority to consider refinery resupply and minimum
21 inventory requirements to improve market liquidity and
22 prevent price spikes when refineries undergo maintenance.

23 The CEC has placed significant focus on data
24 collection. The enhanced transparency and collaboration
25 with industry has been fundamental to our understanding of

1 complex market dynamics and challenges, and guides
2 responsible policy making that meets the intended consumer
3 protection purpose. Statutory guardrails, including a
4 requirement to find that likely benefits to consumers
5 outweigh potential costs, and to protect the health and
6 safety of employees, local communities, and the public,
7 underscore the importance of treating these complex issues
8 with care.

9 Our implementation strategy is to be data driven,
10 consider the tools holistically, maximize consumer benefit
11 while avoiding unintended consequences, and support the
12 broader energy transition.

13 Next slide.

14 I'll briefly highlight key efforts and events
15 over the past two years to address these complex challenges
16 and protect consumers during the energy transition.

17 In 2023, soon after SB X went into effect - SB
18 X1-2 went into effect, the CEC prepared for the expanded
19 data collection efforts and hosted workshops to collect
20 feedback on the newly granted tools.

21 In 2024, the CEC adopted several data reporting
22 regulations to support research into the underlying causes
23 of price spikes. We also held 11 public workshops on
24 topics ranging from gasoline price drivers and trends, fuel
25 supply reliability, and the maximum margin and penalty.

1 Staff also published the Transportation Fuels Assessment,
2 which provided an overview of the fuels market and outlined
3 policy options to ensure a safe and reliable supply of
4 fuel.

5 Shortly after the conclusion of the special
6 session in fall 2024, Phillips 66 announced the upcoming
7 closure of its Wilmington refinery in Q4 of 2025 and
8 conversion to an import model. While this business
9 decision had been in the making for a long time, this event
10 underscored the importance of considering how quickly and
11 significantly the market is evolving and feed that into our
12 policymaking process.

13 Recognizing the complex and multi-jurisdictional
14 issues at hand, in early 2025, California Natural Resources
15 Agency Secretary Crowfoot and California Environmental
16 Protection Agency Secretary Garcia convened the Petroleum
17 Strategy Task Force, a cross-agency effort to evaluate
18 petroleum supply chain risks and progress towards a managed
19 petroleum fuels transition.

20 Later this year, the CEC adopted data regulations
21 to improve forward visibility into California's
22 transportation fuel supply and held workshops to consider
23 the benefits and risks of refinery resupply requirements.

24 The CEC continues its work with the California
25 Air Resources Board on the Transportation Fuels Transition

1 Plan, which is also called for by SB X1-2. We've held
2 working group and community meetings with diverse
3 stakeholder engagement and are completing analysis on long-
4 term demand decline and supply phase-down.

5 In April, Valero announced plans to idle,
6 restructure, or close its Benicia refinery in April of next
7 year, California's second major refinery announcement in
8 six months. The Governor then directed Vice Chair Gunda to
9 develop recommendations to support fuel supply during the
10 energy transition.

11 And with that, I'll now hand it over to Theresa
12 Keates to walk through the Vice Chair's response.

13 MS. KEATES: Thank you, Jeremy, and good morning,
14 Vice Chair, Commissioners. My name is Theresa Keates, and
15 I am a Special Advisor to Vice Chair Gunda.

16 Can I have the next slide, please?

17 On behalf of the Vice Chair's Office, as well as
18 a lot of hard work from CEC staff, from consultants, from
19 colleagues at sister agencies, and a variety of
20 stakeholders who spent many, many hours with our team over
21 the past couple of months, I am pleased to provide an
22 overview of our office's response to Governor Newsom's
23 April letter to the Vice Chair on petroleum supply and the
24 energy transition.

25 The letter directed the Vice Chair to redouble

1 efforts to work closely with refiners on short- and long-
2 term planning to help ensure that Californians have access
3 to safe, affordable, and reliable transportation fuels
4 through the transition, while at the same time that
5 refiners continue to see value in serving the California
6 market as we continue the decarbonization of our
7 transportation sector and the phase-in of clean alternative
8 fuels, which include biofuels, clean hydrogen, and clean
9 electricity.

10 The letter directed the Vice Chair to recommend
11 by July 1st any changes in the state's approach needed to
12 ensure adequate supply throughout this transition, and the
13 Vice Chair sent a response to Governor Newsom on June 27th.

14 California's transportation sector is evolving
15 rapidly as our state's pioneering climate and air quality
16 policies have accelerated the adoption of fuel-efficient
17 and zero-emission vehicles. This has led to a decline in
18 the demand for petroleum-based fuels, shown here as
19 gasoline demand through time, as well as the adoption of
20 zero-emission vehicles. And this demonstrates California's
21 successful progress in its transition to a clean energy
22 future, but this trend, as well as other factors, have
23 introduced uncertainty to the petroleum industry.

24 The visual shown here also demonstrates
25 conceptual phases of the fossil fuel transition, a pre-

1 transition phase, early-, mid-, and late-, each with its
2 own evolving needs and challenges. We have entered what
3 has been described by researchers Drs. Emily Grubert and
4 Sara Hastings-Simon as the mid-transition, during which the
5 demand for petroleum-based fuels, while it is falling,
6 remains significant while clean energy alternatives
7 continue to scale up. And in this critical stage, the
8 state must not only support the growth of our new clean
9 system, it also must manage an orderly decline of the
10 fossil system. Investments in both the legacy and the new
11 system are essential to continue serving needs during the
12 transition.

13 However, the confidence to support investments in
14 the fossil system that are still needed to support a smooth
15 transition can really wane during the mid-transition. And
16 proactive management is critical to support fuel
17 reliability and economic stability, to make sure that we
18 protect communities, protect workers and the environment,
19 and retain support for continued decarbonization.

20 Since receiving the Governor's letter in April,
21 the Vice Chair's Office has engaged with industry, with
22 impacted communities and stakeholders, and with state and
23 local governments. And through this effort, we have
24 developed a framework to help guide wholistic consideration
25 of the challenges ahead, and challenges, solutions, sets of

1 recommendations to support a safely managed transition.

2 Next slide, please.

3 Petroleum refinery conversions to producing
4 renewable fuels in recent years, as well as two anticipated
5 refinery closures in the next 12 months that are outpacing
6 the demand decline, are symptoms of a rapid evolution
7 during the mid-transition and underscore the need for a
8 wholistic strategy to support the transition that protects
9 consumers, protects workers, communities and the
10 environment. And developing this strategy is a critical
11 piece of our energy transition to achieving our climate
12 goals.

13 The figure on this slide shows California's total
14 estimated in-state gasoline refining capacity over the past
15 20 years. The blue-green shows operational refineries.
16 The gray shows closed or converted refineries. And the
17 blue shows the anticipated refinery closures.

18 The purple line shows the maximum refinery -- oh,
19 sorry, maximum monthly demand for gasoline. This includes
20 California, and it includes exports to Nevada and Arizona.
21 And demand here that isn't able to be met with in-state
22 refining comes from marine imports of fuel, which is shown
23 in the shaded yellow-orange here.

24 Refineries in California, as well as across the
25 U.S. and parts of the globe, face challenges, rising

1 operating costs, softening demand for refined products,
2 geopolitical dynamics, and really substantial investments
3 that are needed to maintain safe and reliable operations.
4 We are now seeing California's in-state refining capacity
5 falling faster than gasoline demand is declining, and this
6 trend is expected to continue.

7 Valero announced in April its intent to idle,
8 restructure, or cease refining operations at its refinery
9 in Benicia by the end of April 2026. And this comes on top
10 of the anticipated conversion of the Phillips 66 refinery
11 in L.A. to a product terminal in the fourth quarter of this
12 year. And together, those two refineries make up almost 20
13 percent of the capacity in the state.

14 Already, 10 to 20 percent of the gasoline we use
15 is imported, depending on the extent of refinery
16 maintenance at the time. And the gasoline imports
17 statewide could increase to 25 to 35 percent of demand by
18 the summer of 2026, and up to 50 percent in the northern
19 California region after the announced anticipated refinery
20 closures.

21 As we've seen in the past, the market may well
22 find a new equilibrium, given enough time. In the near
23 term, though, abrupt and significant changes carry risk of
24 supply disruptions and price volatility, as well as impacts
25 to workers and communities, and really underscore the need

1 for a comprehensive plan.

2 Next slide, please.

3 California is not alone in facing challenges of
4 the transition. Transitions are occurring across the world
5 in different sectors, at different rates, within different
6 government and market structures. For example, in the U.S.
7 coal industry, numerous bankruptcies from declining demand
8 resulted in mass layoffs and significant impacts to workers
9 and local communities.

10 Norway's government owns the majority share of
11 its largest energy company, Equinor, which channels profits
12 primarily from oil towards the energy transition, though
13 that does tie that revenue to continued oil extraction.
14 Faced with the imminent closure of its last steel plant,
15 the government of the United Kingdom took over the plant
16 recently, which preserved capacity, but this urgent ad hoc
17 action, rather than having had a sector-wide policy, did
18 lead to some controversy.

19 In Australia, after all but two of its refineries
20 had closed, the government established a production subsidy
21 to stabilize its remaining refineries, and this policy does
22 seem to have helped, but the design may not prevent future
23 exits.

24 California can learn lessons from such examples,
25 what works, what didn't, what might be applicable to our

1 system here, and some general themes for navigating this
2 transition, based on what we've seen elsewhere, include the
3 importance of advanced planning, of retaining necessary
4 access to goods and services, of protecting the workforce
5 and the communities, and a wholistic sector-wide approach.

6 Next slide, please.

7 So here in California, we have seen a very clear
8 symptom of a changing landscape in refinery closures.

9 However, the challenge of navigating this petroleum
10 transition, to do it successfully, this spans a complex
11 value chain that really needs to be considered as a whole.

12 The graphic on this slide shows the end-to-end
13 value chain from crude oil production, and imports into
14 refineries, which produce refined products, including
15 gasoline, which are then stored and transported across the
16 system, ultimately delivered to retail stations. Because
17 of the interdependent nature of this value chain,
18 disruptions at any point, such as a refinery closure, can
19 have widespread consequences to the entire system, and
20 investments are needed across the system to support
21 necessary fuel supply during the transition.

22 Therefore, policy solutions need to consider the
23 entirety of this value chain, and this value chain touches
24 many different jurisdictions and stakeholders.

25 Next slide, please.

1 When we received the letter from the Governor, we
2 had already been grappling with the complexities and the
3 interdependencies of the issues at hand, and that we really
4 need to develop a wholistic and proactive approach, and we
5 focused our efforts on a number of avenues in developing
6 the recommendations that we're sharing with you today. The
7 CEC continues to use the transparency tools granted by the
8 legislature to gather new data and insights.

9 We worked with colleagues at other state
10 agencies, especially the Petroleum Strategy Task Force,
11 academic researchers, and the CEC consultants. We engaged
12 in discussion with impacted stakeholders, including
13 representatives from industry, from labor, from
14 environmental and environmental justice organizations, and
15 state and local authorities, both individually and
16 collectively. And I truly, truly want to thank the many
17 partners in this for their time engaging with us and their
18 dedication to navigating this really complex issue
19 together.

20 And while not all groups align in their preferred
21 strategies to address the challenges we are facing, there
22 has been shared recognition of different constituencies'
23 priorities, of shared goals, and the importance of
24 approaching this wholistically. And a solutions framework
25 developed from this consultation guided the response that

1 we sent to the Governor and we're sharing here.

2 Next slide, please.

3 These strategies and recommendations in our
4 response to the Governor reflect our best effort to
5 faithfully represent the many conversations we had, lessons
6 and insights from deeper dives into issues that we heard,
7 and recognition of risks that need to be managed. We have
8 identified three strategies to pursue concurrently in order
9 to support affordable, reliable, equitable, and safe fuel
10 supply through a successful transportation fuels
11 transition. And these are avenues to pursue in parallel,
12 not in isolation.

13 And as mentioned previously, investments in both
14 the legacy and the emerging systems are needed for success
15 here. And many of our recommendations identify methods to
16 help ensure necessary investment of the petroleum system
17 while making sure that none of our state priorities are
18 compromised. This needs to happen at the same time as we
19 continue thoughtfully phasing in the decarbonized system,
20 including by implementing policies to drive down demand for
21 petroleum-based fuel.

22 The first set of actions address volatility and
23 risks to fuel supply in the state. There is credible risk
24 of additional near-term decisions to leave the California
25 market, especially when industry is faced with a very big

1 investment decision that they need to make. And because of
2 the potential for really rapid change, operational and
3 structural adjustments may be needed to happen very
4 quickly. Anticipating an increased reliance on imported
5 fuel, we can improve the state's import capacity by
6 addressing regulatory and permitting barriers to
7 efficiently import needed refined products to support
8 supply and price stability. And currently, we recommend
9 retaining in-state refining capacity where we can,
10 supporting resilience in the fuel system.

11 Second, we recommend a suite of actions to
12 improve confidence to make the investments that are needed
13 to sustain the operations of the petroleum system while
14 demand for the fuels persist and to support a smooth
15 transition. A lack of investment that comes from
16 uncertainty poses risk to safety and reliability facilities
17 and will likely lead to further refinery access faster than
18 demand is falling.

19 So to do this, we offered several
20 recommendations. Crude oil production in California has
21 dropped much faster than demand with numerous consequences
22 to refineries, to pipelines, and to local economies.
23 Targeted stabilization of in-state crude oil production to
24 be refined in California consistent with critical health
25 and environmental protections and as part of a managed

1 transition strategy would help stabilize critical sections
2 of the value chain, which includes stabilizing pipelines
3 that are crucial for refineries and stabilizing operations
4 at refineries that are specialized to run California crude
5 and for whom increased reliance on foreign crude poses
6 significant logistical and financial challenges.

7 Some state regulations that impact the petroleum
8 industry include the Air Resources Board's at-berth
9 regulations, and these address emissions reduction
10 supports, and the Cap-and-Trade Program, which is designed
11 to reduce greenhouse gas emissions. Local and regional
12 rules, taxes, fees, and permits, such as from cities,
13 counties, and air districts, also impact the industry, and
14 we recommend strategic alignment of laws, regulations, and
15 incentives across levels of government to effectively
16 achieve the state's policy goals.

17 Jeremy previously outlined the CEC's regulatory
18 toolkit. The CEC's data-driven approach continues, and
19 observations have shown market instability and refining
20 industry restructuring worldwide. And with investor
21 confidence waning during the mid-transition and the really
22 long-term consequences of industry investment decisions
23 being made right now and continued market uncertainty,
24 including due to federal and global factors, the CEC is
25 taking incredibly seriously the legislative intent and

1 mandate for consumer protection and avoiding unintended
2 consequences in implementing any of the regulatory options.

3 So given these factors, the Vice Chair has
4 recommended a pause on implementing the maximum gross
5 gasoline refining margin penalty while focusing on the
6 tools that are designed to promote market liquidity to
7 stabilize prices, and those are the authorities to develop,
8 resupply, and minimum inventory requirements.

9 And lastly, we recommend developing and
10 implementing a set of policies and programs to support a
11 wholistically managed transition. These policies are
12 needed to further the state's commitment to protecting
13 public health, workers, communities, consumers, and the
14 environment, including, for example, transition funding to
15 support workers and communities, planning for the future of
16 impacted land, and continuing to evolve and diversify the
17 transportation sector to meet air quality standards and
18 climate goals.

19 And we believe all three of these tracks pursued
20 concurrently are necessary to promote price stability for
21 consumers, conditions for refiners to safely maintain
22 operations and meet demand for fuel, and to allow progress
23 towards our clean energy future that benefits all
24 Californians.

25 Next slide, please.

1 The strategies and recommendations detailed in
2 our response to the Governor represent our careful and
3 collaborative assessment of the petroleum fuels market to
4 date and future scenarios in our transportation sector
5 transition. This period of mid-transition marks a critical
6 new phase in progress towards our climate goals in which we
7 must support the phase out of our legacy systems as well as
8 the phase-in of the new system. The consequences of
9 getting this wrong can be severe, but we believe California
10 once again has the opportunity to lead here in forward-
11 thinking policy.

12 And as the Governor stated about this last week,
13 we've got some challenges, and so it just requires some new
14 considerations. This is not rolling back anything. That's
15 actually marching forward in a way that is thoughtful and
16 considered, and that's what a just transition is about.
17 And we want to thank him for his leadership in this area
18 and want to reiterate our thanks to the many people who
19 devoted even more time than usual to tough conversations
20 with us in the past couple months and helped inform this
21 response to the Governor, including from labor, from
22 industry, from environmental and EJ organizations,
23 academia, and state and local government. And we look
24 forward to the continued collective work in the coming
25 months and years.

1 And I would also like to express deep gratitude
2 to the Vice Chair for his tireless dedication and
3 thoughtful leadership in this area, so thank you.

4 The letter from the Governor and our response are
5 available on our website at the link in the slide.

6 And we would now like to invite some colleagues
7 from sister state agencies to make remark, as well as some
8 of our consultants. We will hear from Jennifer Lucchesi,
9 Director of the Department of Conservation, Carl Paganelli,
10 Deputy Chief in the Department of Industrial Relations
11 Division of Occupational Health and Safety, Cal/OSHA, and
12 CEC Consultants Emily Grubert, Associate Professor of
13 Sustainable Energy Policy at the University of Notre Dame,
14 Josh Lappin, Postdoctoral Research Associate at the
15 University of Notre Dame, Dave Hackett, Stillwater
16 Associates, and Tom O'Connor at ICF.

17 And I will pass it to Jennifer Lucchesi.

18 MS. LUCCHESI: Good morning, Vice Chair Gunda and
19 Commissioners. My name is Jennifer Lucchesi. I'm the
20 Director of the Department of Conservation. Thank you for
21 the opportunity to speak with you today.

22 CalGEM, the state's upstream oil and gas
23 regulator, is organized within the Department of
24 Conservation. My Conservation and CalGEM Team and I work
25 closely with Vice Chair Gunda and his team to ground truth

1 certain assertions and assumptions relating to the upstream
2 segment of the oil and gas supply and transportation
3 ecosystem, listen and seek to understand the perspectives
4 and lived experiences of our stakeholders and communities,
5 and to help inform the Vice Chair's analysis and
6 recommendations.

7 It is an understatement to say that the Vice
8 Chair and his incredible team understood the assignment.
9 The Vice Chair delivered an extremely thoughtful, concise,
10 and comprehensive summary of where we are at in this mid-
11 transition phase of our energy evolution, the challenges
12 this uniquely complex phase presents, and the opportunities
13 to advance our energy and climate goals through
14 prioritizing the consumer while also protecting public
15 health and safety and the environment.

16 The Vice Chair's letter reflects thousands of
17 hours of work, not just in research and analysis, but
18 importantly, of meaningful engagement with many, many
19 voices heard. His approach to gathering facts, analyzing
20 data, examining assumptions, and learning from and
21 collaborating with academic experts, state government
22 leaders, industry, communities, local government, labor,
23 and environmental protection and environmental justice
24 advocates by creating a safe space to share and learn with
25 curiosity was foundational to this effort.

1 In my over 25 years of public service, I've never
2 experienced such an inclusive and collaborative effort over
3 such a compacted time frame that has resulted in a
4 deliverable subject as complex, significant, and urgent as
5 this one.

6 This is obviously just the beginning of our work
7 in this mid-transition phase, and there are a lot of
8 significant conversations to be had and decisions to be
9 made. Because of the Herculean work of the Vice Chair and
10 his team, we now have a solid foundation to build on this
11 unique opportunity to uplift and exemplify California's
12 climate leadership by meeting the energy needs of the state
13 through this transition, prioritizing the consumer, and
14 protecting public health and safety and the environment,
15 while also keeping our workers and our underserved
16 communities in the forefront of our minds who are
17 collectively on the front lines of our energy policies.

18 As both a colleague and a Californian, I'm
19 extremely grateful for the leadership of the Vice Chair,
20 Theresa, Jeremy, Aria, and the entire Energy Commission
21 team for their collaboration and their commitment to the
22 future of California.

23 Thank you so much, and I'm happy to answer any
24 questions that you might have.

25 MS. BADIE: Carl, your line is open if you'd like

1 to begin.

2 MR. PAGANELLI: Good morning, Vice Chair and the
3 Commissioners. I'm Carl Paganelli, a Deputy Chief at
4 Cal/OSHA in the Department of Industrial Relations. We
5 enforce worker safety and health laws at refineries, oil
6 fields, and most workplaces in California.

7 Cal/OSHA supports Vice Chair Gunda's
8 recommendations on ways to ensure that California refinery
9 workers have safe and healthy places of employment during
10 the state's transition away from petroleum fuels. Thank
11 you and your staff for engaging with a wide variety of
12 stakeholders in the process and listening to all of our
13 perspectives.

14 Thank you.

15 MS. BADIE: Thank you.

16 And Emily, your line should be open.

17 MS. GRUBERT: Thank you so much. Thank you for
18 giving me a little bit of time to speak. Emily Grubert.
19 I'm a consultant for CEC and a professor at Notre Dame. I
20 spend most of my academic time working on these mid-
21 transition issues and really trying to understand what it
22 means to effectively transition to the kinds of climate and
23 justice futures that we need to. And I'd really like to
24 commend the Vice Chair and everybody who's been engaged in
25 this process for taking this so seriously.

1 I think one of the things that I would just like
2 to really emphasize about this process and how important
3 this is from my perspective, both on a national scale and,
4 actually, on an international one as well, is how critical
5 it is to be really thinking about what to do in one of
6 these situations. The fact that we know that because we
7 have aging facilities, a climate crisis, an environmental
8 justice crisis in many cases, that we actually do need to
9 see these facilities transitioning really points to the
10 fact that policies to support that transition and really to
11 support people as we get through that transition are so
12 critical.

13 In this situation, we see that a lot of private
14 decisions are being made that do threaten the stability of
15 California's transportation service provision and really
16 recognizing that having a policy is not only unusual, but
17 actually something that many places don't even see as a
18 requirement at this point, I think really underscores again
19 how important this process has been for California.

20 Thinking about what it's going to look like to
21 move, again, aging infrastructure that nonetheless remains
22 really critical for the way that people experience services
23 and are dependent on for a bit more while we really
24 transition to a new future, I think really gives us an
25 opportunity to think carefully about protecting communities

1 that host these infrastructures, workers at these
2 facilities, and basically everybody that uses these
3 services.

4 So, again, just really commending everybody
5 involved for this process and emphasizing how critical it
6 is that this is something that we plan and something that
7 we understand very, very deeply rather than letting it
8 proceed in a chaotic way. So thank you again for the
9 opportunity to be here and for all of your work.

10 MS. BADIE: Joshua, your line is open. You may
11 begin.

12 MR. LAPPEN: Thank you. Thank you for having me.

13 I wanted to say first that it's been an honor to
14 work with Vice Chair Gunda, Dr. Keates, and the entire
15 Extended Energy Commission team. They've been models of
16 curiosity, honest dealing, and extremely hard work, and it
17 is only with this type of commitment to get into the bottom
18 of these very tangled problems that we can proceed through
19 this trickiest point in the energy transition.

20 I want to quickly co-sign everything that Dr.
21 Grubert said. Likewise, thinking through these challenges
22 of transition is my day job. My specialty here is in the
23 dynamics and structure of historical transitions, seeking
24 to identify lessons that can help the state avoid pitfalls
25 as it seeks a path through what Dr. Grubert has termed the

1 mid-transition.

2 As longstanding network infrastructures shrink,
3 they necessarily become more and more fragile over time,
4 and the core challenge for concerned policy makers is
5 preventing that necessary fragility from coming to threaten
6 safety and reliability.

7 A few observations from other transitions that I
8 wanted to highlight here.

9 First, unsuccessful transitions elsewhere have
10 shown us that policy responses that provide unstructured
11 new investments to declining industries can sometimes risk
12 becoming an obstacle to transition itself, and this is a
13 serious risk because it prolongs the period of greatest
14 fragility and exposes vulnerable members of the public and
15 workers to prolonged economic uncertainty and threats to
16 health and safety.

17 Second, unsuccessful or high-cost transitions
18 elsewhere have shown us that transition shocks can be both
19 physically and politically dangerous. Establishing policy
20 frameworks in advance can help prevent crisis-driven
21 decision making that can otherwise prolong the risky
22 conditions that the state faces.

23 And third, many modern transitions end in
24 bankruptcy, and bankruptcies pose a serious threat to
25 safety, reliability, workers, and a major cost to the

1 public. And in bankruptcy or any rescue of a potential
2 bankruptcy, longstanding liabilities like pensions and
3 environmental remediation are often offloaded onto the
4 public. Successful transitions elsewhere have avoided this
5 risk by establishing off-ramps ahead of time for asset
6 holders who are no longer equipped to meet future
7 liabilities.

8 I wanted to say in closing that the state faces
9 real risks but also huge opportunities to strengthen
10 health, safety, justice, and the economy by completing its
11 energy transition in a managed fashion. That will require
12 new forms and practices of state management, so the type of
13 proactive planning that's happening here is really crucial.

14 Thank you.

15 MS. BADIE: Next, we'll hear from Dave Hackett.

16 MR. HACKETT: Hi, good morning. Stillwater
17 Associates' relationship with the California Energy
18 Commission goes back 25 years, starting when we wrote the
19 first Strategic Fuel Reserve Study. We've done work for
20 CEC off and on ever since.

21 I very much appreciate being able to observe the
22 roundtable sessions that the Vice Chair led. I'll admit to
23 being skeptical about the chance of meaningful progress,
24 but I was quite impressed with the willingness of the very
25 diverse group of participants to talk through issues and

1 reach for common ground.

2 One of the things that was reinforced during the
3 process was that refiners are leaving the state because
4 they perceive that the regulatory, political, and legal
5 risks outweigh their financial forecasts. They're
6 unwilling to invest in their businesses here because they
7 could get better returns on their investments outside of
8 California.

9 Behind the strategies and recommendations are
10 specific action steps that must be progressed. Many of
11 these are in the Vice Chair's letter. This effort has
12 momentum that must be maintained by taking the action steps
13 that reduce the risks that market participants face. We
14 recommend adopting a strong results-oriented project
15 management approach to generate the deliverables with clear
16 milestones and delivery dates.

17 Thank you.

18 MS. BADIE: Thank you.

19 Also, we've got Tom O'Connor.

20 MR. O'CONNOR: Okay. There we go. Good morning,
21 everyone. I also will echo some of the things everyone
22 else has said here.

23 I've been incredibly impressed with the
24 organization of the effort and the collaboration that was
25 achieved among a diverse group of stakeholders. The Vice

1 Chair has shown great leadership, and I've been very
2 privileged to work with him and his team. And I think as
3 the Vice Chair would likely say, this is not a response to
4 a letter, it's a path forward to what Californians want to
5 achieve. And it's going to be a continuous and probably
6 rocky process, but everyone is committed to move forward.

7 For me, the slide that Theresa showed, which
8 showed 30 percent or so gasoline imports required to meet
9 regional demands, is one of the most compelling issues that
10 are being faced. The seven refineries that will remain at
11 the end of 2026 or in the summer of 2026 are going to need
12 to be supplemented by at least a cargo of gasoline per day
13 into the state of California to meet California demands
14 along with Arizona and Nevada demands. There are several
15 levels of concerns about this.

16 One, access to that much gasoline on the global
17 market is going to involve long and expensive supply chains
18 with geopolitical risk that you wouldn't have if it was in
19 California.

20 Number two, the ability to receive, blend, and
21 distribute the fuel is limited in California and logistics
22 investments are also likely going to be needed.

23 Three, operational reliability needs to be
24 improved for a more stable baseline gasoline supply, and
25 this may also need investment.

1 So it goes back to the key point Theresa made
2 about trying to generate confidence in investing in the
3 state of California and in the refining and logistics
4 industry to meet the demands. Without actions, there will
5 be even more price volatility and supply shortages could
6 occur which are going to impact the poorest citizens in the
7 state the most, which you heard from many of the folks who
8 spoke today.

9 The refining and fuel supply industry is in
10 business to make a return on their investments in
11 California. They see, as Dave just pointed out, the
12 regulatory outlook as punitive and that has driven several
13 refineries to announce closures.

14 The folks I work with at ICF have done a lot of
15 planning around the possible timing of refinery closures to
16 align with different demand scenarios on reduced gasoline
17 demands and ZEV growth. However, for all the planning, ZEV
18 growth is in the hands of the California consumers, many of
19 whom are struggling financially, and we don't want to make
20 that worse.

21 Secondly, refineries are seeing better return
22 outlooks in other markets and are leaving the state more
23 quickly than anticipated. This dichotomy has created
24 gasoline price and supply volatility and the
25 recommendations in the Vice Chair letter, which I strongly

1 support, are essential to be implemented so this scenario
2 can be mitigated to allow more time for the transition to
3 move forward. It may or may not be enough to stop the
4 refiners from closing, but without some intervention to
5 both sustain refinery engagement and increase imports, the
6 transition will be more painful than it could be.

7 The roundtable's initiatives will not make
8 everyone happy. However, the cost of inaction will be far
9 greater on the public overall.

10 And thank you for the opportunity, Vice Chair,
11 and your awesome team.

12 MS. KEATES: Thank you so much, everyone. That
13 concludes our presentation, and I will turn it back over to
14 Mona.

15 MS. BADIE: Thank you. I'd like to make a brief
16 statement.

17 The CEC is here to receive public comment and
18 engage in discussion and discuss Commission business. CEC
19 always requests that discourse and comments remain civil
20 and relevant to the matter at issue. And I also want to
21 state on the record that CEC stands against hate and hate-
22 based statements.

23 And now I'd like to turn it over to the dais.

24 VICE CHAIR GUNDA: Thank you, Mona. And I also
25 want to just make sure that I, you know, just restate that.

1 And then kind of, you know, one of the most important parts
2 of public process is procedural equity. People have an
3 opportunity to speak their voice and make their concerns
4 and suggestions known. But I don't think it's a place
5 where we could allow any sort of hate, any sort of stigma.

6 So I just, you know, want to make sure that those
7 who are listening just know that this is not a playground.
8 This is not a place where you impact people because you
9 think it's fun or you just don't understand the decorum and
10 the decency of human existence. So I just want to make
11 sure that we firmly push back on any such comments and move
12 forward with love, dignity, and respect to each other.

13 And with that, I just want to open by saying how
14 grateful I am for the team that presented today. I'm sure
15 blessed to have Theresa in the role that she is in. Thank
16 you for the amazing presentation.

17 And Jeremy, thank you for two years of slog on
18 this issue in every shape or form. And for those of you
19 who like the miniatures, the graphics, it's hours and hours
20 that Jeremy spends on making those, you know, little design
21 changes so everybody understands, you know, the complexity
22 of the system.

23 I also want to just make sure I thank Aria who
24 has been with us, with our office, for two years, and her
25 core focus, you know, for the two years has been petroleum,

1 and hours and hours of dedication, blood, and sweat in this
2 area.

3 So, you know, I just want to thank them first for
4 the presentation, but I want to go to the dais for any
5 comments, questions, and I'll close off with my comments.

6 COMMISSIONER SKINNER: Thank you, Vice Chair.

7 I want to thank everyone who shared their
8 thoughts in the public comment, those who did it virtually,
9 and also those of you in the room, and our brothers and
10 sisters in the trades and labor for being here personally
11 and sharing those thoughts.

12 Your comments are going to underscore my next
13 point, which is to express my appreciation, as all of you
14 did, for the Vice Chair, for the stakeholder process that
15 he engaged in and led, and especially for those staff that
16 supported him, Theresa, Jeremy, Aria, as he mentioned.

17 And I learned in the midst of this that, Theresa,
18 it is you who identified the excellent researchers from
19 Notre Dame who had that -- who had been studying these
20 concepts of -- not concepts, but these real transitions
21 that can have these kind of disruptive impacts and was
22 clearly very beneficial to the work.

23 And I want to thank also the input from the
24 cross-agency Petroleum Strategy Task Force, so all the
25 different agencies that worked on it. And I can't even

1 imagine, I've heard some, but about the hours that were
2 spent in constructing this. The task was not easy, and you
3 all handled it with aplomb.

4 The analysis that underpins the contents of the
5 letter that the Vice Chair, that we're dealing with that's
6 the point of this information item, that the Vice Chair
7 gave to the Governor on June 27th, that analysis
8 underpinning the contents and the resulting recommendations
9 are just masterful. They truly reflect not only the goals
10 of SB X1-2, which I'll get into in a minute, and AB X2-1,
11 but they also stay true to California's clean air, climate,
12 and clean energy goals, and our economic goals and desires.

13 We are, as many folks have reminded us, the
14 fourth largest economy in the world, and that is no
15 accident. And, yes, we do have high standards. We have
16 high labor standards to protect workers and communities.
17 We have high environmental standards, again, to protect all
18 of us. And we have high other standards that make it more
19 expensive to produce products in California, yes. And so
20 it is incumbent upon us, because we believe in those
21 standards, to make sure that the industries and all the
22 business activities in our community that we expect to meet
23 those standards, that they know we have their back.

24 And so as the author, some of you may think,
25 well, Skinner, look at your history, yes, I have been the

1 author of many of the laws that have set those standards.
2 So I was a lead author on SB X1-2, and the co on AB X2-1
3 that established our Department of Petroleum Market
4 Oversight, with the focus on protecting California
5 consumers against unreasonable gasoline price spikes. But
6 the focus of those bills was not to drive our refineries
7 out of the state.

8 Now, I know that some of my friends in WSPA, for
9 example, the Western States Petroleum organization, might
10 think differently, might think that really that was our
11 intention. But just a little slight deviation here.

12 When I first got into the assembly, I represented
13 most of the refinery areas, Chevron Refinery, for example,
14 in Richmond was in my district. And they had a proposal
15 that they introduced in 2005 to greatly increase the
16 capacity, the refinery capacity, to add 300,000 gallons a
17 day, which, of course, right now would be beneficial. But
18 there were various organizations that fought them and went
19 to court. And this court case was dragging on when I got
20 elected. And it was putting the refinery in jeopardy,
21 which meant the jobs, which meant the gasoline that we rely
22 on, various other things.

23 So I engaged with then Attorney General Brown,
24 Jerry Brown, to do our best to get a settlement in that so
25 that we could retain that refinery, retain those jobs, and

1 retain it knowing that all of the refined product made in
2 California is cleaner, has less air pollution, and is more
3 protective than any product that we're going to get from
4 elsewhere. And you know, pollution knows no geographic
5 bounds. So to think that product from somewhere else is
6 going to be better for us environmentally, it just isn't.

7 So, you know, I also had a history in trying to
8 retain steel and cement production. Steel, cement,
9 refinery, those are all the highest carbon you can ask for.
10 And yet we're dependent on them. And so they're cleaner
11 here. They're better here. Yes, a little more expensive,
12 but better. So we have to do our best to retain those.

13 Now back to this letter.

14 So the two bills that I mentioned, and I'm very
15 involved in, provided the CEC new tools, which enabled the
16 CEC to take action if necessary to protect against these
17 unreasonable price strikes. But those were also within the
18 context of the CEC's mandate, and the legislature's
19 mandate, too, to ensure a reliable, affordable, and safe
20 transportation fuel supply. So even before those bills,
21 the CEC was responsible for doing the projections of
22 transportation fuel need, and whether we had the adequate
23 supply to do that.

24 So, yes, the price spikes that we experienced in
25 2022, they were real. There's no denying that. And it was

1 legitimate to act to protect our consumers. But in those
2 bills were guardrails to ensure that any action that was
3 taken did not have unintended consequences that might, for
4 example, jeopardize refinery worker safety, jeopardize the
5 safety of adjacent communities, or cause unintended gas
6 price increases. We're, of course, trying to protect
7 against those.

8 And what I note is that the CEC, the Vice Chair's
9 letter, on the recommendations that are articulated stayed
10 true to that legislative purpose, which is to protect
11 California not only against the gas price spikes, but to
12 ensure that access to reliable transportation fuels as we
13 are in this transition to a clean energy, non-fossil
14 future. And it is clear from my background that I am very
15 committed to that clean energy and non-fossil fuel future,
16 as are those who spoke today, and as obviously the
17 Commission.

18 Transitions have to be planned carefully, which
19 was obviously articulated in the letter. And with the
20 improvements in fuel efficiency that our vehicles have
21 undergone over, you know, the last couple decades, and the
22 increase in EV adoption, vehicles on California roads are
23 using less gasoline, as was shown. And that trend is going
24 to continue. And, of course, on the natural, that's going
25 to have impacts on our refining industry. But it is still

1 an industry that we need to rely on, as I mentioned.

2 So the recommendations, well, basically, what I
3 wanted to say is that it is not contradictory to prioritize
4 retaining industrial capacity for our environmental and
5 climate goals. It is not contradictory. And it, in fact,
6 is essential if we want to meet those goals.

7 So I just wanted to lastly say that the
8 recommendations, as I opened with, are masterful, as is the
9 analysis underpinning the letter. And they do not back off
10 either SB X1-2 or AB X2-1, nor are they backing off the
11 goals I've mentioned, clean air, climate protection,
12 economic. And they reflect the very mandate that the
13 legislation gave to the CEC. They are also focused on
14 appropriately managing our clean fuels transition to
15 minimize the most abrupt and disruptive impacts.

16 So I look forward to the opportunity where we get
17 to vote on those we, the CEC, on those parts that are
18 within our discretion. And as I am not in the legislature
19 now, I look forward to when the legislature votes on those
20 aspects that they must address and adjust. And I'm very,
21 very thankful to everyone who is engaged in the development
22 of this. And I look forward to this continued
23 collaborative work.

24 VICE CHAIR GUNDA: Commissioner McAllister?

25 COMMISSIONER MCALLISTER: Thank you, Vice Chair.

1 I'll be much briefer.

2 I want to just thank everyone who spoke for
3 bringing their really, I think, very well grounded and
4 sincere perspectives to this, rooted in their own
5 experience. I think that was a great representation of how
6 important this process is.

7 And I would just pile on to the gratitude of the
8 Vice Chair. I don't know that I've ever met anyone who is
9 so -- who balances and exemplifies so well so many positive
10 qualities, certainly as a public servant, but also as a
11 person. And I think that humanity is really what comes
12 through in his management of, you know, your management of
13 that process. And just really being respectful in every
14 moment and fact-based and just really digging in as deep as
15 was necessary to get to the core issues and then elucidate
16 the solution, bring people in to try to find solutions and
17 elucidate those in a letter, I think that process was done,
18 I think masterful is the word. So thank you, Commissioner
19 Skinner.

20 I am hesitant to say too much about this because
21 I'm like flanked by the two people who are probably most
22 knowledgeable in the state about this issue at this point,
23 but who have been most active for longest, and certainly on
24 behalf of the Commission, but far beyond that.

25 I did want to just, so in terms of just the hard

1 work and just groundedness analytical expertise and process
2 focus, I just, a real thank you, Vice Chair Ginda, I really
3 appreciate that.

4 And the lessons have really, that I've gotten
5 along the way from Jeremy primarily, but Theresa and the
6 rest of the staff have, I think, highlighted the reality of
7 the lack of sleep and the long days and long months and
8 years on this issue. And it's a hugely important issue for
9 the state, as I think everyone knows and has said.

10 I wanted to just kind of put this in a little bit
11 even broader context. You know, this is -- so I -- you
12 know, as everyone knows, our gasoline consumption is going
13 to decrease over time. I mean, that's a fact of the
14 transition. And that means that if you're an owner of a
15 infrastructure that's sort of going to decline as a result
16 of that, you know, decline in consumption, you have a hard
17 kind of narrative to give to your shareholders and your
18 community. And so I think acknowledging those realities
19 and that, you know, there are hard choices that have to be
20 made by private actors and by the public sector and by
21 everyone, all the stakeholders, and that do impact jobs and
22 communities and our economy at large, a big part of our
23 economy, this is one example of that.

24 So this is a big one and it's complicated, and
25 everybody, I think, has highlighted how complicated it is.

1 And really, it's key to be at the table with everybody
2 who's necessary, forging solutions, you know, with respect,
3 with seriousness, with perseverance, and really form
4 solutions that in a long-term planning, you know, framework
5 and really be intentional about the potential downsides,
6 upsides, really work through everything and focus on that
7 for the long-term. And so I think this is really, while
8 it's the result of a long process and a ton of work, it's
9 really just the commencement of a process to find and
10 implement those solutions, really, over the next decades,
11 years and decades.

12 And I think, you know, we're -- there are a bunch
13 of other topics that are interrelated that the legislature
14 embraced this year, you know, on housing, on, you know,
15 affordability generally, you know, across the board really
16 and, you know, the role of local government versus the
17 state, lots of big issues like that. Each of those issues
18 is going to need, you know, a commensurate effort to figure
19 out how to really walk forward and solve these problems
20 together and minimize the downsides and really enhance the
21 upsides. And the upsides are big over time; right? We're
22 going to end up with a much, much better state with
23 healthier people, a more thriving economy, even larger,
24 maybe we'll be third. And I guess we can't be first
25 because we'll never be bigger than the U.S.

1 But, you know, but I want to just sort of talk
2 about this more broadly, like this is a serious effort
3 within a whole nested group of big efforts that all
4 together make up California's transition. And I hope and
5 pray that we have sort of the perseverance and the public
6 servants that we need, sort of clone Vice Chair Gunda and
7 Commissioner Skinner and other responsible public servants,
8 and there are many, but we're going to go on to get to
9 where we need to go in the coming decades.

10 So I'm super optimistic, actually, that we can
11 make it all work and fit together, but we're going to rely
12 on all of you and your sort of counterparts in other
13 arenas, you know, everybody who participated in this
14 process. So it's a big -- it takes much more than a
15 village. I think in this case, it takes the whole state.
16 So it's really inspiring, actually, to see this example and
17 to get to where we are.

18 So I just want to, again, just thank the Vice
19 Chair and the team here at the CEC and our sister agencies
20 and all the partners across the state, because it really
21 matters and you all deserve a lot of credit, so thank you.

22 COMMISSIONER GALLARDO: Buenas tardes. Good
23 afternoon, everybody.

24 I'll just say ditto in terms of the gratitude to
25 the commenters, all the participants who went through this

1 process, the leadership of Vice Chair Gunda and his team
2 with Theresa at the forefront.

3 I wanted to make a couple of comments and I do
4 have a question, maybe two.

5 First, one of the main themes that I heard
6 through the comments is that this letter is not just a
7 response to the Governor, but a framework that has been
8 created for climate policy and when that could be a model
9 because it's based on data, focused on planning, inclusive
10 of diverse perspectives. So I want to celebrate that and
11 uplift that we've got a framework here we can really work
12 with.

13 One of the other comments was about having a
14 thoughtful transition. I really appreciated seeing the
15 phases of the transition. I think that's really helpful to
16 help us grasp where we're at and where we need to go. And
17 it's more like an evolution, right, that requires time
18 versus it being an immediate shift. And so that need to
19 plan before closing the refineries I think is really
20 important.

21 I'm part of the Green Empowerment Zone that's
22 happening in Solano and Contra Costa counties, trying to
23 work cohesively with the local governments, trades, unions,
24 and others to figure out how can we ensure that people
25 don't get left behind, that they don't fall through the

1 cracks if there is a transition from a fossil fuel-based
2 economy to a clean energy economy. So I think this falls
3 in line with the work that you're leading, Vice Chair, and
4 maybe we can talk about some of the additional needs
5 regarding this type of effort as the Green Empowerment Zone
6 is presenting.

7 And then in terms of my questions, I really
8 appreciated the group getting together, these, you know,
9 diverse perspectives, diverse voices, and I'm wondering if
10 that group is going to continue meeting. And if it is
11 going to continue meeting, I am curious if there are any
12 health experts that are part of the group. Because what
13 one of the things that resonates for me is I know there's
14 costs of gas on daily lives. I know there's costs of the
15 loss of jobs to workers that impact their families, as
16 well. But there's also the cost of health in terms of
17 medical bills for the pollution that is caused by these
18 fossil fuel-based resources. So I'm just curious if we
19 could also get that perspective in there if it's not
20 already there?

21 MS. KEATES: Thank you, Commissioner, for your
22 kind words. We are absolutely not done.

23 COMMISSIONER GALLARDO: No.

24 MS. KEATES: So a lot of this engagement has only
25 just started and continues. And as you pointed out, the

1 public health pillar is one of those key pieces. And we
2 would not be here, where we are today, without all these
3 various perspectives that have been offered so far and will
4 continue to be. And I think the health piece is a critical
5 part. We will continue to emphasize, uplift, and collect
6 the expertise. We do not have all the answers, and we need
7 to all work collectively and gather that expertise.

8 VICE CHAIR GUNDA: Thank you, Commissioner.

9 Just on that one, in the preliminary process,
10 CARB has been in the room. So CARB has been both our ear
11 and help and perspectives to begin with. And one of the
12 suggestions from the core group that worked on the letter
13 is to expand as we move into the implementation phases of
14 this work.

15 COMMISSIONER GALLARDO: Excellent. Thank you.

16 VICE CHAIR GUNDA: Thank you.

17 So I guess we might do another item before we go
18 to lunch, but I just wanted to make sure I close this item.
19 I don't know. I have a lot of notes that I wanted to
20 share, but I feel like so much has been said that I wanted
21 to cover in much more accurate and thoughtful manners, I'm
22 not going to repeat the essence of a lot of comments that
23 have been made, but I think I just wanted to maybe identify
24 three pieces.

25 Just on the, you know, the -- you know, Theresa

1 did a masterful job of kind of going through the letter,
2 so, you know, the kind of problem statement, the method,
3 and the recommendations are laid out for the Commission for
4 a future meeting. You know, I think we'll come back to the
5 Commission with some recommendations for adoption as
6 quickly as we can, because we do want to move through the
7 uncertainty phase as quickly as we can.

8 I think the first bucket of what I want to share
9 is just an absolute sincere gratitude to each and
10 everybody. I personally feel incredibly blessed to have
11 the friends, the colleagues, and the family that inspires
12 the way we work and the way our office approaches this.
13 You know, it's a reflection of friendships with a lot of
14 stakeholders who are in this room today, the way they
15 conduct themselves, the way they choose to do the right
16 thing, the way they help us do the right thing.

17 So I just want to say I feel blessed to have, you
18 know, the friends and colleagues we have that inspire the
19 work we do. You know, because of the roundtables, we try
20 to keep it as confidential in terms of, you know, being at
21 a closed door in respect that. But I do want to just thank
22 a couple people.

23 I want to thank Mario, City Manager from Benicia,
24 you know, the way he mentioned, you know -- sorry for
25 calling you at nine o'clock on Saturday, asking if you had

1 an idea with the problem that we were dealing with, and
2 thank you for taking the call in the middle of dinner with
3 your kids and helping us walk through that. Those are the
4 moments that inspired confidence for me that we're in this
5 together. And thank you, Mario, for all the work you've
6 done.

7 I had a long relationship with Cathy, you know,
8 from WSPA over the last two and a half to three years. Our
9 perspectives come from the people that we represent
10 sometimes, but I believe I can say genuinely that she's a
11 friend. She's a colleague who works different approaches,
12 different perspectives, but at the end of the day, we work
13 together to make a common solution happen.

14 Dan was in the room. Dan, thank you for your
15 article that you just wrote. And, you know, for you to
16 kind of say how your stomach turns when you have to think
17 about from your perspective what we need to do to the
18 transition, but having the courage to be in the room,
19 having the courage to inspire and be an ambassador for the
20 colleagues who trust you.

21 So, Tim and Katelyn, thank you so much.

22 And my secret card has always been Connie. I
23 just want to say, Connie, thank you for years of
24 engagement, you, Julia, a number of people that have worked
25 with Hannan, Mike Smith from the labor colleagues. You

1 know, it's just an amazing learning opportunity to be in
2 these roles, to kind of walk away and say we've done
3 something good for the public.

4 So I just really want to close out by saying what
5 we do, you know, like I kind of, I jokingly say that this
6 is truly how I feel, I'm a proud B+, not because I don't
7 want to be better than a B+, but, you know, that's what's
8 the God-given intelligence I have. We can do an A+ job
9 when we work together and we honor the wisdom of the
10 process. And that's something that I learned from
11 Commissioner McAllister, who always talks about the wisdom
12 of the process. The more people who work together, the
13 more openly we work together, the better we do things. So
14 I just want to say thank you for that perspective.

15 A (indiscernible) thanks to our internal team who
16 stakeholders don't see, you know, that day in and day out.
17 Just to Drew, Drew has been on this issue for three years
18 now, and for those people who do not know, what Drew does
19 is magic behind the scenes to make all this go and make all
20 this work. The funding, the people, and the long times
21 when I have a moral lack of clarity and strength, and I
22 call him and I say, I'm struggling, and he's says, this is
23 your job, be brave. So thank you for doing that, and David
24 Hochschild, you know, the Chair, and all the people that
25 Drew represents.

1 I also want to say thanks to Chad and the Chief
2 Counsel's Office who have been incredible in this process.
3 The enormous number of hours, middle of the day, middle of
4 the night, all of it. You know, Chad has little kids and
5 shows up. So, Chad, thank you, and then all the people
6 that you represent along with Lisa and Sanjay.

7 I want to thank Comms. Nikki is here. The job
8 that we do is messaging honestly what we think is
9 happening. It doesn't happen without being able to do this
10 work in a meaningful and being able to communicate. So,
11 Nikki, to you and all the people that you represent.

12 And lastly, Jeremy, blessing, absolute blessing
13 for the last two years. I didn't know how to implement the
14 data products that you asked us to do. It's over 10,000
15 hours, I think it's doubled up now, maybe 20,000 hours that
16 the staff have spent over the last two and a half years
17 collecting data. And it would not happen without, you
18 know, persistence in quality and persistent analysis that
19 you represent and all the staff that you bring along.

20 And just, Lisa, Aria, I can't do this without
21 you. Thank you.

22 I want to kind of move from there to like just
23 our external colleagues. We had Jen Lucchesi, the director
24 from DOC speak. We had Carl Paganelli. We also had Leanne
25 Randolph, Jay Randolph, who was in all the meetings. Just

1 a big gratitude.

2 Again, the common theme here is like people who
3 are willing to trust and have the courage to come together
4 to have difficult conversations. And each one of you
5 inspire that. And, you know, Jen, I know you worked on a
6 lot of different controversial, difficult things, but you
7 are an absolute rock star in making people talk to each
8 other and bring the kindness. So thank you for being a
9 part of the conversation.

10 And for those of you who have been in the
11 meetings, you know, Tim, you've, you know, conversations we
12 had with you, just a stroke of thanks.

13 And finally, our state agencies. Thanks to
14 Secretaries Crowfoot and Garcia. They've been leading the
15 cross-agency Task Force, which comprises of 13 agencies,
16 including our own DPMO, and we have Lands Commission, we
17 have Coastal Commission, we have a (indiscernible) show.
18 We all sat down many, many times to pressure test some of
19 the issues and assumptions, and just the amount of work
20 that they had to do going beyond their, quote, unquote, "PY
21 availability." And they were just working with us on this
22 issue as a side project, so big thanks.

23 And also to the Governor. I would not be here
24 without him putting me in this job. You know, I'm really
25 nobody. I was staff, an immigrant, didn't have a lot of

1 things. You know, for whatever reason, he put us in this
2 job and asked us to, you know, lead this work. I just want
3 to say a big thanks to the Governor for always trusting and
4 supporting the work that we do as an office.

5 And with, you know, gratitude for the process, I
6 just wanted to kind of close on a personal note. I think,
7 you know, public servants, I hope that our work could
8 provide a voice for those who are powerless and who need to
9 be at the table. And we take the time and have the courage
10 to bring them into the and give them the voice they need.

11 These are challenging times, a lot of uncertainties.

12 Without the love and respect and trust we can show each
13 other, we cannot move forward. And I just hope that we
14 continue to do that.

15 I'm a father of a six- and nine-year-old, you
16 know, and I stare at this every morning when I kiss their
17 faces, the places that they are growing into, whether it's
18 economic, social, or environmental. It's deeply, deeply
19 personal to me that I want a good world for my kids. So I
20 wake up in the morning thinking we need to do this. And I
21 feel this fear, this fear that we might leave each other
22 behind, that we don't fight for each other, that we don't
23 work for each other. I feel this fear.

24 When we go through these tough processes and work
25 we do, I also feel this incredible belief deep in my heart

1 that we are in a world that when there is a sincere ask for
2 help, and when there is a place of love and togetherness,
3 we can solve anything. We can absolutely solve anything.

4 So I want to thank all the stakeholders, all of
5 them who, you know, opened their hearts with trust to solve
6 problems, have these difficult conversations. You know,
7 let's do this. Let's kind of continue our work together.
8 And as we solve for the industry and the mid-transition,
9 let us not leave the communities behind, the workers
10 behind, and let's make that priority and commitment to each
11 other that we are going to take care of all Californians
12 and set a model for the nation and set a model for the
13 world. If we do it well, the rest of the world would be
14 inspired. I don't like to tell people what to do. I like
15 to be an example that people are inspired by.

16 So thank you and look forward to future
17 conversations. Thank you.

18 It was supposed to be the first item. We've
19 spent a solid three hours on that item. So I just wanted
20 to ask, are we going to do another item or take a break? I
21 think we'll take another item.

22 And for the (indiscernible) staff, thank you, and
23 we'll talk to you all soon again.

24 So, again, with that, let's go to the next item,
25 DWR. Thank you.

1 Delphine, this is your chance to go as fast as
2 you want.

3 MS. HOU: Absolutely. I know I am the only thing
4 standing between you all and lunch. So it's been an
5 exciting morning. Thank you so much, Vice Chair,
6 Commissioners. But thank you for allowing us to go ahead.
7 We also have our colleagues from the PUC and the CAISO on
8 the line, and I must make my presentation in their
9 presence, as well, so I appreciate you seeing us sooner.
10 So good morning.

11 My name is Delphine Hou, Deputy Director for
12 Statewide Energy. I'm here to provide an update on the
13 Electricity Supply Strategic Reliability Reserve Program.

14 Next slide, please.

15 DWR's program, the SRRP, is one part of the
16 Strategic Reliability Reserve that the state has. The CEC
17 oversees two of those programs. But we'll be presenting
18 from the DWR's perspective on the SRRP. That was created
19 to act as an insurance policy to safeguard the electricity
20 grid against those very extreme combined events such as
21 wildfires, heat events, droughts, all those things that
22 have been brought to us by climate change. And hopefully
23 this helps support California transition to a clean energy
24 future.

25 Next slide, please.

1 So we're here to provide our mandatory quarterly
2 update. Today's our 12th presentation. I'd like to also
3 thank, I think we have also the PUC and the CAISO
4 representatives. I think they were supposed to be promoted
5 as panelists, so thank you very much for that. And we are
6 expected to be coming back in the fourth quarter of this
7 year for our next presentation.

8 Next slide, please.

9 So as I've presented before, we have these sort
10 of five distinct projects, extending the life of retiring
11 facilities, new temporary generation, zero-emission fuel
12 technology, storage resources, as well as imports.

13 But going on to the next slide, this gives you an
14 idea of the portfolio that we've had since 2022. We're
15 moving now into '25, probably, I think, also for '26. It's
16 going to be fairly steady state at that about 3,000
17 megawatts. And it's important to note that all the
18 resources that are in the SRRP are default off, except when
19 called upon for extreme events or required maintenance and
20 testing. And for the short start units, they only respond
21 automatically to the energy emergency alert watches and
22 hire from either the California ISO or other major
23 California balancing authorities.

24 Currently, DWR does not have any new resources
25 under contract, but we remain open to the opportunities.

1 We, like the rest of the industry, are looking at increased
2 costs, lack of interconnection, high demand for non-
3 emitting technologies, and of course, now these new
4 challenges around tariffs and new legislation. So it has
5 been a challenge, but we remain open, though we also want
6 to be careful that we don't compete with facilities that
7 are already under discussion by the load serving entities.
8 So we want to make sure that we're additive to the
9 discussion and not taking away opportunities from others.

10 To make it short, I want to thank, again, the
11 collaboration and cooperation we have, as always, with the
12 California Energy Commission, California Public Utilities
13 Commission, and the California Independent System Operator.

14 Thank you.

15 VICE CHAIR GUNDA: Yeah, thank you, Delphine.
16 You know, the reason we'll do this is we just like to see
17 you here. So this is a --

18 MS. HOU: Likewise.

19 VICE CHAIR GUNDA: This is a statutory way of
20 making sure that you come and meet with us.

21 Let me see if Commissioners have any questions,
22 comments, please. Go ahead, Commissioner Skinner.

23 COMMISSIONER SKINNER: Thank you for making the
24 report. I'm glad that it shows that we -- that it shows
25 that we are in good shape with these resources. I, of

1 course, was really happy to see temporary diesel generators
2 down to zero. And I know that we're going to continue to
3 work on trying to move off of them entirely. And, of
4 course, the, you know, the fact that much -- that private
5 individuals or private sector may have them is not fully in
6 DWR's control. But I think the more that -- the more of
7 this work that, obviously, DWR and CEC is doing, of course,
8 and PUC, all of us are doing, then the less people are
9 going to feel the need to have that type of a generator,
10 and because we won't have power outages, as we have not
11 had.

12 So that's our goal. And I really appreciate the
13 presentation.

14 MS. HOU: Thank you, Commissioner Skinner.

15 COMMISSIONER MCALLISTER: Just really thanks,
16 Delphine. I appreciate you and everything DWR is doing.
17 And, you know, we have a lot of irons in the fire in terms
18 of how we're going to, you know, adequate over the coming
19 years. You know, we had -- we've been talking a lot about
20 load flexibility and, you know, trying really our darndest
21 to make that into a resource that can help address
22 reliability and potentially in the future, you know,
23 obviate some of the need for the dirtier resources. But,
24 you know, right now we're in all the above mode.

25 And I really just appreciate you, everything

1 you're doing to implement the reserve program faithfully
2 and diligently. And it's really important, so thanks for
3 the update.

4 MS. HOU: Thank you, Commissioner McAllister.

5 VICE CHAIR GUNDA: Commissioner Gallardo?

6 COMMISSIONER GALLARDO: Yeah, I'll ditto the
7 gratitude, Delphine. And I was just curious, did Cristy
8 and Molly want to comment?

9 MS. SANADA: Well, I'll just add to the thanks
10 and say that, Delphine, we really appreciate all your team
11 does and continues to do to help bolster grid reliability
12 as we make our way through the thick of yet another summer.
13 So thank you very much.

14 MS. HOU: Thank you.

15 MS. STERKEL: Okay, I'll just go and say thank
16 you, Delphine, for giving the presentation.

17 I did appreciate the -- I'll also mention, I
18 appreciate the Energy Commission hosted in May the
19 reliability workshop where we had an opportunity to deep
20 dive into the reliability situation. And I think the
21 outcome from that day, the takeaway from that day was
22 definitely that things are in better shape and we're making
23 steady progress towards increasing the state's capacity
24 availability, which helps us not need, hopefully, the
25 Strategic Reliability Reserve, large resources in the long

1 term. And as Delphine mentioned in her presentation, those
2 are only available to start under certain conditions. And
3 that sounds like we are in good shape, reducing our need
4 for those.

5 Thank you.

6 MS. HOU: Thank you.

7 VICE CHAIR GUNDA: Thank you, Commissioners.

8 And, Delphine, again, thank you to you, but also the team
9 that you represent at DWR. I know there's a lot of work
10 that goes on, and we are not usually thought of when things
11 are going well, so that's a good thing. So this year, even
12 though we're all technical people, we're also a little
13 sentimental. So we'll continue to say this as we are
14 seriously optimistic. That's our agreed upon thing.

15 So I just want to give a big shout out to Molly
16 Sterkel and the team that she represents and the tremendous
17 work that they are doing at BUC.

18 Cristy, you know, a crowd leader, and everybody
19 from CAISO and the leadership that they show, this is a
20 collective effort. We're in this together. You know, I
21 cannot believe that in 2022, where we were. And, you know,
22 it's easy, a couple years go by, and then we forget the
23 incredible hard work that so many staff from all the
24 agencies, but the stakeholders, did to pull together to
25 keep the lights on in California, and the incredible

1 leadership of GO-Biz and the Governor's office as well.

2 So I think it's a collective team. I want to say
3 thank you. We're feeling cautiously optimistic. The role
4 of DWR is very important, not just in the reliability
5 space, but in the broader energy transition space. So I
6 want to say thank you to you for coming up. And so we're
7 hoping that because of how much we like to see you, we'll
8 try to have a mid-quarterly update as soon so we can have
9 more meetings. So thank you all. Thanks for being here.

10 And with that, we'll take a break.

11 Public Advisor, what do you think? What time
12 should we come back? Closed session? We have a closed
13 session item now?

14 EXECUTIVE DIRECTOR BOHAN: We can do closed
15 session now or we can do it later.

16 VICE CHAIR GUNDA: Any preference? We can do it
17 now? Okay. All right, so then we'll give ourselves an
18 hour of lunch. So come back at 1:45.

19 EXECUTIVE DIRECTOR BOHAN: Okay, let me, Vice
20 Chair, let me read --

21 VICE CHAIR GUNDA: Yeah.

22 EXECUTIVE DIRECTOR BOHAN: -- the basis for the
23 closed session.

24 Pursuant to Government Code section 11126(e)(1),
25 the CEC may adjourn to a closed session with its legal

1 counsel to discuss the following pending litigation
2 matters. I'm not going to read the case numbers. They are
3 listed in the published business meeting agenda. Shasta
4 County and Pit River Tribe versus CEC, California Fuels and
5 Convenience Alliance versus CEC, Interlink Products
6 International versus CEC, and CASE versus CEC.

7 In addition, pursuant to Government Code section
8 11126(e), the CEC may also discuss any judicial or
9 administrative proceeding that was formally initiated after
10 this agenda was published or determined whether facts and
11 circumstances exist that warrant the initiation of
12 litigation or that constitute a significant exposure to
13 litigation against the CEC.

14 Thank you.

15 VICE CHAIR GUNDA: Thank you. With that, I think
16 I'm going to just amend. We'll come back at 2:00, give the
17 Commission 15 minutes to grab lunch, and then we'll
18 assemble. Thank you.

19 (Off the record at 12:45 p.m.)

20 (On the record at 2:20 p.m.)

21 VICE CHAIR GUNDA: Thank you, everybody. Welcome
22 back to the business meeting.

23 Just want to note that there is nothing to report
24 from the closed session meeting.

25 With that, let's move to item number 9.

1 MS. HARNAD: Hello, Commissioners. My name is
2 Julia Harnad. I'm with the Energy Research and Development
3 Division, and I'll be presenting five agreements under the
4 Environmental Sustainability of the Clean Energy Transition
5 Solicitation.

6 Next slide, please.

7 So this solicitation was focused on research that
8 can address knowledge gaps between the environment and
9 clean energy technologies, decarbonized window designs, and
10 energy-efficient artificial lighting. And the funding for
11 the five projects would be just under \$3 million.

12 Next slide, please.

13 Benefits to Californians include supporting the
14 streamlined development of renewable energy through
15 reducing delays in permitting and avoiding additional costs
16 while also helping meet SB 100 goals, reducing energy use
17 and costs by identifying appropriate lighting, and reducing
18 environmental effects associated with renewable energy,
19 decarbonized buildings, and exterior lighting.

20 Next slide, please.

21 So the first project I'm presenting is with
22 Lawrence Berkeley National Labs, and it is focused on
23 testing bird-friendly windows for decarbonized windows --
24 decarbonized buildings. And the research proposes to
25 design and test bird safety features into energy-efficient

1 insulated glazing units and support incorporating bird
2 safety requirements into energy standards.

3 To do this, LBNL will partner with several glass
4 manufacturers to design, build, and test the performance of
5 different types of bird-safe insulated glazing units that
6 meet or exceed California requirements for solar heat gain
7 coefficient, thermal transmittance, and bird threat factor.
8 The results of the testing will provide quantitative
9 performance data on energy-efficient and bird-safe glazing
10 that can support the incorporation of bird safety
11 requirements into energy standards like California's Title
12 24.

13 We expect the benefits of the project to include
14 a proven window solution that would both be bird-safe and
15 meet or exceed the California Building Energy Codes. The
16 results would be to included -- excuse me. The results
17 will be included in LBNL's International Glazing Database
18 to encourage adoption.

19 Next slide, please.

20 Our next project is with UC Davis, and the focus
21 of the study will be looking at soil carbon storage panel
22 performance and biodiversity at large ground-mounted PV
23 sites.

24 The research proposes to conduct field
25 experiments and statistical models to investigate how

1 ground photovoltaic infrastructure affect soil carbon
2 sequestration, native plant communities, and fossorial
3 wildlife, we're referring to wildlife that live below the
4 ground.

5 They will quantify effects on soil carbon storage
6 potential by measuring soil carbon, carbon fluxes, and
7 related soil properties at both PV and non-PV sites. They
8 also propose to monitor vegetation dynamics and compare the
9 success of prairie seed mixes in photovoltaic sites. They
10 plan to determine how this productivity influences
11 photovoltaic performance through panel temperature cooling,
12 and they plan to evaluate fossorial or soil animal habitat
13 utilization through tracking changes in community
14 composition and spatial distribution at PV and non-PV
15 sites.

16 We expect project benefits to include possible
17 carbon offsets from demonstrated soil sequestration,
18 improved PV performance through appropriate vegetation
19 management, overall acceleration of renewable energy,
20 promoting multifunctional land use and facilitating siting,
21 and supporting fossorial biodiversity.

22 Next slide, please.

23 Our third project is being proposed with UC
24 Merced, and it is focused on environmental and cost-benefit
25 valuation of power over water deployment in California.

1 The research proposes to investigate the cost and co-
2 benefits of solar over water systems, and they consist of
3 floating PV and solar canals. They plan to complete a
4 sensitivity analysis and modeling effort, and the expected
5 benefits of the research include increased solar panel
6 efficiency, cost savings in permitting and interconnection,
7 habitat impact mitigation, and water conservation.

8 Next slide, please.

9 Our next project is with UC Davis in a different
10 department, and they propose to focus their study on a
11 biologically appropriate lighting to support nature
12 conservation and energy efficiency. The research by UC
13 Davis's Lighting Technology Center proposes to investigate
14 mitigating outdoor lighting impacts on essential species
15 like night pollinating insects, bats, and migratory birds.
16 They will do this using a variety of research methods like
17 literature review, spatial analysis, industry and consumer
18 engagement, and proof of concept demonstrations.

19 We expect the benefits of the project to include
20 providing guidance for more efficient lighting standards,
21 as well as non-energy benefits of reducing light pollution,
22 which would support essential nocturnal species and
23 populations in functioning.

24 Next slide, please.

25 This brings us to our fifth project, and it is

1 with the Mojave Ground Squirrel Conservation Council,
2 focused on adaptively managed translocation and propagation
3 of the threatened Mojave ground squirrel. The project
4 proposes to develop a set of protocols and propagation
5 programs that will allow translocation and inform the
6 effective relocation of Mojave ground squirrel from solar
7 energy facilities in the Mojave Desert.

8 They propose to translocate Mojave ground
9 squirrels from source sites, tracking them, releasing them
10 on recipient sites, and monitoring them and creating a
11 translocation plan. They also propose to propagate Mojave
12 ground squirrel at the Living Desert Zoo in Palm Desert
13 through two cycles and creating a propagation plan.

14 The research is expected to provide both cost and
15 time-saving benefits to utility-scale solar energy projects
16 through supporting streamlined permitting, developing and
17 operating the solar facilities by having mitigation
18 solutions available through the Mojave ground squirrel
19 translocation plan. Also, facilitating solar project
20 siting by removing uncertainty associated with conservation
21 management while also providing an alternative solution for
22 possible residing Mojave ground squirrels.

23 Next slide, please.

24 Our recommendation is to adopt staff's
25 recommendation that all five agreements are exempt from

1 CEQA and to approve all five agreements for a total funding
2 of just under \$3 million.

3 That is the end of my presentation. I'm open to
4 questions and thank you for your time.

5 VICE CHAIR GUNDA: Thank you, Julia.

6 Before we go to Commissioner discussion, we'll go
7 to public comment. Thanks.

8 MS. BADIE: Thank you.

9 The Commission welcomes public comment on item 9
10 at this time. If you're joining us in the room, we ask
11 that you visit the Public Advisor table and use our QR code
12 or get assistance to join the queue in the room. And if
13 you're on Zoom, you'll use the raise-hand feature on your
14 screen, it looks like an open palm, or star 9 if joining by
15 phone. That will let us know you'd like to comment.

16 And I'm not seeing any one in the room, so I'm
17 going to transition over to Zoom. And we've got Chathu
18 Abeyrathna. Apologies if I've mispronounced your name.
19 I'm going to open your line. You'll unmute on your end and
20 then you can begin. And just a reminder, if you could
21 please spell your name for our court reporter. And we are
22 asking for comments to be two minutes or less.

23 MR. ABEYRATHNA: Thank you. And my apologies.
24 I'm actually providing a public comment on item number 8.
25 I connected sooner. Would it be okay if I provide a

1 comment for item number 8 at this time?

2 MS. BADIE: Yes, you can. Go ahead.

3 MR. ABEYRATHNA: Okay. Thank you. Vice Chair
4 Gunda, members of the Commission, CEC staff and guests, my
5 name is Chathu Abeyrathna, spelled as C-H-A-T-H-U
6 A-B-E-Y-R-A-T-H-N-A-. Thank you for the opportunity to
7 provide a comment. I'm a senior engineer with Silicon
8 Valley Clean Water, and I'll be acting as the project
9 manager for the grant opportunity associated with item
10 number 8.

11 SVCW is very excited to embark on this
12 opportunity with our partners at Stanford University,
13 namely Professor Mauter and her team in the Water and
14 Energy Efficiency for the Environment Lab.

15 I would also like to thank you, CEC, for this
16 amazing grant opportunity. This effort will help SVCW to
17 operate the treatment plant more efficiently, and it will
18 also help the entire wastewater industry to become more
19 efficient and reduce cost of operation in the future.

20 I also want to thank you, CEC staff, for their
21 hard work to solicit proposals, complete the selection
22 process, and complete the grant agreement for this exciting
23 project.

24 Thank you.

25 MS. BADIE: All right, those are the only raised

1 hands for item 9, so back to you, Vice Chair.

2 VICE CHAIR GUNDA: Thank you, Mona. Thank you
3 for the comment.

4 We'll move to Commission discussion.

5 Commissioner McAllister.

6 COMMISSIONER MCALLISTER: Great. Thanks, Julia,
7 for the presentation and also the briefing earlier this
8 week. And all five of these projects, I think, are great.
9 I think, you know, we, I think, we're blessed with a lot of
10 species in our huge and beautiful and diverse state. And I
11 think when we install, you know, as we move through the
12 transition and we create disturbances, we actually are
13 obligated to look at them and make sure that we don't over-
14 impact the environment and mitigate where we can, and we
15 learn how to do that most efficiently and effectively, and
16 I think all of these projects actually do that.

17 It's great to see Merced on here. I think that's
18 just a real up-and-coming, fantastic campus. Obviously,
19 Davis and Berkeley Lab, you know, we work with them fairly
20 routinely, so all of these feel like the right thing to do.

21 In particular, I'll just note the last one, you
22 know, having a local nonprofit that's doing really good
23 work to mitigate is also a really good thing to support,
24 and I appreciate the discussion we had about that. And,
25 you know, I think messaging that's out to the public that

1 we're doing this and why we're doing it, I think, is really
2 important in framing it as part of the transition and the
3 necessary role that we have to play, that we want to play,
4 that needs to be played to help preserve our environment
5 along the way so that we don't have to make trade-offs,
6 where we, you know, we don't make trade-offs where we don't
7 have to make trade-offs.

8 So I really appreciate the staff's diligence on
9 this and in full support, so thanks a lot.

10 VICE CHAIR GUNDA: Thank you.

11 Commissioner Gallardo?

12 COMMISSIONER MCALLISTER: Yeah.

13 COMMISSIONER GALLARDO: (Off mic.)

14 (Indiscernible.)

15 COMMISSIONER MCALLISTER: No, go for it.

16 COMMISSIONER GALLARDO: Julia, thank you so much
17 for the great presentation.

18 Also, I really enjoyed the briefing we had. It
19 was fun, and something I really enjoyed was talking about
20 the additional benefits. You know, we talk about clean
21 energy being a benefit, but then there's the other things
22 that we can do. And so, I really appreciate the
23 intentional work that you and the team are doing on this
24 front for those additional benefits.

25 And then, for the presentation, I really enjoyed

1 seeing the various photos you have there reminding us, like
2 Commissioner McAllister saying, of the wildlife, flora, and
3 the fauna and all of the things that are important for us
4 to think about and hopefully preserve, defend, protect, et
5 cetera, as we're moving on clean energy.

6 So that's it. Thank you. And doing great work,
7 and I look forward to hearing the results of these
8 projects.

9 VICE CHAIR GUNDA: Thank you, Commissioner
10 Gallardo.

11 Before we move to voting, first of all, thank you
12 so much, Julia, for the presentation. I want to note that
13 on items 9b and 9d, proposed resolutions to approve grant
14 agreements with UC Davis, I note, for the record, pursuant
15 to Government Code Section 1091.5(a)(9), that I recently
16 taught a course at UC Davis Energy and Efficiency
17 Institute. This is considered a non-interest under
18 conflicts of interest law because neither grant agreement
19 involves the Department of UC Davis where I taught, and I
20 have no direct or indirect financial interest in either
21 grant agreement.

22 With this disclosure, I'm able to vote on these
23 items.

24 Commissioner McAllister, would you move?

25 COMMISSIONER MCALLISTER: Yeah, move item 9.

1 COMMISSIONER SKINNER: Second.

2 VICE CHAIR GUNDA: We move to the votes.

3 Commissioner McAllister?

4 COMMISSIONER MCALLISTER: Aye.

5 VICE CHAIR GUNDA: Commissioner Stinner?

6 COMMISSIONER SKINNER: Aye.

7 VICE CHAIR GUNDA: Commissioner Gallardo?

8 COMMISSIONER GALLARDO: Aye.

9 VICE CHAIR GUNDA: I vote aye as well. The item
10 passes 4-0. Thank you so much.

11 MS. HARNAD: Thank you so much.

12 VICE CHAIR GUNDA: Thank you.

13 Now we go back to the order and moving to item
14 number 6.

15 MS. LAO: Good afternoon, Vice Chair,
16 Commissioners, and other attendees. My name is Fabi Lao,
17 the Equity Outreach and Engagement Lead at the Office of
18 the Public Advisor, Energy, Equity, and Tribal Affairs.
19 I'm joined by my colleague, Carousel Gore. Together, we're
20 here to present the 2024 Justice, Access, Equity,
21 Diversity, and Inclusion, or JAEDI Report.

22 Next slide, please.

23 The JAEDI Report is an opportunity for us to
24 highlight some of our work from 2024 towards advancing
25 justice, access, equity, diversity, and inclusion. This

1 presentation will start with the history of our JAEDI work,
2 followed by our outward-facing initiatives, also called
3 JAEDI-Out. Afterwards, you will hear from Carousel, who
4 will be presenting on our inward-facing initiatives, also
5 called JAEDI-In.

6 Next slide, please.

7 It has been 10 years since the CEC formalized its
8 commitment to equity. In 2015, the CEC adopted a diversity
9 resolution. It made it the CEC's policy to advance equity
10 and supplier diversity by optimizing opportunities for
11 participation and benefits to diverse businesses and
12 disadvantaged communities.

13 This resolution led to the Diversity Report,
14 which is now called the JAEDI Report, and has been
15 presented every year since 2016. The diversity resolution
16 was the catalyst for the next reiteration of the
17 Commission's equity work.

18 In 2019, the CEC established the Inclusion,
19 Diversity, Equity, and Access Initiative to create an
20 approach that was more comprehensive to advancing these
21 principles. We wanted to focus on our external-facing
22 programs plus our internal workplace.

23 In 2021, the IDEA Initiative was later renamed to
24 JAEDI to reflect that justice is a key piece of the CEC's
25 work. And here we are now, presenting on last year's JAEDI

1 efforts.

2 Next slide, please.

3 This slide and the next summarize the new
4 investments we're tracking in 2024 that have gone to
5 disadvantaged and low-income communities. These
6 communities have historically been underinvested and left
7 out, ignored, or harmed by policies of the past.

8 As you'll notice, all the programs listed here
9 are investing in the double digits, ranging from 16 percent
10 on the low end to 100 percent on the high end. The
11 percentages in this slide and the next are for programs
12 that tracked and reported data in three categories,
13 disadvantaged communities, low-income communities, or in
14 census tracts that are considered both disadvantaged and
15 low-income.

16 The Clean Transportation Program, or CTP, had 75
17 percent of its investments go to disadvantaged communities,
18 low-income communities, or both.

19 The other programs in this slide are for the
20 Energy Research and Development Division, or ERDD. The
21 ERDD program data is for technology demonstration and
22 deployment projects. These percentages do not include
23 combustion projects. The CEC has received feedback from
24 the CPUC and CEC Disadvantaged Communities Advisory Group
25 and community groups over the years that communities don't

1 consider combustion projects as investments in
2 disadvantaged and low-income communities.

3 The rest of the programs won't be covered in
4 detail, but I would like to highlight the EPIC Program,
5 where 66 percent of investments went to disadvantaged or
6 low-income communities last year.

7 Next slide, please.

8 The Reliability, Renewable Energy, and
9 Decarbonization Incentives Division, or RREDI, has been
10 funding so many programs that they have their own slide
11 this year. For RREDI, up to 100 percent of program
12 investments went to disadvantaged or low-income
13 communities. This shows the CEC's commitment to equity and
14 to do more in these communities.

15 The last program in this slide, the Home
16 Electrification and Appliance Rebates Program, or HEEHRA,
17 tracks data differently. Whereas the other programs track
18 investments at the community level, HEEHRA tracks funding
19 at the household level. In 2024, 90 percent of single-
20 family rebate reservations were for low-income households.

21 Switching gears, the next slide will cover the
22 CEC's efforts on supplier diversity.

23 Next slide, please.

24 As mentioned earlier, the CEC's Diversity
25 Resolution demonstrates our agency's leadership and

1 commitment to supplier diversity. A diversity of
2 contractors brings a variety of thought, talent, and
3 perspective that benefits the CEC and all Californians.

4 This slide highlights the work done by the CEC's
5 Small Business and Disabled Veterans Business Enterprise
6 Advocate Office, based in our Administrative and Financial
7 Services Division. The focus of this work is on contracts
8 for non-IT goods and services with small businesses and
9 DBEs.

10 In 2024, CEC invested in 216 different small
11 businesses and in 59 different disabled veteran business
12 enterprises. In general, CEC aims to increase awareness of
13 contracting and networking opportunities through our
14 Empower Innovation platform. An example of the reach of
15 this platform is that as of June of this year, it has
16 nearly 5,000 members with more than 1,300 diverse
17 organizations signed up.

18 Next slide, please.

19 In 2024, CEC continued to actively engage with
20 the CEC-CPUC Disadvantaged Communities Advisory Group, or
21 DACAG. We're excited to have two new members that were
22 appointed this past May, Gem Moon Montes and Chris Walker.
23 They've already hit the ground running and are providing
24 invaluable feedback.

25 Last year, CEC engaged with the DACAG at public -

1 - monthly public meetings and also in smaller subject
2 matter meetings on a range of topics. These topics
3 included clean transportation, workforce training and
4 development, offshore wind, efficiency, and more.

5 The DACAG also updated its equity framework.
6 Later this year, DACAG leadership is planning to attend a
7 meeting to present a 2024 annual report and updated equity
8 framework.

9 Next slide, please.

10 This slide provides an update on the equity and
11 environmental justice recommendations that were identified
12 in the 2022 Integrated Energy Policy Report, or IEPR
13 update. A big thank you to the Vice Chair for championing
14 this work that year. This update is being provided because
15 there were actions taken on these recommendations in 2024.

16 In 2022, the CEC requested public input and
17 guidance to create a comprehensive framework to embed
18 equity and environmental justice in its work. This
19 resulted in the JAEDI framework being appended as part of
20 the IEPR update. This update recommended to open an
21 informational proceeding on equity and environmental
22 justice to continue formal dialogue with the public.

23 In 2024, the CEC established the JAEDI and non-
24 energy impacts informational proceedings to continue this
25 dialogue. The JAEDI proceeding is a crucial step towards

1 developing a comprehensive JAEDI action plan.

2 To secure more workforce development expertise,
3 the CEC hired a labor workforce development advisor in the
4 Office of the Public Advisor Energy, Equity, and Tribal
5 Affairs, who has been providing guidance and support to
6 various divisions. There's also now a workforce
7 development advisor in Commissioner Gallardo's Office and a
8 clean transportation workforce specialist in the fuels and
9 transportation division.

10 The CEC has also increased communication with
11 local governments by attending more local and regional
12 events and also offering a dedicated public comment period
13 for government officials during certain CEC public
14 meetings.

15 The 2022 IEPR also recommended for the CEC, in
16 coordination with other state agencies and environmental
17 justice leaders, to hold an annual Equity and Environmental
18 Justice Summit. The Energy Commission supported CNRA's
19 Justice Rising and Environmental Justice and Equity Summit
20 in March of last year.

21 Another recommendation outlined in the 2022 IEPR
22 update was for the CEC to provide more customized support
23 for tribes and justice communities. In 2024, the CEC
24 provided pre-application workshops and technical assistance
25 for many grants and programs to support applicants. Tribal

1 Affairs work is covered in the next slide.

2 Next slide, please.

3 2024 was a big year in Tribal Affairs. The
4 Commission continued its commitment to forming long-lasting
5 partnerships with California Native American tribes, and
6 funding to date reached over \$124 million in investments
7 with more than 35 tribal partners throughout the state.

8 2024 was also a year of firsts. Middletown
9 Rancheria became the first California Native American tribe
10 to receive an ECA loan, followed closely by the Tule River
11 Indian tribe, both pictured here.

12 The CEC also reached its first ever tribal-
13 specific solicitation out of the Clean Transportation
14 Program. The interest was evidenced by the receipt of \$44
15 million in applications, leading to more than \$15 million
16 awarded.

17 During 2024, the CEC also laid the groundwork for
18 big things to come in 2025. Working towards continuing
19 these partnerships into the future, in 2024, the CEC
20 conducted outreach, engagement, and consultation on many
21 programs, including the upcoming \$30 million Equitable
22 Building Decarbonization tribal set-aside.

23 The CEC also worked collaboratively on policy
24 with California Native American tribes, including the SB
25 100 Tribal Working Group, laying the groundwork for the

1 first ever tribal chapter in the SB 100 Report.

2 Next slide, please.

3 This slide provides a quick overview of two of
4 the JAEDI-Out activities the CEC has been working on this
5 year and will continue to work on, advancing JAEDI and NEI
6 informational proceedings and updating the JAEDI framework.

7 This concludes the JAEDI-Out section of this
8 presentation. Now I'll pass it on to my colleague,
9 Carousel Gore, to cover JAEDI-In.

10 Thank you.

11 MS. GORE: Good afternoon, Vice Chair and
12 Commissioners. I am Carousel Gore. I am the Equal
13 Employment Opportunity Officer, Training Office Manager,
14 and Executive Cosponsor of the JAEDI-Initiative. Today, I
15 will provide you an update on JAEDI-In, with a focus on our
16 employee-led groups, mentorship program, and workforce
17 demographics.

18 JAEDI-In is the internal focused prong of the
19 CEC's diversity effort. The primary work of JAEDI-In is
20 the task force that all staff are welcome to participate in
21 through Commission-wide meetings. Through the JAEDI-In
22 task force, we created several pathways for employee
23 involvement with the objective of creating an inclusive
24 workplace with a culture of belonging.

25 Next slide, please.

1 One way we've created the environment, this
2 environment, is through employee-led efforts.

3 Next slide, please.

4 The Employee Resource Groups, or ERGs, are
5 employee-created and led affinity groups that are by design
6 and practice inclusive to all employees who wish to
7 participate.

8 In 2024, Matthew Flynn and Loon Yee started a new
9 ERG for Veterans. In the next month, Eunice Lemos-Adair is
10 launching the Multi-Language Library ERG that will allow
11 employees to share and borrow books in different languages.
12 And we also look forward to Davina Whitethorne starting a
13 new Native American ERG this year.

14 Listed on the right are the Employee Synergy
15 Groups, or ESGs. ESGs are staff-led groups based on a
16 diversity of shared interests, activities, and experiences.
17 The purpose of ESGs is to build bridges between divisions,
18 disciplines, and all of us as individuals within the CEC to
19 further inclusion and belonging.

20 In June of this year, Ronnie Raxter launched the
21 new Try Something New Foodie ESG, giving staff the
22 opportunity to join potluck-style lunches with cuisine from
23 around the world.

24 In the coming months, we anticipate the launch of
25 two new ESGs, the AI Fans ESG, led by Joshua Croft, and the

1 data science energy -- the Data Energy Science ESG, led by
2 Kadir Bedir and Justin Szasz.

3 The Commission's ERGs and ESGs continue to be a
4 model for other state agencies, both within CNRA and
5 beyond.

6 Next slide, please.

7 A new opportunity for employee-led engagement is
8 the JAEDI and Communities of Practice, or JI-COPs, as I
9 like to call them. Similar to our 2024 JAEDI-Out
10 Communities of Practice, the JI-COPs offer an opportunity
11 for employees to give the CEC recommendations in the areas
12 of access and resources, hiring and recruitment, and staff
13 development and advancement. We look forward to sharing
14 their recommendations during our 2025 JAEDI Report next
15 year.

16 Next slide, please.

17 Another JAEDI achievement is the Commission's
18 Mentorship Program, coordinated by Greiana Williams. The
19 Mentorship Program provides a valuable support for employee
20 development while simultaneously stimulating the growth and
21 development of our mentors.

22 Next slide, please.

23 In 2024, the Mentorship Program hosted 63
24 participants, 26 of whom were mentors and 37 mentees.
25 You'll notice that we have more mentees in 2024 than

1 mentors, and that is because some mentors volunteered to
2 mentor two people.

3 Next slide, please.

4 Since the launch of the program in 2023, the CEC
5 has offered 260 mentorship opportunities to students, rank
6 and file staff, and leaders.

7 Next slide, please.

8 In 2025 and '26, we are going to continue to
9 build on the success of the Mentorship Program. We hope to
10 launch two additional mentorship opportunities, the first
11 being a leadership track called Coaching and Mentoring
12 Program, which we call C.A.M.P. C.A.M.P. will offer
13 confidential sessions exclusively to supervisors and
14 managers to support their commitment to coaching,
15 mentoring, and supervising their staff to success.

16 We also plan to launch Excel, which will offer
17 group mentoring sessions exclusively to students and
18 interns. Excel will give participants the opportunity to
19 gain knowledge from CEC subject matter experts and support
20 their career goals.

21 Next slide, please.

22 Now, I'd like to shift our focus to some data on
23 the Energy Commission's workforce. This will be a brief
24 overview with highlights of changes in employee
25 representation for greater workforce diversity -- I'm

1 sorry, employee representation and opportunities for
2 greater workforce diversity at the Commission. A more
3 comprehensive report will be available on the JAEDI
4 SharePoint page that will include recruitment demographic
5 data and our STEM-related workforce demographics.

6 It is of note that most of the demographics are
7 based on individual reporting. However, there are some
8 caveats that impact its accuracy. If individuals did not
9 self-identify race or gender upon hire or in subsequent
10 attempts to resurvey, then it was reported on their behalf
11 by human resources and therefore may not be accurate.

12 Ability status data is likely incomplete. It is
13 solely based on an individual's self-reporting. Therefore,
14 if an employee, if an individual did not voluntarily
15 identify their ability status, it is not reflected in the
16 information provided today. The following slides will
17 offer a comparison of 2023 to 2024.

18 Next slide, please.

19 From 2023 to 2024, the Commission's workforce
20 increased by 86 employees. In 2024, the most significant
21 increase was by individuals who identified as Asian or
22 Hispanic and Latino. We saw a decrease of employees
23 identifying as other or multiple races.

24 Next slide, please.

25 One area that continues to be an opportunity for

1 greater diversity is our representation of persons with
2 disabilities. However, I am happy to report an increase in
3 representation of persons with disabilities from just under
4 9 percent in 2023 to over 11 percent in 2024.

5 Next slide, please.

6 The CEC continues to have a narrow gender
7 representation gap of two percent in our overall workforce.

8 Next slide, please.

9 The next two slides are focused on the
10 representation of supervisors and above in 2020 -- I'm
11 sorry, supervisors and above. In 2024, there was an
12 increase in representation of Asians and other and multiple
13 race demographics for supervisors and above.

14 Next slide, please.

15 For gender in 2024, there was an even split of
16 the representation of women and men in leadership roles.

17 Next slide, please.

18 The last group I'd like to highlight is executive
19 leadership. There were nine more individuals in executive
20 management roles in 2023 than 2024 -- I'm sorry, I meant in
21 2024 than 2023. This was likely due to vacancies at the
22 time of reporting. A race and ethnicity demographic saw an
23 increase of Native Americans and those identifying as other
24 in our executive leadership and a decrease in
25 representation by all other groups.

1 Next slide, please.

2 We also see an even split of representation of
3 women and men in executive leadership roles in 2024.

4 Next slide, please.

5 As a bonus to this year's JAEDI Report, I want to
6 share with you all a report on the diversity of CEC's 2024
7 interview panels. Diverse interview panels fall under the
8 Equal Employment Opportunity Office, but they are part of
9 the CEC's continuing commitment to the JAEDI principles.

10 In 2021, the CEC instituted diverse interview
11 panels as a best practice in our hiring process. The
12 purpose of diverse interview panels is to reinforce
13 fairness and limit bias in our merit-based hiring process.
14 They do not lessen qualification requirements nor encourage
15 hiring based on candidates' protected characteristics such
16 as gender, ethnicity, or ability status.

17 We utilized five categories of diversity, age or
18 generational group, ability status, ethnicity or race,
19 gender, identity or expression, and sexual orientation.
20 Panelists voluntarily completed a questionnaire, but some
21 did not answer for each category.

22 Next slide, please.

23 In 2024, of these 64 interview panels submitted
24 to the EEO Office, 27, or 42 percent, were broadly diverse
25 with three areas, or with three categories represented.

1 Next slide, please.

2 Eighty-seven panelists submitted voluntary
3 questionnaires. Of the 64 panels, most were diverse in
4 gender, followed by ethnicity, age, orientation, and
5 ability status.

6 Next slide, please.

7 Before I close, I would like to extend an
8 invitation on behalf of the chair to all Commission
9 employees to join us for our annual Unity Celebration and
10 JAEDI Awards on October 29th. This is an opportunity to
11 celebrate unity, unity through our diversity by hearing
12 stories of our colleagues and celebrating each other's
13 contributions to the CEC's culture. Employees will receive
14 a calendar invitation soon.

15 Next slide, please.

16 As I close, I want to acknowledge that socially
17 and culturally we are in trying times. So many of our
18 employees have been impacted. We hear you and we see you.
19 I want to restate that Commissioner Gallardo, Mona, and
20 myself stand committed to stirring up good trouble, and we
21 are not done yet. We will continue to create an inclusive
22 space for everyone.

23 To the participants of each ERG and ESG, to those
24 who come to the meetings with your voice, experience, and
25 wisdom. Those who message me privately and those who come

1 just to listen, you each add depth and value to this work.
2 When I think of all that we have done since we started
3 JAEDI, I know we could not have done it without all of you.
4 We are in this together.

5 I want to express my sincere appreciation for not
6 only the support but the partnership of the Executive
7 Office, Drew Bohan, and Jennifer Martin-Gallardo. Your
8 actions have made it clear that JAEDI is not appealing lip
9 service, but a part of the values of the CEC that you
10 support and you are committed to continue.

11 To Chair Hochschild, I know he's not with us
12 today, he's traveling, and also Vice Chair Gunda and
13 Commissioners, I can't express my gratitude for your
14 leadership and support and your daily emulation of what
15 JAEDI stands for.

16 A special thank you to my EEO team, Greiana
17 Williams and Nancy Campbell, for helping me prepare for
18 today's presentation.

19 And last but not least, my heartfelt
20 appreciation, my partners in good trouble, my fellow
21 diversity divas, Commissioner Noemi Gallardo and Public
22 Advisor Mona Badie.

23 Last I will say, we may not all look the same,
24 sound the same, or have the same background, but our
25 inherent and inquired uniqueness create a beautiful,

1 colorful tapestry. We find unity through diversity by
2 recognizing that we can be different and work together
3 toward a goal of a clean energy future for all
4 Californians.

5 And that concludes our presentation. Thank you.

6 VICE CHAIR GUNDA: (Off mic.) (Indiscernible).

7 Thank you so much, Carousel. Thank you, everybody.

8 Since it's an informational item, we'll just go
9 to Commissioner discussion. I'll pass it to Commissioner
10 Gallardo.

11 COMMISSIONER GALLARDO: All right. Well, my
12 heart is really full right now after hearing both of you,
13 Carousel and Fabi. I think the Energy Commission has been
14 on a journey on stirring up good trouble, as we say, for a
15 long time.

16 When I came in as Public Advisor, I learned about
17 the 2015 Diversity Resolution and how we would do a
18 progress report every year. And I was expected to do one,
19 too. And I was so excited that we had this intentional
20 reporting out of the good work we did in terms of advancing
21 these principles of equity, environmental justice,
22 diversity, et cetera.

23 So I'm happy to be a part of this, and I want to
24 honor our roots. And 2015, I don't think was the beginning
25 of our efforts at the Energy Commission, but I do think

1 that's, you know, we put it in writing. We made it
2 intentional, and we've been doing this report annually ever
3 since. So thank you for being the representatives of that
4 report today.

5 And, Fabi, I know you're new to the Commission
6 and you were nervous, but you've been doing an excellent
7 job. We welcome you to the Energy Commission family, to
8 the JAEDI Team, as well as you being part of the Public
9 Advisor's Office, PAO-plus.

10 So let me go over a few things.

11 I think I will also want to honor that in 2019,
12 that's when Carousel and I started around the same time.
13 Courtney Smith, who was in the Executive Office, brought it
14 to our attention that she wanted to do something even more
15 than the Diversity Resolution. She wanted to put together
16 an initiative.

17 So Carousel and I were both excited about this,
18 and I think that brought us together even more so than just
19 starting together. We had this partnership since then. So
20 we did IDEA, and then we transformed it into JAEDI. And I
21 think it's been really exciting. It has enabled staff also
22 to participate, aside from just us being the co-sponsors.

23 I want to celebrate also the investments that the
24 Energy Commission has made. Increasingly, we've been doing
25 more for disadvantaged communities, low-income communities,

1 both in what we now call justice communities. And so I
2 want to applaud our Commissioners here for leading those
3 efforts, our directors also for leading the divisions and
4 making sure that this remains a priority.

5 We've done a lot in terms of investments in
6 tribes, too, and making them a priority. The chair has a
7 lot to do with that. And I think we're now at about \$130
8 million and increasing in terms of investments for the
9 tribes.

10 So overall, I think just fantastic work we're
11 doing. I want to celebrate those efforts.

12 And then in terms of our JAEDI-In work, too, like
13 you said, Carousel, the work is about finding unity through
14 our diversity. We have a wonderful tapestry, as your
15 demographics have shown there. And I also want to say that
16 staff has been really excited about these opportunities,
17 not just to participate but also to lead.

18 So the employee-led groups, I think, have been a
19 fantastic way for staff to engage in ways that they would
20 like to. And I want to credit you, Carousel, for thinking
21 through those ideas and for bringing them forward and
22 supporting everybody who wants to do those. And I think
23 especially when we have a hybrid workplace, those spaces
24 are incredibly important and even more vital. So I also
25 want to emphasize that for people in their earlier stages

1 of their career who want to network, those employee-led
2 groups are fantastic ways for them to do that, to connect.

3 And the mentorship ideas that you announced
4 today, also excellent. I'm excited about what those can
5 deliver. And also that's a response to what you have heard
6 from staff and what they need. So I thank you for that.

7 And the diverse interview panels, too. I have
8 participated. I think they have been a great effort. And
9 I'm just looking forward to seeing what other good trouble
10 we can stir in the near future.

11 But do celebrate, both of you, for your
12 leadership, for being here, for presenting this information
13 of what we've done as an agency in 2024, and looking
14 forward to 2025.

15 VICE CHAIR GUNDA: Thank you, Commissioner
16 Gallardo.

17 Commissioner McAllister?

18 COMMISSIONER MCALLISTER: Thanks so much for the
19 presentation. That was great.

20 And just first, I wanted to thank you and the
21 staff, the three of you, and Vice Chair Gunda, as well,
22 just for all the amazing effort and perseverance and just
23 all the creative ideas. I mean, that was an incredible
24 list of efforts and with results that you present data
25 about. And those metrics, right, you measure it so you can

1 know what's going on. So I really appreciate that.

2 You know, the upside, its effort, right, to do
3 all this, but the upside is so huge that -- and there is no
4 downside, really; right? So it's (indiscernible), and our
5 processes are better, our opinions we get are more diverse,
6 the robustness of the outcomes is improved. And that's
7 good for -- you know, because it's the right thing to do
8 and, you know, it definitely feels good to achieve those
9 results and to really be moving in a place that's the right
10 direction. But it also makes our work more effective and
11 our outcomes better and our brand and our credibility, just
12 all those upsides.

13 So I just really am encouraged by just all the
14 efforts. And to see the programs and how effective, you
15 know, they're being and addressing disadvantage and low
16 income, that's huge, you know? Some of them were designed
17 that way, but those are also choices we've made to design
18 them that way; right?

19 And so just really, my heart is also really,
20 really full. So I guess I'll leave it there.

21 But, well, just last thing, I think the
22 mentorships, the sky's the limit kind of for that. I mean,
23 it is a bandwidth, you know, like it does take investment.
24 But I think it also, just especially given what's going on
25 nationally, we really are just a real light to young

1 professionals, a place to come to work where they can
2 really spread their wings, you know? And so just, all of
3 what you're doing helps it happen and I just really
4 appreciate this effort across.

5 And then I'll just point out the Executive Office
6 support for all of these efforts. You know, the logistics
7 and the process is not trivial, so I'd really appreciate
8 that.

9 So thanks for everything you're doing.
10 Appreciate the report.

11 VICE CHAIR GUNDA: Thank you, Commissioner
12 McAllister.

13 Commissioner Skinner?

14 COMMISSIONER SKINNER: Thank you all. So I
15 haven't been part of all of the inception and delivery of
16 this, but I've certainly been the recipient of the good
17 presentations and the good emails that I get and I'm always
18 heartened to see them. And these kind of efforts may be
19 attacked elsewhere, but I'm so glad they're celebrated
20 here.

21 Thank you.

22 VICE CHAIR GUNDA: Thank you, Commissioner
23 Skinner.

24 Yeah, I think just thanks, Fabi, Carousel, for
25 the excellent presentation.

1 I really want to uplift Commissioner Gallardo's
2 leadership along with you, Carousel and Mona. Thank you
3 for all the work you're all doing. And, again, this cannot
4 happen in vacuum. It has to be supported. So, EO, the
5 Chair, the staff who support these initiatives, I think
6 it's just wonderful.

7 You know, in some way, I mean, I've said this
8 before in public meetings, I work at a lot of different
9 organizations. CEC is the best cultural experience I've
10 had as an employee. I was staff here, and now in this
11 role. I'm just super appreciative of the culture that we
12 try to cultivate here.

13 And I struggle with my two kids, young kids, to
14 kind of help them understand how to live life. And to set
15 an example of culture is not easy. It's not usually
16 visible. And it takes very persistent hard work to make
17 the culture both inspired and reflect. And I think, you
18 know, you're doing hard work in so many different ways.
19 And I just can't be more proud.

20 And I think in keeping with what Commissioner
21 Skinner just said, you know, we're all trying to like, you
22 know, we all celebrate strength, celebrate courage, but
23 it's about what it's used for. Are you celebrating
24 strength to lift other people up or are you going to beat
25 people down? Are you going to use courage to defend people

1 who are vulnerable or yourself? These are the hard
2 questions. And that, if the culture can support us to be
3 instinctively better human beings, that's a better team to
4 be a part of. And I just feel like we have culture of
5 selflessness, generosity, kindness, and commitment in this
6 organization that I cannot be more proud of. And together
7 we'll succeed.

8 And thanks again, Commissioner Gallardo, for all
9 the great work you do.

10 COMMISSIONER GALLARDO: Oh, thank you. And I
11 would say, you embody all those things, Vice Chair, so
12 we're lucky to have you.

13 And I skipped over the IEPR. So, again, there's
14 another intentional effort to ensure that we were bringing
15 forward these principles of justice, access, equity,
16 diversity, inclusion through our IEPR, our Integrated
17 Energy Policy Report, which is maybe unusual for other
18 agencies to do, but not ours. And you had the leadership
19 and the vision to have equity and environmental justice at
20 the forefront of that IEPR in 2022. And then we brought up
21 the progress on that because in 2024, there were so many
22 things that were initiated because of what was recommended
23 in the 2022 IEPR. So I celebrate you for that.

24 And thank you for your leadership and your
25 influence. I think it makes a difference when we are able

1 to speak about these things and able to celebrate them and
2 the leadership.

3 And I did want to give a chance for Mona to be
4 able to speak here.

5 And we've mentioned you, Mona. Would you like to
6 say any remarks?

7 MS. BADIE: Yeah, I just want to uplift staff.
8 Staff are doing the work, the outreach and engagement that
9 leads to the programs that have the most reach and
10 representation. So I just wanted to mention that as well.

11 Thank you.

12 VICE CHAIR GUNDA: Thank you so much. Thanks,
13 Carousel. Thanks, Fabi.

14 With that, we move to item number 7, the EPIC
15 2024 Annual Report.

16 Welcome, Fritz.

17 MR. FOO: Good afternoon, Commissioners. That is
18 an inspiring and tough act to follow, but I will try my
19 best.

20 Welcome. I appreciate your time today. I'm here
21 to present the 2024 Electric Program Investment Charge EPIC
22 Annual Report. And for those, I am a Supervisor of
23 Outreach and Engagement in our R&D Division.

24 Next slide, please.

25 A quick overview on EPIC. EPIC was established

1 by the CPUC in 2012. It's funded by a ratepayer surcharge
2 from the three largest investor-owned utilities, that would
3 be PG&E, Southern California Edison, and San Diego Gas &
4 Electric. Those three electric investor-owned utilities,
5 alongside the CEC, are also the administrators of the EPIC
6 Program. And CEC gets approximately 80 percent of those
7 funds.

8 The program is guided by the goal to provide
9 benefits to ratepayers and support clean energy innovation
10 that supports the state in meeting our climate and energy
11 goals. The mission statement I'll read there,

12 "EPIC shall invest in innovation to ensure equitable
13 access to safe, affordable, reliable, and
14 environmentally sustainable energy for electricity
15 ratepayers."

16 Next slide, please.

17 The 2024 Annual Report is robust. It covers
18 progress towards strategic goals and initiatives set out by
19 the CPUC and the EPIC administrators. It covers success
20 stories and challenges, and also coordination activities.

21 Next slide, please.

22 The EPIC Program is nearing the end of the EPIC 4
23 investment cycle. Prior to EPIC 4, EPIC used to run on a
24 three-year investment cycle plan. And in 2020, it was
25 voted by the CPUC to move to a five-year cycle in order to

1 provide a longer timeline to both monitor investments and
2 support them.

3 The current EPIC 4 investment plan, we are
4 towards the end of it. We annually get about \$145 million
5 in technology, demonstration, and deployment funds, and we
6 are nearing the end of that cycle.

7 Next slide.

8 Some highlights from the EPIC Program: \$1.4
9 billion has been invested since 2011, since the program's
10 inception; 543 total projects have been awarded and
11 counting; nearly \$19 billion has been attracted from
12 private sector following EPIC support for these companies;
13 and as noted in the prior JAEDI presentation, this past
14 year, 55 percent of EPIC funds went towards disadvantaged
15 and low-income communities, but as a portfolio whole since
16 its inception, about 60 percent of program funds have gone
17 towards disadvantaged and low-income communities.

18 Next slide, please.

19 Some recent EPIC achievements from the past year:
20 45 projects were completed in 2024; \$149 million went
21 towards 43 new projects; and over \$30 million of
22 technology, demonstration, and deployment funds have been
23 awarded to projects located in California and Native
24 American tribes.

25 EPIC grant recipients in applying to the program

1 have also attracted \$727 million in match funding. And
2 that statistic pans out to be for every \$100 of CEC
3 funding, \$53.00 were provided in match funds. And the map
4 on the right there, also located in the report, shows a
5 snapshot of where some of these projects are located on
6 tribal lands, low-income communities, and disadvantaged
7 communities.

8 Next slide, please.

9 Some additional 2024 highlights, benefits to
10 Californians: 2.1 gigawatt hours of electricity consumption
11 was avoided, that is approximately enough to power 1.5
12 million homes for about an hour; \$600,000 in total on-bill
13 energy savings were achieved from EPIC projects; 348
14 commercial and industrial buildings underwent
15 electrification efforts; and 1,000 jobs were created.
16 These statistics are gathered from an annual survey that we
17 send out to our EPIC grant recipients. And they reflect
18 the progress made from December [sic] 2024 to December
19 31st, 2024.

20 Next slide, please.

21 Some coordination activities conducted by CEC
22 EPIC staff. Those include knowledge-sharing webinars,
23 scoping efforts for research roadmap solicitations, regular
24 interagency coordination meetings with both local, state,
25 and federal partners, certainly a lot of meetings with our

1 CPUC admins, and also the Policy Innovation Coordination
2 Group, which is the contracted group that CPUC -- or the
3 group that CPUC has contracted with in order to scope out
4 EPIC 5.

5 Coordination activities also include pre-
6 application workshops, tribal engagement, regular meetings
7 with our environmental justice advocates, as well as
8 regular presentations with the Disadvantaged Community
9 Advisory Group, also known as the DACAG.

10 Next slide, please.

11 We'll now cover some 2024 highlights by strategic
12 objective. Those are seen here. For the sake of this
13 report, we mapped the EPIC 3 strategic objectives onto EPIC
14 4 for simplicity of reporting.

15 Next slide, please.

16 The first strategic objective is focused on
17 advanced renewable generation technologies. Those include
18 solar voltaic, offshore wind, bioenergy, and geothermal
19 energy generation. Some of the highlights from 2024
20 include a webinar where over 170 attendees learned about
21 floating offshore wind designs and other technologies for
22 environmental protection that came out from -- that
23 resulted from seven EPIC-funded projects.

24 We also had three final reports come out on
25 geothermal energy and lithium recovery, and those results

1 will go to help support some of the efforts in the Salton
2 Sea and Lithium Valley in developing those.

3 Next slide, please.

4 Strategic Objective 2 is focused on creating a
5 nimble grid to maintain reliability. That includes load
6 flexibility, zero-carbon firm resources, grid
7 modernization, and cybersecurity risk mitigation.

8 Some of the highlights from the past year include
9 a \$30 million solicitation for advanced energy storage.
10 This received significant attention with over 90 abstracts
11 received from interested parties, and we're anticipating
12 five awards before the end of the year.

13 We also awarded \$8 million to two projects that
14 will use renewable gas coupled with onsite electricity
15 generation, of which, actually, one of them is item 8
16 coming up later on after this business meeting.

17 Next slide, please.

18 Strategic Objective 3 is focused on extracting
19 more value from distributed energy resources, and that
20 includes electric vehicles, energy storage, batteries. The
21 focus of this strategic objective is to increase
22 electricity affordability and reliability, and part of that
23 is by having more users and having better performance of
24 these distributed energy resources that can create a
25 downward pressure on rates as we have more electricity

1 users to spread out those fixed charges.

2 The 2024 highlight for this strategic objective
3 is WattEV. This has quickly risen to prominence in our
4 portfolio as one of the most successful projects. WattEV
5 has installed a 21st century truck stop demonstrating grid-
6 friendly, heavy-duty electric truck charging, and it's
7 located in Bakersfield, which is one of the most heavily
8 trafficked transportation corridors in California. So this
9 has the potential to provide significant advantages both on
10 the energy and the emissions reduction side.

11 Next slide, please.

12 Strategic Objective 4 is focused on efficiency
13 and electrification technologies, primarily decreasing
14 emissions in buildings and industry.

15 The 2024 highlight I'd like to present here is
16 from C-Crete Technologies. They are demonstrating a first-
17 of-a-kind replacement for mineral binders in carbon-
18 intensive Portland cement. And they use an abundant
19 limestone alternative called zeolite rock. And this
20 process also is using an electrified kiln as opposed to a
21 normal industrial gas-fired kiln. And this then provides
22 emissions reductions on two fronts, not only in the actual
23 cement-making process, mixing process, but also the
24 emissions from using an electric kiln versus a gas-fired
25 one.

1 Next slide, please.

2 Strategic Objective 5 is focused on enabling
3 California's clean energy entrepreneurship ecosystem. The
4 EPIC Program, starting from around 2018, has a suite of
5 programs designed to fund early-stage technologies at
6 different stages of their technologist readiness level.
7 That includes CalSEED for very early-stage companies,
8 CalTestBed that provides vouchers to companies trying to
9 validate their technologies, Bridge, which provides funding
10 for companies in between different series fundings,
11 overcoming those values of debt, as well as ramp for those
12 companies who have graduated from a prototype stage and are
13 nearing early-stage manufacturing.

14 The highlight that I would like to present here
15 is the company Twelve. For those regular readers of the
16 EPIC Annual Report, they were previously featured in the
17 2023 report, but since then have continued to make
18 significant progress in a device that essentially takes
19 carbon dioxide and transforms them into value-added
20 products. Their current targeted technology is for
21 sustainable aviation fuels. They've received and attracted
22 significant funding from both Microsoft and Boeing, and
23 they have the potential to reduce lifecycle emissions by 90
24 percent at scale.

25 Next slide, please.

1 The final strategic objective, Strategic
2 Objective 6, is focused on informing an equitable zero-
3 carbon energy transition that is climate resilient and
4 meets environmental goals. The focus of this is applied
5 research for policy planning and implementation, certainly
6 aligning our investments with equity, health, clean energy,
7 and resilience goals.

8 The highlight here is an ongoing study focused on
9 cooking energy and ventilation impacts on children's
10 asthma. It's investigating gas versus electric cooking in
11 disadvantaged and low-income communities. And as of now,
12 85 homes have been enrolled. Baseline air quality
13 monitoring and surveys have been conducted in over 70 of
14 those homes. And as a long-term study, we are anticipating
15 results by spring of 2027.

16 Next slide, please.

17 Next steps for EPIC.

18 Again, EPIC 4 is nearing the end of its
19 investment cycle. Eight solicitations are planned for
20 release throughout the fall of this year. As we begin to
21 really dive into developing EPIC 5, the CPUC adopted the
22 strategic goals in March of 2024 and are currently working
23 on adopting strategic objectives, which should come out
24 later this year following a common period and iteration
25 from various parties. And currently, the CEC staff are

1 beginning to develop plans to build out the EPIC 5
2 investment plan. We'll have more on that to come later
3 this year.

4 Next slide, please.

5 Staff recommendation. I recommend that you
6 approve the 2024 EPIC Annual Report. And following the
7 approval at this business meeting, we plan to submit it to
8 the CPUC and the legislature.

9 I'm available for any questions.

10 And I just really want to thank, before
11 concluding, a lot of the folks on the ERDD Team for their
12 support on this. This is a huge effort that requires not
13 only individual staff reaching out to grant recipients to
14 verify these results, but some names I want to mention.
15 Rebecca Aviles, my manager, who's currently out, as well as
16 Adam Gottlieb and Rachel Salazar on my team, and Cammy
17 Peterson, our deputy director, who has been a guide as
18 we've developed this, and also to Doris Yamamoto, Tiffany
19 Solorio from our program management unit. They've also
20 helped to shepherd a lot of this work. And Darren Lee as
21 well. I think that's most everyone.

22 And now, I'm happy to take any questions or
23 comments. Thank you.

24 VICE CHAIR GUNDA: Thank you so much, Fritz.

25 We will now hear public comment on this item.

1 MS. BADIE: Thank you. The Commission welcomes
2 public comment on item 7 at this time. If you're in the
3 room, you can raise your hand. And if you're on Zoom,
4 you'll use the raise-hand feature on your screen or star 9
5 if joining by phone. I'm not seeing anyone in the room, so
6 I'm going to transition over to Zoom.

7 Michael Ganny, I'm going to open your line.
8 You'll just need to unmute on your end. And just a
9 reminder that we do ask that comments be limited to two
10 minutes or less. There will be a timer on the screen.

11 MR. GANNY: Hello. My name is Michael Ganny,
12 M-I-C-H-A-E-L G-A-N-N-Y. I represent WattEV, an EPIC
13 Program recipient, which has led to the development of what
14 we like to call the 21st century truck stop located in
15 Bakersfield. This project represents a landmark
16 advancement in heavy-duty electric vehicle infrastructure
17 in California's Central Valley. As the first publicly
18 accessible heavy-duty charging station in the region, the
19 project addresses a critical gap in charging along State
20 Route 99.

21 Under the EPIC Program, the site has been
22 equipped with 15 240-kilowatt CCS chargers and three 1.2-
23 megawatt MCS chargers. These chargers are supported by a
24 distributed energy resource system that consists of a 5-
25 megawatt solar array that feeds a 3.6-megawatt substation

1 and three 1.2-megawatt power cabinets, providing the
2 chargers with consistent power from a source completely
3 independent from the electric grid.

4 This project is a direct response to the growing
5 demand for electrified transport and the lack of public
6 heavy-duty charging options, especially for fleets unable
7 to implement private charging solutions. This not only
8 alleviates range anxiety, but also supports equity in
9 electrification across fleet types and sizes.

10 Through collaboration with the local air
11 districts, OEMs, and industry stakeholders, this project
12 serves as a foundational step towards broader heavy-duty EV
13 adoption, supporting California's transition to the zero-
14 emission freight transport.

15 Thank you.

16 MS. BADIE: Thank you.

17 And that's the only raised hand we have for this
18 item, so back to you, Vice Chair.

19 VICE CHAIR GUNDA: Thank you, Mona.

20 We'll go to Commission discussion. Commissioner
21 McAllister?

22 COMMISSIONER MCALLISTER: Well, thanks so much,
23 Fritz.

24 MS. BADIE: I'm so sorry.

25 COMMISSIONER MCALLISTER: Oh.

1 MS. BADIE: If I may interrupt, there's one more
2 hand that just came up, and I think it's helpful to --

3 COMMISSIONER MCALLISTER: Go for it.

4 MS. BADIE: Thank you so much.

5 All right, Brett Singer, I'm going to open your
6 line. You'll unmute on your end.

7 DR. SINGER: Great. Thank you very much for the
8 opportunity to comment. So I'm the PI of that project
9 looking at cooking energy and ventilation improvements on
10 the effects on children's asthma.

11 And I just want to take the opportunity first to
12 thank the Commission for supporting this. It's a really
13 breakthrough, unique study where we're looking not only at
14 the air quality impacts, but literally trying to understand
15 the health impacts for the children. It's a partnership
16 between Lawrence Berkeley Lab and the University of
17 California, San Francisco, Central California Asthma
18 Collaborative, UCLA, and the Association for Energy
19 Affordability.

20 And I want to really just give a shout out,
21 especially to two of the partners, the Association for
22 Energy Affordability that works a lot with Commission on
23 multiple programs and projects. They've been leading the
24 contractor oversight and managing, which has been quite
25 challenging to do the assessments and ensure that we could

1 install the induction electric stoves in an older housing
2 stock, which requires electrical upgrades. So they've been
3 doing a great job.

4 And then really, especially the Central
5 California Asthma Collaborative, CCAC. They're on the
6 front lines. We're starting with the participants from
7 their Asthma Program. It's a Medi-Cal funded program.
8 They're doing the recruitment. They've received training.
9 They do all the measurements in the homes, interact with
10 the participants. They're exceptionally good at what they
11 do in terms of going out and research, collecting really
12 good data and doing it in a way that I think is aligned
13 with the community and sensitive to the challenges the
14 community faces. A lot of low-income people who are very
15 busy, so they're working around their schedules and giving
16 them every opportunity to participate in the research.

17 So, again, thank you very much. If there are any
18 technical questions, I'm here, but I want to thank you
19 again for the opportunity.

20 MS. BADIE: Thank you.

21 Thank you for allowing that last comment. Back
22 to you.

23 COMMISSIONER MCALLISTER: Great. Well, thanks to
24 both those commenters. And, Dr. Singer, Brett, thanks for
25 all the work you've done throughout your career, but

1 certainly on this issue. I think it's been -- I mean, we
2 know that it's a big lift to do this kind of field work and
3 to get rigorous measurement and really do things up to the
4 standard that the sort of health care industry expects, you
5 know, demographically and doing all those statistics and
6 having the right, you know, sampling and measurement and
7 statistical power. And all that, you're just, you guys are
8 so good at that. And we have a great team here at the
9 Energy Commission as well that serve as partners.

10 But that's one example of how EPIC really does
11 help broaden discussions and integrate, you know, that
12 we've been talking about a lot this meeting. We need
13 financing really from the health care system to help update
14 our buildings because -- but in order to do that, you have
15 to really show the health care industry, you have to
16 establish that they're going to save a ton of money that
17 would justify that investment. And I think we're being a
18 force for good and our team is really sort of leaning into
19 that question and those problems to figure it out.

20 And I think that's a really promising path
21 forward for our building decarbonization efforts in the
22 state is to really partner with the health care system to
23 unlock all those benefits and bring in the private and the
24 sectoral capital to help our buildings improve their
25 performance. And that benefits not just low-income people,

1 but everybody, everybody in the state. So I think that's a
2 great example of the value of EPIC.

3 And I just want to thank you, Fritz. I love
4 hearing you present, really. You're very dynamic and I
5 love your positivity. And I think it's completely 100
6 percent justified when we talk about EPIC Program because
7 it's been such a knock it out of the ballpark success. And
8 I'm obviously in full support, and I appreciate the
9 briefings and just interacting with all of the whole EPIC
10 team every day. And would just acknowledge the team that
11 you called out in your presentation.

12 And I know I speak for the Chair as well. We
13 just love working with you all to understand what you're
14 doing, to give some advice when we can, but really have so
15 much faith in the team to push good projects forward and
16 really produce for the state. And, you know, working with
17 the CPUC on, you know, keeping within the boundaries of the
18 funding for EPIC, and just a lot of work, not just on the
19 substance, but also on the process and, you know, the sort
20 of being accountable and documenting and all the contract
21 management and everything, it's not a small task. So I
22 really appreciate everything that went into the report that
23 you just went over. So appreciate that and in full support
24 to send it over to the legislature.

25 VICE CHAIR GUNDA: Thank you.

1 COMMISSIONER MCALLISTER: Great.

2 VICE CHAIR GUNDA: Commissioner Gallardo?

3 COMMISSIONER GALLARDO: Fritz, I also wanted to
4 congratulate you on your great presentation. You've got
5 the skills and you deliver all the content so well. I am
6 excited about all things EPIC, and I think it's one of the
7 programs that delivers the most impact at the Energy
8 Commission. Also, as we heard in the JAEDI Report earlier,
9 it's delivering on those efforts, as well, to advance the
10 principles of justice, access, equity, diversity,
11 inclusion. It's part of the mission of EPIC. So really
12 appreciate that. I want to celebrate your leadership and
13 also just all of the efforts overall on EPIC.

14 And I wanted to mention to Michael, hopefully
15 he's still listening, I had an opportunity to visit the
16 WattEV truck site with former Commissioner Monahan and was
17 really excited for the potential of what we were listening
18 to. And so I'm eager to go back and see all the changes.
19 But it's wonderful, also, to see it at the beginning and
20 then hear about the progress and the type of impact it's
21 making.

22 And really appreciate Brett joining, as well, and
23 emphasizing the health aspects, which I do think we need to
24 do more about. I agree with Commissioner McAllister.
25 Getting the health industry to invest in these efforts

1 makes a lot of sense. That should make sense for them as
2 well. So we'd be happy to participate in any of those
3 efforts that don't get us into any BK trouble.

4 COMMISSIONER MCALLISTER: Good trouble.

5 COMMISSIONER GALLARDO: It's kind of good
6 trouble.

7 Thank you, Fritz.

8 VICE CHAIR GUNDA: Thank you, Commissioner
9 Gallardo.

10 I just wanted to say Fritz, excellent
11 presentation. I also want to just recognize Commissioner
12 McAllister, your and Chair Hochschild's leadership over the
13 division and the EPIC Program, and Jonah and all the
14 leadership division. I know, I was a beneficiary of EPIC
15 when I was working at UC Davis. Always appreciated how
16 thoughtful the program is and how innovative it is.

17 Wanted to just kind of recognize the tracks on
18 reliability and DER. Super exciting. You know, those are
19 pieces that I work on, and I'm very excited about that
20 work.

21 Also just want to make sure that there are also
22 things that we do through EPIC that's not just energy
23 impacts, that also non-energy impacts, right, like whether
24 it's employment, whether it's air quality impacts, health
25 impacts.

1 So I just want to say congratulations for all the
2 good work. Keep doing the great work you guys do.

3 And with that, Commissioner McAllister, would you
4 move the item?

5 COMMISSIONER MCALLISTER: I so move.

6 COMMISSIONER GALLARDO: I second.

7 VICE CHAIR GUNDA: Okay, then we'll move to the
8 vote.

9 Commissioner McAllister?

10 COMMISSIONER MCALLISTER: Aye.

11 VICE CHAIR GUNDA: Commissioner Gallardo?

12 COMMISSIONER GALLARDO: Aye.

13 VICE CHAIR GUNDA: Commissioner Skinner?

14 COMMISSIONER SKINNER: Aye.

15 VICE CHAIR GUNDA: I vote aye as well. The pass
16 is 4-0. Thank you so much.

17 MR. FOO: Thank you.

18 VICE CHAIR GUNDA: Yeah, with that, let's move to
19 item 8, Silicon Valley Clean Water.

20 Baldomero Lasam, thank you.

21 MR. LASAM: Good afternoon, Vice Chair,
22 Commissioners, and everyone. My name is Baldomero, and I'm
23 a Mechanical Engineer in the Energy Research and
24 Development Division. Today I'm presenting one recommended
25 award from the Clean Dispatchable Generation EPIC

1 Solicitation.

2 Next slide, please.

3 This solicitation supports the adoption of clean
4 dispatchable generation technologies to generate
5 electricity when needed and are non-intermittent, which
6 excels at providing reliable power for critical
7 infrastructures. In addition, the technologies use 100
8 percent renewable fuels to provide stable power with the
9 opportunity to reduce strain on the grid during times with
10 high electric demand.

11 The solicitation is funding two projects proposed
12 for award with a total funding of \$8 million and a private
13 funding of \$3.62 million. Today I'm presenting one
14 proposed award, and the other will be taken to a later
15 business meeting.

16 Next slide, please.

17 The objectives of this solicitation are to
18 enhance the electric grid as the state of California
19 transitions to 100 percent clean energy, reduce the
20 dependence on fossil gas, ensure that there's an ample
21 supply of clean renewable resources that meets the demands
22 of commercial industrial facilities during peak periods,
23 and lastly, reduce greenhouse gas and pollutant emissions
24 to improve public health and air quality in surrounding
25 local areas. I will discuss the project benefits at the

1 later slide.

2 Next slide, please.

3 We are seeking approval for the Silicon Valley
4 Clean Water Project in partnership with Stanford
5 University. The proposed funding for this project is \$4
6 million, along with an additional \$2.53 million in matching
7 funds. This awardee will deploy and demonstrate an
8 integrated microgrid system that will flexibly dispatch 730
9 kilowatt of clean renewable generation from three biogas-
10 fueled linear generators at a municipal wastewater
11 treatment plant located in Redwood City, California.

12 Innovation is a biogas microgrid controller that
13 coordinates the wastewater recovery resource facilities
14 energy recovery, biogas production, electric generation,
15 and wastewater treatment at facility scale. This will
16 allow for maximizing the use of renewable fuel resources on
17 site and achieve efficient load shifting during peak
18 periods.

19 Next slide, please.

20 This project will meet 100 percent of electric
21 facility demand, reduce the facility's peak demand by 600
22 kilowatt, increase renewable electricity generation by
23 5,200 megawatt-hour per year, provide 100 to 250 kilowatt
24 of demand response capacity to California grid, eliminate
25 biogas flaring, and reduce local air emission damages in

1 the surrounding disadvantaged community by 1,230 tons per
2 year, and save roughly \$150,000 per year in reduced
3 greenhouse gas damages. The project will also provide a
4 payback period of under 10 years.

5 Next slide, please.

6 Fully adopted to all California wastewater
7 treatment plant with anaerobic digesters, the BMC-optimized
8 linear generators would add an estimated 2.2 terawatt-hour
9 per year of clean dispatchable generation to the grid.

10 In addition, the full adoption of the
11 technologies will reduce greenhouse gas and criteria
12 pollutants by 296,000 tons per year and 190 tons per year,
13 respectively.

14 Finally, it will save California approximately
15 \$40 billion per year in avoided damages due to pollution
16 reduction.

17 Next slide, please.

18 The demonstration project at this wastewater
19 treatment plant could incentivize similar facilities with
20 anaerobic digesters to adopt these technologies, which
21 would contribute to emission savings and reduce grid
22 strength.

23 Staff recommends approval of this grant award and
24 adoption of staff's determination that this project is
25 exempt from CEQA.

1 That concludes my presentation. Thank you, and
2 I'm available to answer any questions.

3 And I would also recognize my team here who
4 waited with me, Kevin, Ronnie, and Zach, as well as Nadia
5 (phonetic) on the line.

6 Thank you.

7 VICE CHAIR GUNDA: Thank you so much, Baldomero.
8 With that, we'll go to public comment on the
9 item.

10 MS. BADIE: Thank you. The Commission welcomes
11 public comment on Item 8 at this time. If you're in the
12 room with us, you can raise your hand. And if you're on
13 Zoom, you'll use the raise-hand feature on your screen or
14 star 9. All right, and I do believe we did hear one
15 comment earlier for this item.

16 We don't have any raised hands, so back to you,
17 Vice Chair.

18 VICE CHAIR GUNDA: Thank you, Mona.

19 With that, moving to Commissioner discussion.
20 Commissioner McAlister?

21 COMMISSIONER MCALLISTER: Great, Baldomero,
22 thanks so much. I really appreciate it. This is a super
23 cool project, and I'm in full support. It's innovative in
24 a few ways, but I do like the sort of testing out of a
25 linear generator in this application, which is kind of

1 cool. It's a little different from a rotary generator, so
2 it's nice to sort of be able to compare and contrast. But
3 really a no-brainer from my perspective, just taking
4 advantage of energy that's there and doing good things with
5 it to help us with our electricity reliability and supply
6 challenges.

7 So, yeah, thanks a lot. Really appreciate it.
8 Anybody else?

9 VICE CHAIR GUNDA: Thank you.
10 Commissioner Gallardo?

11 COMMISSIONER GALLARDO: Yeah, just quickly.

12 Baldomero, congratulations. Great presentation.
13 I also want to express my gratitude for you walking me, you
14 know, step by step on how the process works here. I'm also
15 excited about this.

16 And I hear about wastewater treatment facility
17 issues all the time. So when I'm in the Lithium Valley
18 area, when I've been in Ventura County and other spaces, it
19 comes up a lot. So this is a major need, and I think this
20 is exciting about how we can help evolve and advance our
21 clean energy goals while also helping these local areas.

22 I did have a question, just for clarification.
23 Did I hear you correctly earlier, did you mention that
24 Stanford is a part of this?

25 MR. LASAM: Yes.

1 COMMISSIONER GALLARDO: Oh, okay.

2 MR. LASAM: They're the ones who's going to help
3 develop the biomass microgrid controller, which will help
4 streamline the process for the treatment plant.

5 COMMISSIONER GALLARDO: Excellent. Thank you. I
6 must have missed that earlier, but I appreciate the
7 clarification.

8 VICE CHAIR GUNDA: Thank you, Commissioner
9 Gallardo.

10 Baldomero, just again, thank you for the
11 presentation. Again, I wanted to just thank the project
12 partners, Silicon Valley Clean Energy, Stanford, and also
13 Mainspring. I'm, you know, particularly excited about
14 Mainspring and the linear generator. I think it's an
15 important technology from a reliability, resiliency, and
16 the demand response opportunity. I also want to applaud
17 the 60 percent match fund, which is great, and also the
18 focus on the wastewater.

19 For Commissioners, I just want to note, in 2022,
20 we could not have gotten through that September event
21 without the wastewater plants and their support. And it
22 was one of the opportunities that was recognized for DEBA
23 and DSGS, and, you know, potentially kind of having
24 controls for essentially getting the wastewater treatment
25 plants, not from a resiliency perspective, but our ability

1 to really go off-grid during events. So all these projects
2 are towards that goal, so I just really appreciate that, so
3 thank you so much to you and the team in the back there.
4 And I'm supportive.

5 With that, Commissioner McAllister, can I ask you
6 to move the item?

7 COMMISSIONER MCALLISTER: Move item 8.

8 VICE CHAIR GUNDA: Commissioner Gallardo?

9 COMMISSIONER GALLARDO: I second.

10 VICE CHAIR GUNDA: Okay, going to the vote.

11 Commissioner McAllister?

12 COMMISSIONER MCALLISTER: Aye.

13 VICE CHAIR GUNDA: Commissioner Skinner?

14 COMMISSIONER SKINNER: Aye.

15 VICE CHAIR GUNDA: Commissioner Gallardo?

16 COMMISSIONER GALLARDO: Aye.

17 VICE CHAIR GUNDA: I vote aye as well, and it
18 passes 4-0. Thank you so much.

19 And we've already covered item number 9, so
20 moving to item 10, Lead Commissioners and Presiding Member
21 Report.

22 I will just start by saying much of my time has
23 been spent on working on the letter, which was wonderful.
24 We had already discussed about that, and I just want to
25 express my gratitude again. And in the interest of time

1 and a long meeting today, I will cover more items in the
2 next meeting.

3 With that, Commissioner McAllister, can I go to
4 you, please?

5 COMMISSIONER MCALLISTER: Just a few things. I
6 did want to take the opportunity just to acknowledge a
7 couple of events in the context of the building standards,
8 obviously, the Efficiency Division, Building Standards
9 Office develops every three years in concert with other
10 agencies, including the building standards Commission.
11 Just a couple things.

12 Earlier this week, many of you might have seen
13 the executive order N-29-25 from the Governor, which was
14 part of a press event that he did with a bunch of --
15 several agencies, a bunch of local officials, county and
16 city supervisors, et cetera, on Monday. And a lot was
17 packed in there in that event. But one was the unveiling
18 of an executive order that provides some flexibility to
19 rebuild projects, the projects that are rebuilding
20 structures that were lost in the L.A fires earlier this
21 year. It's hard to believe it's been six months since
22 those fires back in January.

23 And it does two main things. It lifts the PV
24 requirement for new construction for those rebuild
25 projects. And it also allows them to use the current code,

1 the 2022 code version. And that's not just the Energy Code
2 that we do, but it's the entire Building Code, except for
3 the elements that have to do with fire and safety and
4 resilience, health and safety and fire resilience. And so
5 that's one thing.

6 The other is the budget bill. AB 130 was passed
7 and signed into law. And it also had some provisions about
8 the Building Code, namely that it asks the code -- it tells
9 all the agencies that are involved in the code to not
10 update the code for 2028, and to really until an effective
11 date of January -- past January 1 of '20 -- of '30 -- of
12 2031, I believe it is. So it's effectively one cycle, the
13 2028 code cycle. So residential new and existing buildings
14 will not get an update in 2028. So we're looking at the
15 implications of that. And we obviously are focused on
16 implementing the 2025 code that goes into effect January 1
17 of 2026.

18 So we do have a lot to do on the non-res side.
19 And there are a number of other things that staff is
20 working on. And it does give us some flexibility to be
21 able to really dig into making sure that the big changes we
22 made in the 2025 code, we have time to really work with
23 stakeholders to implement those really well and completely
24 and with a lot of thought.

25 It also, I think, is emblematic of the fact that

1 the buildings that we build in California under the 2025
2 code, the 2022 code already, and then definitely the 2025
3 code, the residential structures that we build are already
4 the best in the world. And so I think, you know,
5 restructuring our investments a little bit is -- you know,
6 there's definitely some silver lining to that ask from the
7 legislature not to update the Residential Code for 2028.

8 But I did want to just mention that just to make
9 sure everybody knew about it. I want to just thank CCO and
10 staff for helping advise along the way and kind of
11 understand the implications of what that decision might
12 mean, and work with the Governor's Office on the executive
13 order. I think that, you know, it's been a relatively
14 transparent process. But, you know, the legislative
15 process does what it does. And we provide information to
16 help inform that process, which we did all along the way
17 here, too.

18 But again, I think over the last few code cycles,
19 particularly, you know, 2019, 2022, 2025, we've really made
20 huge strides in our Building Code, particularly focusing on
21 the residential, single-family residential module. So I
22 think we're in a good place.

23 Two events I just want to mention. I want to
24 call out my advisor, Hughson Garnier, who helped put
25 together the -- or facilitate, really, the Summit, the

1 Hydrogen Transition Summit that took place here in this
2 room a couple weeks ago, and maybe it was early last week.
3 Time flies. But I just want to thank all of the
4 Commissioners for being involved in that. Vice Chair Gunda
5 opened it up and, Commissioner Gallardo, I think you were
6 on a panel, and Commissioner Skinner as well.

7 So it was not our event. It was co-sponsored,
8 co-hosted by Energy Commission, ARB, the German government,
9 and GO-Biz and ARCHES, the hydrogen hub that we have here
10 in California. So it was a multi-agency event, but it was
11 organized by the Green Hydrogen Coalition. So it was a
12 nonprofit that organized it, and we supported it with our
13 facility. But it was actually quite a good event. I think
14 it reflected where we are with our hydrogen policy in the
15 state. And I think everybody learned a lot, and it was
16 very positive.

17 And then I did make a trip to Ireland, too. This
18 was about -- just since our last meeting, I think. I think
19 I left right after our last meeting. But it was a UN-
20 convened Buildings Action Coalition, a summit, that is
21 really trying to figure out -- it's a very multinational
22 thing, and it's really trying to figure out how to get our
23 building performance, you know, building decarbonization up
24 and to scale globally. And it's an example of California
25 really needing to be in the room to provide leadership, and

1 that's what they wanted. They really wanted California to
2 step up and sort of speak for the transition, you know, the
3 U.S. transition, and just provide that inspiration to them.
4 And I think it worked out that way. There are actually a
5 lot of Californians there other than me as well.
6 Commissioner Houck from the PUC presented remotely.

7 But anyway, we'll see where that goes. We
8 offered to help support an event in California, probably in
9 Southern California at some point later this year. So
10 we'll see if that comes together. Hopefully it will, and
11 if so, I'll let you all know about it.

12 Thanks.

13 VICE CHAIR GUNDA: Thank you. Commissioner
14 McAllister.

15 Commissioner Gallardo?

16 COMMISSIONER GALLARDO: I have a parent
17 obligation at 4:00, so I'm going to defer mine to next
18 time, although I'm really backed up.

19 So, Commissioner Skinner, would you like to go?

20 COMMISSIONER SKINNER: Thank you. We heard about
21 WattEV, in the EPIC report, about their truck depot in
22 Bakersfield. They just broke ground on a similar truck
23 depot in Oakland, which will serve the Port of Oakland and
24 the airport. So that was quite good to see. So our
25 investment has created multipliers.

1 I wanted to make sure that everybody also knew
2 that our electric vehicle charging reliability regs are now
3 published by the Office of Administrative Law, and the 45-
4 day comment period is open. So anyone interested or
5 affected by that, please review it because the 45-day
6 comment period is open.

7 And I'll save any more reports until the next
8 meeting.

9 COMMISSIONER MCALLISTER: Commissioner Gallardo,
10 did you want to -- no? Okay. Okay. Great.

11 All right, I think Executive Director's Report.

12 EXECUTIVE DIRECTOR BOHAN: Thank you. There's no
13 report this afternoon.

14 COMMISSIONER MCALLISTER: Public Advisor?

15 MS. BADIE: Thank you. I just want to mention
16 that the next meeting of the Disadvantaged Communities
17 Advisory Group is July 18th. And on the agenda, the group
18 will hear from CPUC, CEC, and Employment Development
19 Department's Solar for All Grant Program. That was funded
20 under the US EPA. And they will also hear a presentation
21 by CEC staff on Assembly Bill 3, the Zbur bill on offshore
22 wind reports.

23 And that's all I have to report. Thank you.

24 COMMISSIONER MCALLISTER: Great. Chief Counsel's
25 Report.

1 Thanks, Mona.

2 MR. RANCHOD: I do have a brief report. Thank
3 you, Commissioners. I have two items.

4 The first item is an update on the NEVI
5 litigation matter. You'll recall from my prior business
6 meeting reports, this is the multistate federal lawsuit
7 challenging actions taken by the Federal Highway
8 Administration to unlawfully withhold billions of dollars
9 approved by the Congress to expand EV charging
10 infrastructure through the NEVI Formula Program.
11 California was apportioned a total of about \$384 million in
12 federal funds over five fiscal years to carry out that
13 program, and CEC administers the NEVI Program for Caltrans.

14 In the lawsuit, the State of California and the
15 State of Washington are co-leading a coalition of 17 state
16 attorneys general who filed suit against Federal Highway
17 Administration, asking the court to declare that the NEVI
18 directive is unlawful and permanently stop the Trump
19 administration from withholding the funds from the states.

20 I'm pleased to report that in late June, the
21 Federal District Court in Seattle granted plaintiffs'
22 motion for a preliminary injunction with respect to the 14
23 states that filed declarations in support of the motion.
24 That includes California. The court's preliminary
25 injunction went into effect on July 2nd, and defendants

1 have until 60 days of the order to appeal the injunction to
2 the Ninth Circuit.

3 When Caltrans submits its next NEVI funding
4 request, the state will be able at that time to confirm
5 renewed access to California's allocated NEVI funds and the
6 Federal Highway Administration's compliance with the
7 injunction. I'll keep you apprised as this matter
8 develops.

9 The second item, I want to welcome the newest
10 member of our legal team, Brittany Aldridge (phonetic), who
11 started with the Chief Counsel's Office on June 23rd as an
12 attorney for the Hearings and Advisory Unit. Brittany
13 joined CEC from the Federal Emergency Management Agency, or
14 FEMA, where she was a Deputy Associate Chief Counsel in the
15 agency's Washington, D.C. office. She previously served as
16 Assistant Chief Counsel with the U.S. Department of
17 Homeland Security.

18 Brittany is attending her first CEC business
19 meeting today. Welcome, Brittany.

20 That concludes my report.

21 COMMISSIONER MCALLISTER: Where is she?

22 MR. RANCHOD: I think she's remote at this point.

23 COMMISSIONER MCALLISTER: Oh, she's remote.

24 Okay, well, we look forward to meeting you at some point.

25 Thanks a lot.

1 And I believe that's it. We are adjourned.

2 Thanks, everybody.

3 (The meeting adjourned at 3:48 p.m.)

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