

**DOCKETED**

<b>Docket Number:</b>	22-BUSMTG-01
<b>Project Title:</b>	Business Meeting Agendas, Transcripts, Minutes, and Public Comments
<b>TN #:</b>	242612
<b>Document Title:</b>	Transcript of 03-09-22 for Business Meeting
<b>Description:</b>	N/A
<b>Filer:</b>	Liza Lopez
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	4/7/2022 4:35:44 PM
<b>Docketed Date:</b>	4/7/2022

BUSINESS MEETING  
BEFORE THE  
CALIFORNIA ENERGY COMMISSION

In the Matter of: )  
 ) 22-BUSMTG-01  
 *Business Meeting* )  
 \_\_\_\_\_ )

REMOTE ACCESS ONLY

*Public comment is accepted solely through the Zoom platform.*

*The California Energy Commission's (CEC) March 9, 2022 Business Meeting will be held remotely, consistent with Assembly Bill 361 (Rivas, Chapter 165, Statutes of 2021) to improve and enhance public access to state meetings during as extended by Governor Newsom's Executive Order N-1-22 to improve and enhance public access to state meetings during the COVID-19 pandemic. The public can participate in the business meeting consistent with the direction provided below.*

*Please note that the CEC aims to begin promptly at the start time and the end time is an estimate based on the agenda proposed. The business meeting may end sooner or later than the time indicated depending on various factors.*

*Pursuant to California Code of Regulations Title 20 section 1104(e), any person may make oral comment on any agenda item. To ensure the orderly conduct of business, such comments will be limited to three minutes or less per person. Any person wishing to comment on information items or reports (non-voting items) shall speak during the general public comment portion of the meeting and have three minutes or less to address all remaining comments.*

WENESDAY, MARCH 9, 2022

10:00 A.M. - 4:00 P.M.

Reported by:  
M. Nelson

APPEARANCES

Commissioners (Via Remote)

David Hochschild, Chair  
Siva Gunda, Vice Chair  
Kourtney Vaccaro  
Andrew McAllister  
Patricia Monahan

Staff Present: (Via Remote)

Drew Bohan, Executive Director  
Linda Barrera, Chief Counsel  
Noemi Gallardo, Public Advisor  
Dorothy Murimi, Public Advisor's Office  
Kirk Oliver, Staff Counsel  
Geoff Lesh, Engineering Office Manager  
Brett Fooks, Inspection Team Supervisor  
Mary Dyas, Lead Compliance Project Manager  
Jaquelyn Record, Engineering Office  
Tom Hughes, Engineering Office  
Lisa DeCarlo, Lead Counsel  
John Heiser, Lead Compliance Project Manager  
Jennifer Baldwin, Lead Counsel  
Eric Knight, Siting and Environmental Office  
Jared Babula, Legal Counsel

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a. Pursuant to Government Code Section 11126(e), the CEC may adjourn to closed session with its legal counsel to discuss any of the following matters to which the CEC is a party:	
i. <i>In the Matter of U.S. Department of Energy             (High Level Waste Repository) (Atomic Safety             Licensing Board, CAB-04, 63-001-HLW); State of             California v. United States Department of Energy             (9th Cir. Docket No. 09-71014)</i>	
ii. <i>State Energy Resources Conservation and             Development Commission v. HyGen Industries, Inc.             (Sacramento County Superior Court, Case No. 34-             2019-00252543-CU-BC-GDS)</i>	
iii. <i>Interlink Products International, Inc. v.             Xavier Becerra, Drew Bohan, Melissa Rae King             (United States District Court for the Eastern             District of California, Case No. 2:20-cv-02283)</i>	
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b. Pursuant to Government Code, section 11126, subdivisions (a) and (e), the CEC may also discuss any judicial or administrative proceeding that was formally initiated after this agenda was published; or determine whether facts and circumstances exist that warrant the initiation of litigation, or constitute a significant exposure to litigation against the CEC, which might include personnel matters.	
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P R O C E E D I N G S

MARCH 9, 2022 10:03 a.m.

(Start of Introductory Video.)

MS. MURIMI: Welcome to the California Energy Commission's Business Meeting.

Zoom's closed captioning feature has been enabled to make Energy Commission business meetings more accessible. Attendees can use this feature by clicking on the "Live Transcript" icon, then selecting either "Show Subtitle" or "View Full Transcript." Closed captioning can be stopped by closing out of the live transcript or selecting "Hide Subtitle." Those participating solely by phone do not have the option for closed captioning.

The Energy Commission will continue to post the transcript of this Business Meeting rendered by a professional court reporter in the docket system and on the Business Meeting webpage.

This meeting is being held remotely consistent with Assembly Bill 361, as extended by Governor Newsom's Executive Order N-1-22, to improve and enhance public access to state agency meetings during the COVID-19 pandemic. The public can participate in the Business Meeting consistent with the instructions for remote participation found in the notice of this meeting, and as set forth in the agenda posted to the Energy Commission's

1 website.

2 Pursuant to California Code of Regulations Title  
3 20 section 1104(e) any person may make oral comments on any  
4 agenda item.

5 Once the public comment period begins if you'd  
6 like to speak, please raise your hand by clicking on the  
7 "Raise Hand" icon at the bottom of your screen. Please  
8 note that if Zoom were to shut down, we would switch to the  
9 Verizon phone line at (888)823-5065. The pass code is  
10 "Business meeting." Public comment would then be accepted  
11 through Verizon.

12 To ensure the orderly and fair conduct of  
13 business, public comments will be limited to three minutes  
14 or less per person for each agenda item voted on today.  
15 Any person wishing to comment on the information items or  
16 reports, which are non-voting items, shall reserve their  
17 comments for the general public comment portion of the  
18 meeting. And shall have a total of three minutes or less  
19 to state all remaining comments.

20 If you're joining by phone press \*9 to raise  
21 your hand and \*6 to unmute. After the Public Advisor calls  
22 on you to speak, spell your name, and state your  
23 affiliation if any.

24 Welcome to the California Energy Commission's  
25 Business Meeting. The meeting will now begin.

1 (End of Introductory Video.)

2 CHAIR HOCHSCHILD: Thank you, Dorothy.

3 Good morning, friends and welcome. I'm David  
4 Hochschild Chair of the Energy Commission and today is  
5 Wednesday, March 9th, and I'm calling this meeting to  
6 order. Joining me today are Vice Chair Gunda, Commissioner  
7 McAllister, Commissioner Monahan, and Commissioner Vaccaro.

8 Commissioner McAllister will lead us in the  
9 Pledge of Allegiance.

10 (Whereupon the Pledge of Allegiance was recited.)

11 CHAIR HOCHSCHILD: Well, thank you, Commissioner.

12 And I think I speak for all of us when I say our  
13 hearts are heavy with what is happening with the war in  
14 Ukraine and the threat to democratic institutions there,  
15 and around the world. And I think all of us need to keep  
16 these struggles in our hearts as the Governor mentioned in  
17 his State of the State speech yesterday. It really is a  
18 moment for all of us to pull together and do everything we  
19 can to protect democratic institutions and people fighting  
20 for their freedom around the world.

21 So with that I wanted to take a minute to make a  
22 couple of acknowledgements, starting with Dorothy Murimi  
23 who is with the Office of the Public Advisor, Energy  
24 Equity, and Tribal Affairs. Dorothy is filling in today  
25 for Noemi Gallardo, who we're trying to build out the bench

1 role in the Public Advisor's Office, so that we have more  
2 capability to do that service. And Dorothy, I just want to  
3 thank you for all your terrific service to the Energy  
4 Commission over the years. I've just really appreciated  
5 your diligence and professionalism and happy to have you in  
6 the Public Advisor's role with us for this meeting today.

7           Secondly, I wanted to welcome our newest  
8 Commissioner, Kourtney Vaccaro, who comes to the Energy  
9 Commission probably among the most prepared people for this  
10 job. She has had a distinguished career at the Energy  
11 Commission as an attorney, as Chief Counsel, and most  
12 recently as Advisor to Commissioner Douglas. She's also  
13 been in private practice and (indiscernible) practices at  
14 the Commission.

15           And her appointment was made possible by  
16 Commissioner Douglas getting appointed to go to be the  
17 Energy Advisor to the Governor, which we're really excited  
18 about. And she'll be able to continue to build on so much  
19 of the work she was doing here at the Energy Commission on  
20 offshore wind and renewable energy project planning, and  
21 Lithium Valley and so many other issues. So we are so  
22 proud of her and her 14-year career. We will celebrate  
23 that properly at the right time in the months to come.

24           But for now I just wanted to extend a warm  
25 welcome to our newest Commissioner, Commissioner Vaccaro.

1 And thank you for your willingness to serve. And I've  
2 really appreciated the incredible institutional knowledge  
3 that you bring. And the diligence and hard work, really, I  
4 think, has defined your career and I would welcome you to  
5 make a few remarks if you'd be willing.

6 COMMISSIONER VACCARO: Yes. Well, thank you so  
7 much Chair Hochschild. And I appreciate that warm welcome  
8 and the kind words. And it's truly an honor and a  
9 privilege to serve alongside such a distinguished and  
10 esteemed group of colleagues. And it's also truly  
11 humbling, I think to have been appointed by the Governor to  
12 serve Californians and to serve the public interest in this  
13 way.

14 So just I'll take a few moments here just to kind  
15 of let you know a little bit of, I guess, my thinking and  
16 it helps people understand a little bit about me. So I  
17 was sworn in last Friday at the end of the day. And after  
18 that I spent some time really refreshing my recollection  
19 about the legislative findings and the declarations around  
20 the creation of the Energy Commission.

21 And there was a provision in particular that  
22 really resonated with me, because the Legislature made it  
23 plain that electrical energy is essential to the health,  
24 safety, and welfare of the people of the state and to the  
25 state's economy. And importantly, that it's the state

1 government's responsibility to ensure reliable supply  
2 needed for protection of public health and safety,  
3 protection of environmental quality, of promotion of the  
4 general welfare.

5           And I just feel that this call to action, it's  
6 even more urgent today in the face of just undeniable  
7 climate crisis that's compelling all of us to be thoughtful  
8 as we accelerate development and deployment of  
9 decarbonization and clean energy and climate strategies.  
10 And that we do all of this without compromising essential  
11 principles of energy equity, accessibility, and  
12 affordability.

13           So for me, I mean this is all really -- it's  
14 very weighty and it's very sobering. And it brings to the  
15 forefront of my mind a lesson that I've learned throughout  
16 my career, which is that substantive knowledge, analytical  
17 rigor, critical thinking, those are the expected minimum  
18 requirements for leaders to get things done. But to truly  
19 be effective it's essential to be intentional about  
20 demonstrating a capacity and a willingness to collaborate  
21 with, and to learn from others. And so I believe that I  
22 have something to offer to this decision-making solution  
23 set.

24           And I also know with absolute certainty that  
25 there's so much that I have to learn. So I will be

1 inviting, welcoming, prioritizing engagement with varied  
2 and various stakeholders, tribal governments, individuals,  
3 and entities that represent both public and private  
4 interests among others that come from the state's many  
5 diverse regions, including the urban and rural regions.  
6 And of course through all of this I'm going to be looking  
7 to the wisdom, the expertise, the counsel of all of you, my  
8 colleagues on the dais. And also looking to the  
9 exceptional Energy Commission staff to help inform my  
10 understanding, and my decision making.

11           So I think with that I'll just kind of conclude  
12 I just want to reaffirm my gratitude for this honor. I  
13 know that the Chair and I have yet to go over what my lead  
14 areas will be. I'm hoping to continue working on offshore  
15 wind, supporting the Lithium Valley Commission, working on  
16 the Lithium Valley vision, supporting the tribal program  
17 that we have at the Commission. And really doing what I  
18 can to continue partnering with the staff in the Renewable  
19 Energy and Siting, Transmission and Environmental  
20 Protection Divisions.

21           So I think with that I'll close with where I  
22 started, which is I understand that this is an honor, and  
23 this is very humbling. And it's my commitment to strive  
24 every day that I do this work to be worthy of this  
25 appointment by the Governor. So it was a little longer

1 maybe than we expected for an opening statement, but I just  
2 felt it was important to share my thinking, my values, just  
3 my excitement for this opportunity. So thank you so much,  
4 Chair Hochschild.

5 CHAIR HOCHSCHILD: Well, thank you and I was glad  
6 to hear you refer to the Warren-Alquist Act. I mean, I  
7 think there is so much embedded wisdom in that document.  
8 And when I started, right after I was appointed, I spoke to  
9 then Chair Weisenmiller, who I was interested to meet  
10 Charlie Warren who had written that act, and he put me in  
11 touch with him, and I went to have lunch with them. And I  
12 was just so impressed by how bold a man he was and how  
13 visionary. And really, I think we're all called upon to  
14 carry that spirit of boldness forward, because I think it  
15 was an act of great vision. That other states don't have  
16 what we have. We have something really special and  
17 powerful here, and I think it's played a huge role in  
18 building up so many of the climate solutions that we  
19 desperately need.

20 So I'm happy to have you on the team. I'd just  
21 invite my colleagues if anyone would like to make welcome  
22 remarks, maybe starting with Vice Chair Gunda?

23 VICE CHAIR GUNDA: Thank you, Chair.

24 And I think it's a hard act to follow,  
25 Commissioner Vaccaro, kind of like real elementary

1 (indiscernible) Warren-Alquist Act again and just reflects  
2 on who she is as a person.

3 So I kind of want to share a couple of thoughts  
4 here. One, kind of just having Commissioner Douglas  
5 transition out of the CEC was, the way it felt is it's a  
6 mixed feeling, right? I mean, she's such a thought leader.  
7 And, as you said, for 14 years she's been leading the  
8 Commission in various efforts, so congratulating  
9 Commissioner Douglas.

10 And kind of I was worried and (indiscernible) and  
11 what better person can you ask for? I mean, to fill in  
12 that role so seamlessly and bring a new level of thinking  
13 and a different vision and thought process. So I welcome  
14 Commissioner Vaccaro. I had the pleasure of working with  
15 her when I was a division director kind of getting her  
16 guidance from the Chief Counsel's Office. We've developed  
17 a friendship over the time, and I just think of her as a  
18 friend, a colleague. And as she stated in her vision and  
19 statement, she is somebody that I know of as deeply  
20 committed, competent and has a compassionate vision for  
21 boldness. So Commissioner Vaccaro, it's great to call you  
22 Commissioner. Welcome on board, looking forward to working  
23 with you and supporting you as you see fit. Thanks.

24 CHAIR HOCHSCHILD: Let's go next to Commissioner  
25 McAllister.

1                   COMMISSIONER MCALLISTER: Sure. Well first of  
2 all welcome, Commissioner Vaccaro. I'm just really  
3 pleased to welcome you.

4                   And well first, again, congratulations to  
5 Commissioner now -- or former Commissioner Douglas. And  
6 she's obviously very excited to take on that role and just  
7 a lot of new horizons for her as well, so we're all very  
8 happy for her. And having worked for three governors for  
9 14 years she just showed in so many ways her leadership  
10 capacity and her ability to collaborate. I mean, so nimble  
11 and so intellectually flexible and just collaborative, but  
12 without changing her core values and principles. I just  
13 have so much admiration for her. And I think having that  
14 deep institutional knowledge of the Energy Commission, sort  
15 of right at the heart of the administration now, it is  
16 highly appropriate.

17                   And as Chair said, if you read the Warren-Alquist  
18 in many parts of it, a little -- not all of it, but a lot  
19 of it seems like it just could have been written yesterday.  
20 And we're actualizing or sort of actuating some of the  
21 lesser-used authorities in that Act, such as Load  
22 Management Standards. And they are so relevant. They're  
23 just prescient really. And so I think I certainly share  
24 your enthusiasm, Commissioner Vaccaro, for sort of caring  
25 for that vision that was laid out many years ago.

1           And as you said, Chair, other states just do not  
2 have -- people sort of look at us with some envy from other  
3 states. Because we do have authorities that allow us to  
4 act boldly, whereas in other states they have to go to  
5 their legislatures every time they want to do something new  
6 and different. And we just have that latitude, which is  
7 fantastic.

8           So Commissioner Vaccaro, so I guess we go back to  
9 the really very first days of my sitting down at the Energy  
10 Commission. And I just really -- I don't know, I warmed to  
11 you immediately just with sort of your humor, and just sort  
12 of intellectual honesty, and when needed ferocity. I mean  
13 I really just admire you. Back then it was a hearing  
14 officer in a citing case. And just you ran those meetings  
15 in a way that just commanded respect from all the parties.  
16 And just very much injecting with your intellectual rigor  
17 and sort of your knowledge of the law, injected just a very  
18 high level of gravitas into those proceedings, which is  
19 absolutely appropriate for the kinds of things that we do  
20 particularly siting and some of the other sort of more  
21 deeply -- not that the other things we do that aren't  
22 serious. But more the sort of really implementing a  
23 regulatory authority on cases like siting and sort of  
24 quasi-legislative type of activities with all the parties  
25 having to really be on the record and be on their best

1 behavior. So I just appreciated you're running those  
2 meetings like that and I'm looking forward to working with  
3 you on whatever cases we do work together on, so I really  
4 appreciate that.

5           And then as Chief Counsel, again, you brought  
6 that same sort of seriousness and rigor and critical  
7 thinking skills. I think you yourself mentioned critical  
8 thinking and I just really look to you, have always looked  
9 to you for that to bounce ideas off of and sort of get a  
10 more complete view of some of the things that I might  
11 wrestle with. And so I'm really looking forward to working  
12 with you in your new capacity and just sharing the  
13 excitement for our mission in making California a better  
14 place equitably and muscularly. So thanks for stepping up  
15 into another stage of your public service. It's so  
16 appropriate and I just really was happy to get the news  
17 when you were appointed, so congratulations.

18           CHAIR HOCHSCHILD: Thank you, Commissioner.

19           Let's go to Commissioner Monahan.

20           COMMISSIONER MONAHAN: Well, Commissioner  
21 Vaccaro, welcome. You can see how excited we all are to  
22 have you on the dais. And I've got to say that when I  
23 heard that then-Commissioner Douglas was transitioning to  
24 the Governor's Office, I had a little panic about, "Oh my  
25 gosh, all these siting cases. We need a big legal brain."

19

1 And then to hear that you were being appointed in her stead  
2 was such a relief.

3 I think we all -- you're hearing quite loud and  
4 clear, that we all count on you for that legal expertise,  
5 grounded also in empathy and thoughtfulness more broadly  
6 than just the legal words on the page. And I just couldn't  
7 be happier to have you as a colleague. And I really look  
8 forward to our tribal visit next week and to having more  
9 time to just process this transition.

10 And I thought your opening remarks were really  
11 reflective of why we're so excited to have you. I mean, to  
12 immediately go turning to the law and thinking about how  
13 that integrates with your work is remarkable. I mean the  
14 rest of us would be maybe celebrating with our family and  
15 friends and you're going right back to the law. So we need  
16 that. I mean I've found actually even on my team of  
17 advisors it's so helpful to have somebody for grounding.  
18 And with all these important siting cases before us it's  
19 just really a relief to have you as a partner in that.

20 CHAIR HOCHSCHILD: Thank you, beautifully said.

21 And I would just close by saying in addition to  
22 being an accomplished professional, Commissioner Vaccaro is  
23 also the mother of an amazing young woman. And I can  
24 assure you she and I have bonded over raising teenage  
25 girls, which I believe is an act that that builds great

20

1 fortitude, so we'll be using that fortitude in the coming  
2 months and years. So again welcome on board, great to have  
3 you.

4 Let's close just with this announcement, that  
5 today's Commission meeting we're going to be seeking to  
6 approve over \$25 million in grants. This is part of our  
7 state's economic recovery, and I just want to thank the  
8 team for all the work to get us to this point.

9 And let's turn now to the Consent Calendar. Do  
10 we have any public comment on the consent calendar?

11 MS. MURIMI: Thank you, Chair.

12 So for folks who are on Zoom you can go ahead and  
13 use the raised-hand feature. And for folks that are on the  
14 phone press \*9 to raise your hand and \*6 to unmute on your  
15 end. Once you're called, you can go ahead and state your  
16 name and affiliation and spell your name as well.

17 So checking for hands, I see none, I see no hands  
18 at this time, Chair.

19 CHAIR HOCHSCHILD: Okay. Unless there's  
20 Commissioner discussion, Commissioner Vaccaro, would you be  
21 willing to move the Consent Calendar?

22 COMMISSIONER VACCARO: Yes. Yes, I move approval  
23 of this item.

24 CHAIR HOCHSCHILD: Okay, is there a second?  
25 Commissioner Monahan, would you be willing to second?

1 COMMISSIONER MONAHAN: I second.

2 CHAIR HOCHSCHILD: All in favor say aye.

3 Commissioner Vaccaro? (Silence on the line.) Are you  
4 muted?

5 COMMISSIONER VACCARO: Aye. Aye.

6 CHAIR HOCHSCHILD: There we go. And Commissioner  
7 Monahan?

8 COMMISSIONER MONAHAN: Aye.

9 CHAIR HOCHSCHILD: Commissioner McAllister?  
10 (Silence on the line.) Are you muted?

11 COMMISSIONER MCALLISTER: Aye.

12 CHAIR HOCHSCHILD: There we go. Vice Chair  
13 Gunda?

14 VICE CHAIR GUNDA: Aye.

15 CHAIR HOCHSCHILD: And I vote aye as well. That  
16 item passes unanimously.

17 Let's turn now to Item 2, Moss Landing. Shawn  
18 Pittard. (Silence on the line.)

19 MS. MURIMI: Shawn, you're muted.

20 MR. PITTARD: There we go.

21 MS. MURIMI: Now we hear you.

22 MR. PITTARD: Okay, terrific. Thank you.

23 Good morning, Chair and Commissioners, and  
24 welcome Commissioner Vaccaro. I'm getting a little note  
25 asking me to unmute myself. Am I good?

1 MS. MURIMI: Yes, you're good, Shawn.

2 MR. PITTARD: Right on, I like those thumbs-ups.

3 I am here today to request your approval of a  
4 settlement agreement between the California Energy  
5 Commission and the Moss Landing Power Company. With me  
6 today is Staff Counsel Kirk Oliver. Also with me from STEP  
7 Division are Elizabeth Huber, Compliance Monitoring and  
8 Enforcement Office Manager; Geoff Lesh, our Engineering  
9 Office Manager; and our Inspection Team Supervisor Brett  
10 Fooks. Representatives of the Project Owner are also here  
11 today. Next slide, please. Thank you.

12 The CEC has established a monitoring and  
13 enforcement system to ensure that any facility it certifies  
14 is constructed, operated, and decommissioned in compliance  
15 with applicable laws, ordinances, regulations, and  
16 standards. And in compliance with the Conditions of  
17 Certification specified in the Commission decision. The  
18 Siting, Transmission and Environmental Protection Division  
19 implements this program. Next slide, please.

20 The Moss Landing Power Plant project is a 1060-  
21 megawatt natural gas-fired combined-cycle facility located  
22 near the Moss Landing Harbor in Monterey County. The  
23 project was certified by the CEC on October 25<sup>th</sup>, 2000, then  
24 began commercial operation on July 11<sup>th</sup>, 2002. Next slide,  
25 please.

1           The Moss Landing Power Plant Commission decision  
2 requires the project owner to report in its monthly and  
3 annual compliance reports a listing of complaints, notices  
4 of violation, official warnings and citations received  
5 during the year, a description of the resolution of any  
6 complaints which have been resolved, and the status of any  
7 unresolved complaints.

8           In addition to the monthly and annual compliance  
9 reporting requirements the Project Owner shall provide,  
10 shall report, and provide copies of all complaint forms,  
11 notices of violations, notices of fines, official warnings,  
12 and citations within ten days of receipt to the Compliance  
13 Project Manager. Next slide, please.

14           On August 6, 2019, a manager at the Moss Landing  
15 Power Plant facility informed the CEC staff by email that  
16 Cal/OSHA had issued the facility a citation and  
17 notification of penalty six months earlier on February 1,  
18 2019. CEC staff opened an investigation. Staff's  
19 investigation indicated that the OSHA citation concerned an  
20 incident that occurred at the facility on August 15, 2018,  
21 in which electrical contractors did not wear appropriate  
22 Personal Protection Equipment and were injured.

23           Staff reviewed the facility's annual compliance  
24 report and determined that the OSHA citation had not been  
25 reported as required by the facility's compliance reporting

1 conditions that I described earlier. Staff's review also  
2 determined that the facility had not reported on April 6,  
3 2020, an audit conducted by the California Public Utilities  
4 Commission, which is required by the facility's compliance  
5 reporting conditions. The facility had reported other  
6 citations to the CEC, however.

7 CEC staff also reviewed a November 7, 2018,  
8 agreement reached between the CEC and the Moss Landing  
9 Power Plant facility to settle alleged violations of the  
10 compliance reporting conditions that occurred under a  
11 predecessor owner. The agreement concerned the facility's  
12 failure to report notices of violation it received from the  
13 Monterey Bay Unified Air Pollution Control District. Next  
14 slide, please.

15 CEC staff and the Moss Landing Power Company  
16 believe that rather than engaging in a formal adjudication  
17 it would be more productive to enter into a settlement  
18 agreement. The legal requirements at issue as well as  
19 staff's allegations are included in the settlement  
20 agreement, which provides for a payment of \$75,000 by the  
21 Moss Landing Power Company to the CEC. In addition,  
22 changes to the reporting requirements and the Commission  
23 decision are also included in the settlement agreement.  
24 Next slide, please.

25 Staff recommends that the Commission approve the

25

1 settlement agreement and changes to the reporting  
2 requirement in the Commission decision and direct the  
3 Executive Director to execute the settlement agreement on  
4 behalf of the CEC. That's our presentation, thank you.

5 CHAIR HOCHSCHILD: Thank you, Shawn.

6 Any public comment on Item 2, Dorothy?

7 MS. MURIMI: Thank you, Chair Hochschild.

8 I'm just going to prompt for individuals who are  
9 interested in making a public comment. Go ahead and use  
10 the raised-hand feature to the bottom of your screen or  
11 device, and that's if you're on Zoom. And if you're on the  
12 phone go ahead and dial \*9 to raise your hand.

13 Seeing no hands. There are no more hands at this  
14 time, Chair Hochschild.

15 CHAIR HOCHSCHILD: Okay let's go to Commissioner  
16 discussion starting with Commissioner Vaccaro.

17 COMMISSIONER VACCARO: Thank you.

18 First of all thank you, Shawn, for the  
19 presentation and thanks to you and your entire Division and  
20 the Chief Counsel's Office for the diligence that I know is  
21 involved when you investigate matters such as those  
22 described in your presentation, and such as described in  
23 this settlement agreement.

24 I think, just before getting to the merits of  
25 the agreement, I wanted to briefly note I've had a lot of

1 visibility over the years into the STEP Division developing  
2 an effective and just high-quality investigation and  
3 inspections program. And I just continue to be impressed  
4 with how that program is evolving.

5           And specifically with respect to the agreement I  
6 read it pretty carefully and I know we generally have to  
7 stick within the four corners of the agreement and I'm  
8 going to do that. And I'm going to let you know that I  
9 think it does lay out very fairly. But honestly, I think  
10 what staff found, which is that the CEC has requirements  
11 for timely information and that information is what allows  
12 the CEC to come in with its team and ensure the protection  
13 of health, safety of people, and of property, but most  
14 importantly of people.

15           And what we learned from you today is there were  
16 other entities right, who also have an interest. OSHA, the  
17 regional Air Quality Management District, PUC, a lot of  
18 entities that are engaged in ensuring that there is a  
19 mindfulness and a timely responsiveness to incidents at  
20 these facilities. And the CEC was prevented, I think, from  
21 having that timely information that's essential to  
22 discharge its duties under the Warren-Alquist Act. So I  
23 applaud the work here.

24           And I appreciate what you meant when you said  
25 it's more productive to enter into a settlement agreement.

1 I think what I take from that is it is very resource-  
2 intensive to litigate, whether that's through an  
3 administrative adjudication or something in the court  
4 system. And to be able to be mindful of that resource-  
5 intensive action and still reach a resolution where there  
6 is a penalty. And this \$75,000 is a pretty serious penalty  
7 as far as I can understand, so I think that this agreement  
8 is something for us to support.

9 But I would like to know from you and Kirk Oliver  
10 if you could share just a bit about the factors and the  
11 criteria, what led you to this \$75,000 amount? Because I  
12 do think it's a little on the high side, but I don't think  
13 it's unreasonable given the context of what we're talking  
14 about. So it'd be great if you could just address that a  
15 little bit.

16 MR. PITTARD: Great. Thank you, Commissioner.  
17 Kirk, can you join in here?

18 MR. OLIVER: Yes, absolutely.

19 Thank you, Commissioner Vaccaro. And your  
20 remarks as thoughtful as they are, actually preempt a lot  
21 of the things that I would say about the magnitude of that  
22 penalty. It is crucial to a core function of the CEC that  
23 it obtains timely notification of possible instances of  
24 noncompliance at the jurisdictional power plants that it  
25 oversees. That's something that's established by the

1 Warren-Alquist Act. And it makes it very clear that it's a  
2 very, very important function that we discharge and that  
3 the STEP Division has authority over.

4 And to that point careful consideration is given  
5 to crafting notification requirements that are placed in  
6 the licenses of every power plant that's under the CEC's  
7 jurisdiction. So those circumstances were involved in the  
8 violations, the alleged violations that occurred in this  
9 case. And those circumstances weighed heavily in the  
10 balance for determining the penalty, but that's not the  
11 final inquiry here and not the final word on it.

12 You know, the Warren-Alquist Act also establishes  
13 the maximum penalties for violations at power plants under  
14 the CEC's jurisdiction. And they can total a potential of  
15 \$125,000 per violation.

16 And they also, in addition to setting those maxim  
17 potential penalties, the Warren-Alquist Act provisions here  
18 establish factors or criteria that are to be taken into  
19 account in adjusting the potential penalties. And those  
20 include some very broad interests, including the interest  
21 of justice, but they also include things like the history  
22 of compliance at the facility and the cooperation that the  
23 facility exhibits in the investigation and in the  
24 resolution of the complaint here. So we had all of those  
25 factors to weigh in our determination of what would be a

1 proper penalty here. And again this isn't a penalty or a  
2 settlement, it's a settlement that's been derived by mutual  
3 negotiation with the responsible party who did act  
4 responsibly and cooperated throughout the investigation and  
5 in the resolution process.

6 And, in addition to reaching the agreement on the  
7 penalty amount we were also able to reach agreement on some  
8 refinements to the notification procedures, the  
9 notification that will have to take place going forward.  
10 And that's just as important part of this settlement, as  
11 the settlement amount.

12 And we're also here to ask you today as a  
13 Commission to approve an amendment to the underlying  
14 license here that will refine and improve the notification  
15 requirements. And we have every expectation that with your  
16 approval of both parts of the settlement that we will be in  
17 a position going forward where this kind of thing will not  
18 happen again.

19 There's a third provision in the settlement  
20 agreement of interest here too in which the company has  
21 also agreed specifically to notify the Energy Commission of  
22 any future CTUC audit findings that the company receives  
23 with respect to this project, so it's a complete package  
24 that looked at the totality of the circumstances here. It  
25 includes a fair settlement amount that both sides of the

1 table have agreed upon. It includes fair notification  
2 requirement refinements. And it is very important to us  
3 when we undertake these types of activities with the  
4 companies that are under our jurisdiction that this is  
5 something that we will both live with going forward. And  
6 not just a settlement resolution here, but the confidence  
7 and trust that both sides gain with one another in going  
8 through this type of negotiation and determining a  
9 resolution of the situation that can be difficult at times  
10 to find a way out of. But we feel that we've attained all  
11 of those things with this settlement.

12 And for that reason we commend its approval to  
13 the Commission as a whole. But thank you very much for  
14 your question and welcome Commissioner Vaccaro.

15 CHAIR HOCHSCHILD: Thank you for that.

16 And because we do have a really lengthy agenda  
17 today, so I'd like to keep us moving expeditiously, unless  
18 there are other Commissioner comments, Commissioner  
19 Vaccaro, would you be willing to move the item?

20 COMMISSIONER VACCARO: Yes, it'd be my pleasure.  
21 I move approval of this item.

22 CHAIR HOCHSCHILD: Okay, Commissioner McAllister,  
23 would you be willing to second?

24 COMMISSIONER MCALLISTER: I second Item 2.

25 CHAIR HOCHSCHILD: All in favor say aye.

1 Commissioner Vaccaro?  
2 COMMISSIONER VACCARO: Aye.  
3 CHAIR HOCHSCHILD: Commissioner McAllister?  
4 COMMISSIONER MCALLISTER: Aye.  
5 CHAIR HOCHSCHILD: Vice Chair Gunda?  
6 VICE CHAIR GUNDA: Aye.  
7 CHAIR HOCHSCHILD: Commissioner Monahan?  
8 COMMISSIONER MONAHAN: Aye.  
9 CHAIR HOCHSCHILD: And I vote aye as well. That  
10 item passes unanimously. Thank you to the staff for all  
11 the work on that.

12 And we'll turn now to Item 3, Campbell  
13 Cogeneration Project.

14 MS. HUBER: Hello, Chair, Vice Chair and  
15 Commissioners. My name is Elizabeth Huber and I manage the  
16 Office of Compliance Monitoring and Enforcement of the  
17 Siting, Transmission and Environmental Protection Division.  
18 With me this morning is the Lead Compliance Project Manager  
19 Mary Dyas. From the Engineering Office we have Jacquelyn  
20 Record and Joseph -- Tom Hughes (phonetic) and Lead Counsel  
21 is Lisa DeCarlo. Representing the Sacramento Municipal  
22 Utility District we have Ryder Couch and Rene Toledo here.

23 We're here to present on Campbell Power Plant's  
24 petition to increase the cooling tower's volatile organic  
25 compound emission rate contained in their air quality

1 conditions of certification and in the corresponding  
2 Sacramento Metropolitan Air Quality Management District's  
3 air quality permit condition. Next slide, please.

4           The Campbell Power Plant was licensed on November  
5 16, 1994, and began commercial operation in October of  
6 1997. Located in Sacramento County, this 158-megawatt  
7 combined-cycle cogeneration facility originally provided  
8 steam to the nearby Campbell Soup food processing plant  
9 until its closure and now continues to provide electricity  
10 back to SMUD.

11           In July of 2016, the CEC approved Campbell Power  
12 Plant's petition allowing them the option to use recycled  
13 water as make-up water for the cooling tower. In November  
14 2018, the CEC once again approved a petition for the plant  
15 to replace their combustion system with a wet suppression  
16 system in order to increase electric generation for summer  
17 reliability. Recently at the September 8th, 2021, Business  
18 Meeting the CEC approved an ownership transfer to the SMUD  
19 Financing Authority, and the current name change.

20           Finally, under SMUD's recently adopted 2030 Zero  
21 Carbon Plan, the Campbell Power Plant is the first of their  
22 five-natural gas-fired power plants scheduled to retire,  
23 which will begin as early as 2025. Next slide, please.

24           On May 27, 2020, the CEC approved Campbell Power  
25 Plant's petition to repurpose their existing water storage

1 tank and install a new water pump and piping system  
2 utilizing recycled water for their fire suppression system  
3 and eliminating the potential for any backflow of the  
4 potable water system. The recycled water is delivered from  
5 the Sacramento Regional Sanitation District.

6 By 2021, the Sacramento Regional Sanitation  
7 District had implemented a major new water treatment system  
8 upgrade and during their testing they determined that the  
9 recycled water's VOC concentration could be up to ten times  
10 higher than is currently permitted under the facility's  
11 existing CEC license for their cooling tower. As a result  
12 we received the petition to amend on March 15<sup>th</sup>, 2021,  
13 requesting to increase their air quality conditions  
14 specific to the cooling tower VOC emission rate and the  
15 corresponding air quality permit conditions from the local  
16 Air District. This will allow the Campbell Power Plant to  
17 utilize the Sacramento Regional District's recycled water  
18 as an alternative option to the potable water in their  
19 cooling towers. No construction is required, and no ground  
20 disturbance is necessary.

21 Following our notification protocols for all  
22 project teams petitions, we mailed what is called a Notice  
23 of Receipt of the Petition for Post Certification Project  
24 Change to the facility's mail list of interested parties  
25 and property owners within a six-mile radius of the

1 facility site. This notice was sent at the end of March  
2 2021.

3 Then on February 4th, 2022, we sent a second  
4 mailer to the same recipients, providing the staff analysis  
5 cover letter and summary. Along with notifying the  
6 community we also make ourselves available to address any  
7 questions and/or concern.

8 A landowner who lives adjacent to the facility  
9 reached out to my office, and with the assistance of the  
10 Public Advisor staff and our technical experts, we held a  
11 virtual meeting. As a grandfather whose grandkids come  
12 over to play in the backyard and eat fruit directly off his  
13 trees, he had his concerns. We were able to walk through  
14 our comprehensive analysis, answering all of his questions  
15 and assuring him that his grandchildren can continue to  
16 play and eat the fresh fruit from the trees; sounds yummy.

17 The increase in VOC concentrations is the result  
18 of organic compounds that the recycled water treatment  
19 process did not remove and that stay entrained in the  
20 water. It is not expected that all this entrapped VOC from  
21 the water will in fact be expelled into the air, but our  
22 analysis conservatively assumes that it will. The  
23 modification is very minor, only increasing the facility's  
24 total daily VOC emissions from 147.2 pounds per day to 153  
25 pounds per day. Our staff analysis was comprehensive,

35

1 considering all environmental justice technical impacts on  
2 the local EJ population from the use of the recycled water  
3 in the cooling tower.

4 We were able to conclude that the modified  
5 project would not have a significant impact on air quality  
6 and to public safety. And the project will offset these  
7 VOC emissions using emission reduction credits from the  
8 shutdown of the Campbell Soup Company previously located  
9 adjacent to the project. Next slide, please.

10 The CEC recommends your approval of the Order,  
11 including the revised Conditions of Certification. We are  
12 here to answer any questions, thank you.

13 CHAIR HOCHSCHILD: Thank you.

14 Any public comment on Item 3, Dorothy?

15 MS. MURIMI: Thank you, Chair Hochschild.

16 So I'll just prompt for individuals once more.  
17 So if you're interested in making public comment, go ahead  
18 and use the raised-hand feature. It looks like an open  
19 hand at the bottom of your screen or device on Zoom. And  
20 if you are calling in go ahead and press \*9 to raise your  
21 hand. You will then state and spell your name, give your  
22 affiliation, and begin your comments.

23 I see Ryder Couch, and apologize if I misstated  
24 your name, go ahead and state your name correctly. Unmute  
25 and go ahead and give your comment.

1 MR. COUCH: Oh, this is Ryder Couch, spelled R-Y-  
2 D-E-R C-O-U-C-H. I'm the Thermal Generation Assets Manager  
3 for SMUD.

4 I'd like to thank the CEC and Air District staff  
5 for the review and analysis of this project. SMUD is  
6 excited about utilizing recycled water at the Campbell  
7 Power Plant, which can save up to a million gallons a day  
8 of potable water. We look forward to partnering with  
9 Rachel and Stan (phonetic) in saving the water in the  
10 Sacramento area. Thank you.

11 Thank you, Ryder.

12 Again, if you'd like to make a comment go ahead  
13 and use the raised-hand feature, it looks like an open hand  
14 at the bottom of your screen or device.

15 Seeing no more hands, back to you, Chair  
16 Hochschild.

17 CHAIR HOCHSCHILD: Thank you. Let's go to  
18 Commissioner discussion, starting with Commissioner  
19 Vaccaro.

20 COMMISSIONER VACCARO: Thank you. I just have a  
21 few brief comments. Thank you, Elizabeth and team, for  
22 presenting this. I had the opportunity to review the  
23 backup materials, they were pretty extensive, that were  
24 provided for this. The staff analysis I thought was  
25 clearly written, easily understood, I think this is

1 straightforward.

2 I did want to underscore I appreciate the story  
3 that you told about the Public Advisor's Office and staff  
4 really taking seriously that responsibility to help people  
5 understand what we're doing. We send these mailers out.  
6 They're not always clear to folks who don't have a  
7 technical background. And so I think that's a really great  
8 news story of the commitment that your staff and the Public  
9 Advisor's Office bring to the work.

10 And if I recall correctly this project is within  
11 a six-mile radius of an environmental justice community as  
12 well, so I think it's that much more important that we're  
13 accessible and that we're helping people understand what  
14 air quality impacts there might or might not be from these  
15 types of amendment. So I support this, and I thank you all  
16 for your work.

17 CHAIR HOCHSCHILD: Thank you.

18 Unless there is Commissioner discussion on any of  
19 these I would welcome --

20 VICE CHAIR GUNDA: Chair?

21 CHAIR HOCHSCHILD: Oh yeah, go ahead Vice Chair  
22 Gunda, please.

23 VICE CHAIR GUNDA: Yeah, I just wanted to  
24 reiterate Commissioner Vaccaro's support of this,  
25 especially thank you Elizabeth for briefing our office on

1 this issue. And really appreciate my understanding of this  
2 issue where the CEC staff have really gone beyond to kind  
3 of help engage with the public and the stakeholders to help  
4 inform and answer questions. I really appreciate it.  
5 That's a critical part of our work as a state agency, the  
6 transparency and awareness. I just wanted to say thank you  
7 to you and your leadership on this issue, thanks.

8 MS. HUBER: Thank you.

9 COMMISSIONER MCALLISTER: I just want to make a  
10 quick comment too --

11 CHAIR HOCHSCHILD: Yeah, please.

12 COMMISSIONER MCALLISTER: -- if I might, Chair.

13 CHAIR HOCHSCHILD: Yes.

14 COMMISSIONER MCALLISTER: Yeah, so I totally  
15 appreciate the -- won't reiterate, but appreciate the  
16 diligence of staff on all these different fronts and  
17 aspects of this project. But also just to point out that  
18 the avoidance of potable water and also the fact that this  
19 recycled water would have gone elsewhere to be processed.  
20 It would have required a lot of energy, which would emit  
21 many more emissions elsewhere in the system, the water and  
22 electricity system even though we're potentially seeing a  
23 slight increase in outgassing with that recycled water on  
24 this site. So we take a more integrated view, a broader  
25 view, which is actually the net reduction in emissions.

1 CHAIR HOCHSCHILD: Yeah. Excellent, excellent  
2 point.

3 With that, Commissioner Vaccaro I'd welcome a  
4 motion from you on Item 3.

5 COMMISSIONER VACCARO: Yes, I move approval of  
6 Item 3.

7 CHAIR HOCHSCHILD: Vice Chair Gunda, would you be  
8 willing to second?

9 VICE CHAIR GUNDA: Second Item 3.

10 CHAIR HOCHSCHILD: All in favor say aye.  
11 Commissioner Vaccaro?

12 COMMISSIONER VACCARO: Aye.

13 CHAIR HOCHSCHILD: Vice Chair Gunda?

14 VICE CHAIR GUNDA: Aye.

15 CHAIR HOCHSCHILD: Commissioner McAllister?  
16 (Silence on the line.) You are muted.

17 COMMISSIONER MCALLISTER: Aye, aye. I'm  
18 unmuting, but it's taking a second or two.

19 CHAIR HOCHSCHILD: Commissioner Monahan?

20 COMMISSIONER MONAHAN: Aye.

21 CHAIR HOCHSCHILD: And I vote aye as well. That  
22 item passes unanimously.

23 Let's turn now to Item 4, Los Medanos Energy  
24 Center.

25 MS. HUBER: Hello again, Chair, Vice Chair, and

1 Commissioners. Once again for the record I am Elizabeth  
2 Huber, Manager of the Office of Compliance Monitoring and  
3 Enforcement of the STEP Division. With me this morning is  
4 lead Compliance Project Manager John Heiser, and Lead  
5 Counsel Jennifer Baldwin. Representing the Project Owner  
6 of Calpine Corporation is Director of Strategic Origination  
7 Barbara McBride. And from their project partner, Blue  
8 Planet Systems Corporation, is Founder, CEO and Chief  
9 Scientist Brent Constantz.

10 We're here to present for your approval a  
11 petition that would allow Calpine's Los Medanos Energy  
12 Center to install a pipe that will transport their treated  
13 stack gas offsite for carbon dioxide CO2 removal. Next  
14 slide, please.

15 We are asking for your consideration of this  
16 proposed change that could otherwise be approved by staff  
17 because this carbon sequestration project is an innovative  
18 approach to reducing greenhouse gas emissions at a thermal  
19 power plant.

20 The proposed demonstration project would supply  
21 approximately 1 percent of the Los Medanos Energy Center's  
22 flue gas via an above-ground pipe to a neighboring carbon  
23 capture and utilization system being developed by Blue  
24 Planet's San Francisco Bay Aggregates. The pipe is 8  
25 inches in diameter and will be routed 80 feet along

1 existing pipe racks and a new brace will be installed near  
2 the road crossing. The flue gas pipe is being designed to  
3 building codes and has been approved under the city of  
4 Pittsburg zoning ordinances. Also, the flue gas will not  
5 be compressed. Next slide, please.

6 For some history, the Los Medanos Energy Center  
7 is a nominal 500-megawatt combined-cycle facility. It was  
8 licensed by the Energy Commission on August 17th, 1999; and  
9 began commercial operation on July 9th, 2001.

10 In 2011, the CEC approved an efficiency  
11 improvement project at the facility allowing an increase in  
12 the turbine firing temperature to the Advanced Gas Path for  
13 additional generation to support the state's early  
14 reliability initiatives. Next slide, please.

15 The goal of the Carbon Dioxide Capture Project,  
16 as it is called, is to reduce CO2 emissions and realize  
17 growth of the circular economy by transforming the CO2 into  
18 a permanently sequestered calcium carbonate limestone that  
19 will be used in place of quarried sand and aggregates in  
20 concrete and other construction materials. The Los Medanos  
21 Energy Center's flue gas will be combined with locally  
22 sourced recycled and crushed concrete aggregate to produce  
23 new carbon-sequestered and upcycled rock products. The  
24 demonstration project anticipates capturing 11 tons of CO2  
25 per day for the beneficial use of sequestered carbon and

1 will provide the project owners a first-hand opportunity to  
2 learn about the benefits as well as possible implications  
3 of integrating post-combustion carbon capture with thermal  
4 power plant operations prior to progressing to commercial  
5 scale. Next slide, please.

6 This concludes our presentation, and we recommend  
7 your approval of the Order allowing for Los Medanos Energy  
8 Center to install a flue gas pipe for delivery offsite for a  
9 carbon sequestration project. And we are here and happy  
10 to answer any questions. Thank you.

11 CHAIR HOCHSCHILD: Thank you, Elizabeth.

12 Let's turn to public comment. Do we have any  
13 public comment on Item 4?

14 MS. MURIMI: Yes. We do, Chair Hochschild.

15 Let me give a quick talk for folks again. Again,  
16 if you are on the phone dial \*9 to raise your hand and \*6  
17 to unmute. And if you're on Zoom use the raised-hand  
18 feature to indicate you'd like to make a comment.

19 I'll start with Brent Constantz. Brent, you can  
20 go ahead and unmute on your end, state, and spell your  
21 name, and give your comments and give your affiliation as  
22 well. Thank you, Brent.

23 MR. CONSTANTZ: I thank you very much. This is  
24 Brent Constantz from Blue Planet, C-O-N-S-T-A-N-T-Z.

25 This project is a leading project in carbon

1 utilization. The CO2 is converted to carbonate at a very  
2 low energy cost, and it provides one of the most practical  
3 means of capturing CO2 from a flue gas stream. And also,  
4 it does it all in one step, which is unique. And it  
5 provides a way to mineralize the collagen into limestone,  
6 which can be used in a variety of ways. So it's a very  
7 interesting way and new possibility for decarbonizing power  
8 generation.

9           At the plant in Pittsburg next to Los Medanos,  
10 we've already created seven jobs as the plant develops. We  
11 expect to develop many more jobs, including higher paying  
12 jobs. The location is close enough to a BART location,  
13 that we can hire people from all over the Bay Area who can  
14 come in on BART, it's an excellent location. Some of the  
15 employees we've already hired grew up in Pittsburg and went  
16 to school there, were actually born there. And we've  
17 developed a great relationship with the community there.

18           The aggregate from the plant has already been  
19 used in Terminal One at San Francisco Airport, which has  
20 set guidelines for carbon neutrality and a large part of  
21 their carbon footprint is in the embodied carbon in the  
22 concrete they pour. And you can actually go to the SFO  
23 website and see that they're now specifying low carbon and  
24 carbon-neutral concrete for the airport. And we worked  
25 with our local partner, U.S. Concrete, who is also

1 providing the raw materials to form a basis of the circular  
2 economy. That we bring in the raw materials, we process  
3 them, and they get reused in the built environment lowering  
4 the carbon footprint of the buildings like at the airport  
5 around the Bay Area.

6 So thank you very much. I really appreciate your  
7 consideration of this application. Thank you.

8 MS. MURIMI: Thank you, Brent.

9 We'll move on to Barbara McBride. Barbara, go  
10 ahead and state and spell your name, give your affiliation,  
11 and begin your comments.

12 MS. MCBRIDE: I'm Barbara McBride with Calpine,  
13 M-C-B-R-I-D-E. And I wanted to thank the Commissioners and  
14 staff for work on this project, and also wanted to  
15 congratulate Commissioner Vaccaro on her new position.

16 The San Francisco Bay Aggregates Project is one  
17 of two carbon capture and utilization in storage projects  
18 Calpine has underway at the Los Medanos Energy Center. The  
19 other project is a carbon-capture pilot project using ion  
20 clean energy proprietary solvent, being conducted under a  
21 DOE grant which will be in front of the Commission in the  
22 next few months.

23 Calpine also just began a front-end (phonetic)  
24 engineering and design study at our Delta Energy Center,  
25 which is also being funded by DOE.

1 Calpine is greatly invested in CCUS technologies,  
2 not just in California but throughout the U.S. And we  
3 believe that CCUS best plays a critical role in  
4 decarbonizing the electricity sector in California in  
5 meeting its climate goals. Calpine believes our pipeline  
6 offers a potential for significant reduction of CO2  
7 emissions from our own facilities, but also the opportunity  
8 to spearhead industrial hubs and rapidly scale CCUS more  
9 broadly in facilitating carbon reduction for other hard-to-  
10 reach industries.

11 We look forward to working with the Energy  
12 Commission not only on permitting these facilities and on  
13 this project, but also on furthering technologies. We're  
14 really excited about this project and look forward to the  
15 results of this project so we can implement further.

16 Thanks again, that's it.

17 MS. MURIMI: Thank you, Barbara.

18 Chair Hochschild, I see no other hands raised at  
19 this time.

20 CHAIR HOCHSCHILD: All right, well, thank you.  
21 I'm encouraged by this. And I just wanted to say when I  
22 was in Scotland for the Climate Summit in November, I did  
23 have the opportunity to sit down with the whole team from  
24 Blue Planet. And just really am encouraged by this  
25 progress in this, I think, really important and emerging

1 area of focus.

2 And one of the things that we're going to be  
3 doing in the years ahead there's \$210 million for  
4 industrial decarbonization. We are going to be focusing  
5 pretty heavily on cement and this type of chemistry in that  
6 category of our work, so really encouraged to see this.

7 I will open it up if there's any other  
8 Commissioners wishing to make a comment. If not,  
9 Commissioner Vaccaro, would you be willing to move the  
10 item?

11 COMMISSIONER VACCARO: Yes, and before I do, I  
12 just wanted to make one quick statement. I echo your  
13 enthusiasm, Chair Hochschild. And in fact I recognize  
14 staff as well for having a good judgment to bring this item  
15 to the full Commission.

16 This is one of the items, as I understand it,  
17 that staff could have approved at the staff level, but it's  
18 so important. And it shows that STEP staff is really  
19 paying attention to things that are important outside of  
20 just the STEP Division and really daylighting for the full  
21 Commission just important, important work and important  
22 technology. So I just wanted to recognize that, share your  
23 enthusiasm, Chair. And yes, I would move approval of this  
24 item.

25 CHAIR HOCHSCHILD: Thank you, great, great point.

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1 Commissioner McAllister, would you be willing to  
2 second?

3 COMMISSIONER MCALLISTER: Second.

4 CHAIR HOCHSCHILD: Okay. All in favor say aye.  
5 Commissioner Vaccaro?

6 COMMISSIONER VACCARO: Aye.

7 CHAIR HOCHSCHILD: Commissioner McAllister?

8 COMMISSIONER MCALLISTER: Aye.

9 CHAIR HOCHSCHILD: Vice Chair Gunda? (Silence on  
10 the line.) Vice Chair Gunda, we missed you there. You're  
11 still muted. Do you have a double mute on? (Audio  
12 difficulties.) Okay, can you just do a thumbs up?

13 VICE CHAIR GUNDA: (Affirms physically.)

14 CHAIR HOCHSCHILD: Okay. Commissioner Monahan?

15 COMMISSIONER MONAHAN: Aye.

16 CHAIR HOCHSCHILD: And I vote aye as well. That  
17 item passes unanimously. Let's see if the Vice Chair can  
18 get his mic figured out.

19 We'll turn now to Item 5.

20 Actually before we do, I'll just share on this  
21 topic. We had a terrific tour that I did with my team and  
22 Jonah Steinbeck on Monday visiting four different carbon  
23 capture companies in the Bay Area. And I want to say this  
24 space is really taking off in a way that I find really  
25 exciting, just the level of investment, technology

1 progresses coming in.

2           And it appears about half of the carbon capture  
3 innovation in the United States is happening in California.  
4 And there's a big opportunity upcoming with some federal  
5 infrastructure funds, which again would be a great  
6 opportunity for us to keep building on that while it -- so  
7 just thanks to the stakeholders working on this and to the  
8 staff for bringing this up. That's a great point,  
9 Commissioner, that they especially brought this to us.

10           So let's turn now to Item 5, The Integrated  
11 Energy Policy Report.

12           MS. RAITT: Great. Good morning, Chair, Vice  
13 Chair and Commissioners. Staff is requesting your  
14 approval of Volume III of the 2021 Integrated Energy Policy  
15 Report, or the 2021 IEPR for short. I'm Heather Raitt, the  
16 Program Manager. And I was going to be joined by the lead  
17 author, Melissa Jones, but unfortunately she couldn't be  
18 here today. So instead we're happy to have Jennifer  
19 Campagna here, and she also made important contributions to  
20 this volume. So next slide, please.

21           The statute requires the CEC to assesses major  
22 energy trends and issues facing the state's electricity,  
23 natural gas, and transportation fuel sectors. The report  
24 develops policies to advance clean and reliable energy  
25 systems with benefits to reach all Californians. This

1 volume focuses on the clean energy transition needed for  
2 the gas sector. Next slide, please.

3 Commissioner Andrew McAllister led the overall  
4 development of the 2021 IEPR. And it is comprised of four  
5 volumes and an appendix, with a Lead Commissioner for each  
6 topic as shown on this slide.

7 The other volumes were adopted in February, and  
8 they are Volume I on building decarbonization; Volume II on  
9 energy reliability; Volume IV on the forecast; and an  
10 Appendix on the Clean Transportation Program.

11 Volume III is under consideration today and is on  
12 decarbonizing the state's gas system. Next slide, please.

13 The 2021 IEPR reflects the input and analysis  
14 from a broad array of stakeholders. And the Energy  
15 Commission sought input from industry experts, the public,  
16 sister agencies throughout the report development process.  
17 We had 21 remote access workshops, 5 of which addressed the  
18 state's gas system. The public had opportunities to  
19 comment on each workshop and on the draft report that was  
20 made available in January and then on the final report  
21 posted late February.

22 We greatly appreciate and carefully reviewed the  
23 thoughtful comments received and we appreciate the time and  
24 expertise shared by the public and workshop participants.  
25 And this final version of Volume III that include changes

1 to the draft in response to those comments.

2 Also, an errata reflecting a few minor edits was  
3 posted yesterday. And Commissioners, I do have a copy of the  
4 errata and it was included in your meeting materials.

5 So with that background, I'd like to go ahead and  
6 ask Jennifer Campagna now to go ahead and provide a very  
7 high-level summary of the key findings of Volume III. Go  
8 ahead, Jennifer. Next slide, please.

9 MS. CAMPAGNA: Thank you, Heather.

10 Good morning, Chairman Hochschild and  
11 Commissioners. My name is Jennifer Campania. I am the  
12 Supervisor of the Natural Gas Unit. And as Heather  
13 mentioned I am filling in for Melissa Jones, the lead  
14 author of Volume III and I will be providing an overview of  
15 the volume. Next slide, please.

16 California will need to reduce greenhouse gas  
17 emissions, both carbon dioxide and methane, from the gas  
18 system in order to meet our long-term climate goals.  
19 Transitioning away from fossil gas is key to that. Gas has  
20 been the dominant fuel for space and water heating in  
21 residential and commercial buildings, for electric  
22 generation, and as an industrial feedstock and fuel. We  
23 expect long-term gas demand for residential and commercial  
24 customers to decline in response to the state's building  
25 decarbonization policies, but this is only 25 percent of

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1 total gas demand in the state.

2 That said, we will need to find decarbonization  
3 strategies to address the remaining 75 percent of gas  
4 demand, including difficult-to-electrify end uses in  
5 industry, agriculture, and electricity generation. Next  
6 slide, please.

7 Okay, a brief overview of the Volume III, gas  
8 assessment and forecasts that are required for IEPR are  
9 every two years and provide situational awareness on gas  
10 demand, prices, and infrastructure.

11 The report also addresses key emerging gas  
12 issues, including building electrification is expected to  
13 reduce residential and commercial gas use over the coming  
14 decades. But questions do remain about when, where, and  
15 how much demand will decline.

16 There are critical interdependencies between the  
17 gas and electric systems as the state develops zero-carbon  
18 resources on the electric grid, such as renewables and  
19 storage, and for some transition period a safe and reliable  
20 gas system will be needed to support electrical  
21 reliability.

22 Renewable gas and renewable hydrogen may also  
23 have the potential to address hard to electrify gas uses in  
24 the longer term and could allow gas utilities to repurpose  
25 at least portions of the gas system. The state must make

1 decisions about decarbonization pathways for the gas system  
2 and take actions in the near term if we are to ensure to  
3 meet our greenhouse gas reduction goals. Next slide,  
4 please.

5           A key challenge in long-term gas planning is to  
6 strike a balance between competing objectives for the gas  
7 system. Ensuring a safe and reliable gas system is  
8 essential to meet California's energy and reliability needs  
9 for some transition period. The state has a multi-billion-  
10 dollar gas system that requires ongoing safety investments  
11 and maintenance. We must begin to prioritize these  
12 investments to avoid creating large amounts of stranded  
13 investments, investments that will not be needed in the  
14 long-term as gas demand declines.

15           Equity is paramount. As buildings electrify  
16 there will be fewer customers left on the gas system to  
17 spread the costs over, which can increase rates. Many who  
18 remain on the gas system will either be low-income or  
19 located in disadvantaged communities, and the least able to  
20 afford the higher gas rates or perhaps invest in  
21 electrification.

22           Also, an adequate workforce will be needed to  
23 reduce gas demand from electrification and maintain the gas  
24 system during the transition.

25           Additionally, a shrinking gas system can displace

1 utility workers. Next slide, please.

2 A coordinated, transparent, and rigorous long-  
3 term gas planning process in the state is critical to avoid  
4 potential negative impacts on energy reliability, rates,  
5 and equity.

6 It will ensure that decisions about gas utility  
7 operations, rates, and infrastructure are aligned with  
8 climate goals to achieve GHG emission reductions.

9 It will require coordination among CEC, CPUC, and  
10 Air Resources Board and stakeholders to develop a roadmap  
11 and analytical framework for gas planning. The agencies  
12 are working on a White Paper for 2022.

13 We also need to explicitly plan for extreme  
14 events, such as extreme cold from a polar vortex, for  
15 example, to ensure reliability and contain costs.

16 Long-term pipeline constraints that jeopardize  
17 reliability and cause higher prices need to be addressed.

18 Finally, we need to develop a plan for the  
19 retirement of Aliso Canyon Storage Facility that can ensure  
20 reliability. Next slide, please.

21 The CEC's role in forecasting and assessments can  
22 play a key analytical role in supporting long-term gas  
23 planning.

24 In the 2021 IEPR proceeding, for the first time,  
25 staff collected filings from the gas utilities such as

1 those used for the electricity demand forecast to support  
2 the CEC's gas demand forecast. Staff has already begun  
3 expanding the CEC's gas demand forecast and is developing  
4 long-term demand scenarios to support long-term gas system  
5 planning. The CEC will collaborate with other agencies and  
6 stakeholder on the level of granularity needed for  
7 geographically targeted electrification.

8           For this IEPR, staff already implemented  
9 significant improvements in price forecast products through  
10 revised modeling methods and newly created tools for  
11 forecasting gas commodity prices, gas transportation rates,  
12 and delivered gas prices for customers. More are planned  
13 to look at long-term revenue requirements.

14           Over the last year, staff also developed new  
15 analytical capabilities, such as supply and demand balance  
16 tools and hydraulic modeling skills for assessing  
17 infrastructure that will allow the CEC to explore gas  
18 system issues at greater depth and with the sophistication  
19 closer to that applied by the utilities. The CEC will also  
20 begin modeling the distribution system to help target  
21 building electrification. Next slide, please.

22           The gas utility obligation to serve needs to be  
23 reevaluated and may require a legislative fix. The  
24 obligation to serve locks in gas demand for decades. Hold-  
25 outs have to be served, preventing decommissioning of

1 distribution systems. The gas extension allowances for  
2 residential and commercial customers need to be modified or  
3 eliminated. Line extensions incentivize gas use in  
4 buildings. CPUC staff propose in the building  
5 decarbonization proceeding to eliminate them.

6 Rate structures are needed that support deep  
7 reductions in fossil gas usage and electrification efforts  
8 for residential and commercial customers. For this, we  
9 need to look beyond the three-to-four-year rate cycles and  
10 focus on the long-term gas transition.

11 Equity in building decarbonization is essential.  
12 Electrification subsidies should focus on low-income and  
13 disadvantaged community customers who are least able to  
14 afford new electric appliances and who could be left on the  
15 gas system and face higher gas rates. Low-income customers  
16 and disadvantaged communities should have priority for  
17 decarbonization incentives and programs, so they aren't  
18 left behind to bear the disproportionate share of gas  
19 system costs.

20 Successful building decarbonization and  
21 distribution decommissioning will need R&D efforts and  
22 funding of pilot projects. Next slide, please.

23 Incentives are necessary to produce renewable gas  
24 at a cost that is competitive with fossil gas. Converting  
25 waste to usable energy is a primary strategy in CARB's

1 Short-lived Climate Pollution Policy.

2           The state should continue funding renewable gas  
3 research to enable advancements and lower costs in  
4 renewable gas production, consider modifications to the  
5 LCFS program so that renewable gas incentives that apply to  
6 transportation fuels are expanded to applications other  
7 than transportation, such as in the industrial sector.

8           Evaluate other incentives for renewable gas  
9 production including from feedstocks beyond the primary  
10 feedstocks currently used, such as crop residue or forest  
11 biomass.

12           Many industrial customers do not have access to  
13 cost-effective decarbonization strategies. Renewable  
14 hydrogen has the potential to meet some of these end-uses.  
15 The state needs to further research and develop pilot  
16 projects for renewable hydrogen as a replacement for fossil  
17 gas and hard to electrify gas uses. The state should build  
18 on the current R&D and pilot efforts to explore the amount  
19 of hydrogen that can safely be blended into existing gas  
20 pipelines and the potential costs to modify the gas system  
21 to deliver this clean fuel.

22           California could explore producing hydrogen  
23 onsite at generation stations or large industrial users,  
24 which could also co-locate facilities to do double-duty by  
25 also providing hydrogen in transportation. Next slide,

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1 please.

2           That concludes my presentation. Staff recommends  
3 adoption of Volume III with the errata. And with that I  
4 will turn it back over to Heather Raitt. Thank you very  
5 much.

6           MS. RAITT: Thank you, Jennifer.

7           So yes, and just before concluding I'd just like  
8 to take a moment to thank you, Commissioner McAllister, for  
9 your guidance and leadership on the overall IEPR. And to  
10 thank Vice Chair Gunda, for your leadership on this volume.  
11 I'd also like to thank Melissa Jones, who I'm sorry  
12 couldn't be here today. And thanks to Jennifer and all the  
13 others who made important contributions in the Energy  
14 Assessments Division: Stephanie Bailey, Raquel Kravitz, and  
15 Denise Costa who help make everything happen from behind  
16 the scenes.

17           And so that concludes our presentation. And Lisa  
18 De Carlo from the Chief Counsel's office is available to  
19 address any questions you may have. And again, staff  
20 requests that you adopt Volume III of the 2021 IEPR  
21 incorporating changes detailed in the errata. Thanks so  
22 much.

23           CHAIR HOCHSCHILD: Well thank you so much,  
24 Heather and Jennifer, and to the whole team. And I add my  
25 thanks to Commission McAllister and the Vice Chair for all

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1 the hard work on this substantial document.

2 So with that let's go to public comment on Item  
3 5.

4 MS. MURIMI: Thank you, Chair.

5 So just checking for hands. Again, for folks  
6 that are on Zoom you can go ahead and use the raised-hand  
7 feature. And if you're calling in go ahead and press \*9 to  
8 indicate that you'd like to make a comment.

9 I see a Rachel Kuykendall, and apologies if I've  
10 misstated your name. Go ahead and state your name, spell  
11 your name and give your affiliation and unmute on your end.  
12 Thank you, Rachel.

13 MS. KUYKENDALL: Great. So this is Rachel  
14 Kuykendall, K-U-Y-K-E-N-D-A-L-L with PG&E. We just want to  
15 first thank the Commission and staff who worked on this for  
16 what was a very comprehensive and collaborative effort to  
17 create this draft language. In particular, we do want to  
18 cheer the emphasis on zonal electrification. We do think  
19 this is a very important solution lever to maintain  
20 affordable gas rates while decarbonizing our buildings.

21 In particular, I wanted to point out the need  
22 regarding zonal electrification for two things. First,  
23 external funding to ensure that the cost of decommissioning  
24 gas infrastructure doesn't fall solely on our low-income  
25 customers. In particular, being able to leverage some of

1 the governor's proposed budget for some of this work, I  
2 think, is very critical in being able to advance zonal  
3 electrification.

4 And secondly, being able to leverage financing  
5 mechanisms to make this work happen. So, in particular,  
6 being able to capitalize these projects will be very  
7 important for us to be able to unlock this work further and  
8 be able to use non-pipeline alternatives as a replacement  
9 for upcoming capital investments in the gas infrastructure.

10 With that, again we just want to thank the  
11 Commission and staff for all the hard work that went into  
12 this and the really great and thorough recommendations.  
13 And we look forward to working with you all on  
14 implementation.

15 MS. MURIMI: Thank you, Rachel.

16 Next, I see Jennifer Lu. Go ahead and state and  
17 spell your name and your affiliation. And you may begin  
18 your comment.

19 MS. LU: Good morning, Commissioners and staff, my  
20 name is Jennifer Lu, J-E-N-N-I-F-E-R, last name L-U. And I  
21 represent SoCalGas.

22 First, I wanted to say congratulations to  
23 Commissioner Vaccaro, great to have you here. And these  
24 are my comments. I appreciate the opportunity to provide  
25 public comment on the CEC 2021 IEPR. It is in the public

1 interest to decarbonize the gas system as part of meeting  
2 California's climate and energy goals. Clean molecules  
3 such as renewable gas and renewable hydrogen have a  
4 critical role to play in this transition, especially in  
5 decarbonizing hard-to-abate sectors such as the cement and  
6 steel industries and heavy-duty vehicles.

7 The CEC recognizes the role of clean fuels and  
8 has recommended the development and use of renewable gas  
9 and renewable hydrogen in the 2021 IEPR. SoCalGas is fully  
10 supportive of this recommendation.

11 Furthermore, as end users electrify over time, we  
12 recognize that the role of gas in the distribution system  
13 will diminish. It is clear that the state needs a balanced  
14 evolution and transformation of the gaseous network. We  
15 look forward to continuing to collaborate with the CEC on  
16 the upcoming 2022 IEPR update. Thank you.

17 MS. MURIMI: Thank you, Jennifer.

18 Chair Hochschild, I see no other hands raised at  
19 this time.

20 CHAIR HOCHSCHILD: Okay, thank you.

21 Let's turn to Commissioner discussion, starting  
22 with Commissioner McAllister.

23 COMMISSIONER MCALLISTER: Well great, thank you  
24 very much.

25 First of all I just wanted to thank Heather for

1 all of your work, and also the staffs, your direct staff  
2 Stephanie, Raquel, and Denise. You're just a pleasure to  
3 work with. And your responsiveness and just breadth of  
4 knowledge, understanding is -- and sort of your  
5 facilitation of a lot of moving parts in making sure they  
6 all fit together on what can be extremely tight timelines,  
7 so I just really value that for this chapter and just  
8 throughout this IEPR and previous ones that I've overseen  
9 so just thank you for that competency and capability.

10 Jennifer, thank you for that presentation. And  
11 please pass along our collective thanks to Melissa as well.  
12 We just had such a great team on gas.

13 And I'll make some brief comments and then pass  
14 the baton to Vice Chair Gunda, who was the Lead  
15 Commissioner on this topic area. But I have been lead in  
16 the past on this topic area, and I think we're seeing this  
17 intimate, increasingly intimate relationship or linkage  
18 between gas and electricity. And as we discuss strategies  
19 and figure out how to move forward with some big  
20 investments on decarbonization, in particular of our end  
21 uses and building stock. And this chapter, I think, lays  
22 that out nicely and really forms a strong foundation for a  
23 more detailed discussion of the gas transition that will be  
24 taking place going forward in next year's IEPR,  
25 particularly under Vice Chair Gunda's leadership. So I'm

1 very excited to continue this discussion going forward.

2           And I have a sort of a rule that I always fall  
3 back to, it's "count the molecules." And I was happy to  
4 hear SoCalGas's comments along those lines. But we have to  
5 count the molecules, be rigorous about that, and also track  
6 where they're coming from and name them appropriately.

7           And I think we're getting away from the term  
8 "natural" attached to natural gas and trying to be more  
9 specific with respect to the flavors, types, origins of  
10 that, of the methane and other gases that we have in the  
11 gaseous fuel system. And this chapter actually does that  
12 quite well, only using the term "natural" when it's there  
13 and has to be capitalized pretty much for sort of proper  
14 noun reasons. But most of the time the term is not used,  
15 rather it's renewable gas, power-to-gas, embedded gas,  
16 hydrogen gas. So I think when we shift terminology like  
17 that, we're helped in the level of rigor we think at, with  
18 which we think as we approach these issues in earnest.

19           I'm really excited to be sort of having an  
20 attentional discussion about this, as we get towards some  
21 expected big investments in building decarbonization and  
22 electrification. And that intentionality of planning to  
23 manage costs is just right there. It's a parallel theme,  
24 it's just linked at the hip with our building  
25 decarbonization. And the hard-to-reach sectors and hard-

1 to-electrify sectors absolutely there's going to be a role  
2 for different forms of thermal energy, including liquid or  
3 gaseous fields. And so we just need to be very intentional  
4 to manage that transition optimally.

5           And then finally just equity. Really many, if  
6 not most of our investments going forward are going to be  
7 in equity communities and frontline communities, extreme  
8 heat communities where we really need not sort of sources  
9 of capital that come from -- not from the consumers or the  
10 ratepayers themselves, but from the federal government.  
11 We're getting a significant amount there. We'll be getting  
12 some significant funds from the state government. We have  
13 a few other activities, notably, Southern California  
14 Edison's application for the wind decarb. So I wanted to  
15 just sort of paint a little bit of a broader picture within  
16 which this gas transition will take place.

17           So the importance of this really can't be  
18 overstated. This is a generational shift and we're laying  
19 the foundation and this chapter does a really nice job of  
20 that. And this conversation will go on for years and  
21 decades as we really in earnest start down this transition  
22 and finish it by 2035, 2040, or 2045.

23           So, a big task ahead, but I'm confident that we  
24 have a team to manage the discussion and do it in a  
25 rigorous way with all the analytical chops that the

1 Commission brings to bear on this.

2 And with that I'll pass off to Vice Chair Gunda  
3 for his comments. Thanks for all your leadership on this  
4 topic.

5 VICE CHAIR GUNDA: Thank you, Commissioner  
6 McAllister. I just want to echo thanks to you first for  
7 leading the 2021 IEPR. I think it's a monumental scope  
8 that we tackled in 2021. I think most of the 2021  
9 information was in the spirit of developing a foundational  
10 data information that we could really think through the  
11 next 10 years of transition, so really appreciate your kind  
12 of ask for more embedded wisdom in the process, but also  
13 your leadership on making it as comprehensive and thorough  
14 as possible.

15 Again, you've already laid out the thanks to  
16 Heather. But just we can't thank her enough, so Heather to  
17 you and your entire team I really appreciate your guidance,  
18 your thoughtfulness and just kind of keeping us all  
19 together in the most collaborative fashion anyone can  
20 possibly give us all. So thank you, Heather, so much to  
21 you and your team.

22 And as Commissioner McAllister noted, and Heather  
23 noted we didn't have Melissa Jones today here, but I really  
24 want to give her a special callout for the incredible work  
25 that she has done in pulling together this volume. I think

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1 a part of pulling this volume was to really stitch together  
2 disparate efforts at CEC and elsewhere in the state to  
3 really think through foundational documents that can help  
4 us lay out an overall vision and view for future of gas  
5 work at CEC, so I really appreciate Melissa's incredible  
6 work on this.

7           It was also not done in isolation, it really  
8 needed collaboration broadly, so there was a gas working  
9 group that was put together with a bunch of stakeholders.  
10 And so it's really important for that, for them to help  
11 bring together utilities and other top leaders in the space  
12 to really help shape this volume, so thanks to everybody  
13 who participates in that, including our sister agencies.

14           And to, as the name that you noted, thanks to  
15 Melissa. It cannot happen without the collective efforts  
16 of Jennifer and her entire team, so Jennifer thank you for  
17 your leadership and the entire gas team.

18           I also want to note thanks to Katie Elder who is  
19 our consultant on gas issues at Aspen, so just Katie, a  
20 shoutout to you and your team. Thanks for all your  
21 support.

22           As the stakeholders noted, PG&E Rachel, and  
23 SoCalGas Jennifer, thank you for your comments and support  
24 of the volume.

25           I think we are, as Commissioner McAllister

1 pointed out, in this incredible transition and really  
2 thinking through the dimensions of the different elements  
3 of work we need to do. I think we're all pulling on the  
4 same thread, which is clean, reliable, safe, affordable  
5 energy future for all Californians as soon as possible.  
6 And an important element of this is really thinking through  
7 the gas transition, both in terms of the impact of  
8 identification on the broader economy. But also, how do we  
9 ensure the hard to decarbonize or electrify segments  
10 through clean molecules and lay out the plan to still  
11 ensure affordability and safety.

12           So I think we have a lot of work to do. And I  
13 don't want to preempt my comments for the OII, which is a  
14 couple of items from now, but really thank you everybody  
15 for the incredible work and to looking forward to  
16 supporting this.

17           CHAIR HOCHSCHILD: Thank you.

18           Other Commissioners wishing to make a --  
19 Commissioner Monahan, please go ahead.

20           COMMISSIONER MONAHAN: Well, I'll just be really  
21 quick to say that I found this volume to be really  
22 fascinating and it's tackling such a critical issue facing  
23 California.

24           And the fact that equity was really highlighted,  
25 how do we make sure that families aren't left behind, is

1 such a critical issue. And as Vice Chair Gunda is going to  
2 elaborate, I mean, this is a thread that we're going to  
3 continue and want to make sure we get it right.

4 Add I really also appreciate the fact that we are  
5 -- the colors of hydrogen as Commissioner McAllister said -  
6 - that we're getting really more, a lot more specific about  
7 what we're talking about. And I think we will continue as  
8 we hopefully get a hydrogen hub in California to make sure  
9 that our analysis informs the direction that California  
10 goes as a state and that we really incentivize industries  
11 here in the state of California that will provide truly  
12 zero-carbon, sustainable hydrogen for the future and other  
13 investments.

14 So just I think this was a really particularly  
15 important volume and I just appreciated the attentiveness  
16 of all the staff and Heather's team in pulling it together.

17 CHAIR HOCHSCHILD: Yeah, I agree. I just want to  
18 call out Commissioner McAllister's point about the  
19 nomenclature, which really matters when we're trying to  
20 distinguish between fossil gas versus others as we go  
21 forward.

22 So with that I'd invite a motion from  
23 Commissioner McAllister on Item 5.

24 COMMISSIONER MCALLISTER: Happy to move Item 5.

25 CHAIR HOCHSCHILD: Okay, Vice Chair Gunda would

1 you be willing to second?

2 VICE CHAIR GUNDA: Second Item 5.

3 CHAIR HOCHSCHILD: All in favor say aye.

4 Commissioner McAllister?

5 COMMISSIONER MCALLISTER: Aye.

6 CHAIR HOCHSCHILD: Vice Chair Gunda?

7 VICE CHAIR GUNDA: Aye.

8 CHAIR HOCHSCHILD: Commissioner Monahan?

9 COMMISSIONER MONAHAN: Aye.

10 CHAIR HOCHSCHILD: Commissioner Vaccaro?

11 COMMISSIONER VACCARO: Aye.

12 CHAIR HOCHSCHILD: And I vote aye as well. That

13 item passes unanimously.

14 We'll turn now to Item 7 and 8, which we'll take  
15 out of order before going back to Item 6. So Item 7 is  
16 Order Instituting Informational Proceeding on Decarbonizing  
17 the Gas System.

18 MR. ERNE: Good morning, Chair, Vice Chair, and  
19 Commissioners can you hear me all right?

20 CHAIR HOCHSCHILD: Yes, we can.

21 MR. ERNE: Great. I'm David Erne at the  
22 Assessments Division. I'm here to request opening a new  
23 informational proceeding on decarbonizing the gas system.  
24 This proceeding is in direct support of the recommendation  
25 that was just discussed in the IEPR Gas volume to develop a

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1 comprehensive gas planning process for the state. And Vice  
2 Chair Gunda will be the Lead Commissioner on this  
3 proceeding. Next slide, please.

4 To meet California's clean energy goals the state  
5 really needs to evaluate a variety of options for  
6 decarbonizing the gas system. And critically, we need to  
7 ensure that it's a safe, reliable, and equitable transition  
8 as was just discussed in the IEPR volume. It's a complex  
9 process, it requires us to look at a lot of different  
10 options and evaluate those options in a quantitative way.

11 Also, it requires a very collaborative process,  
12 engagement of all of the other critical agencies in this  
13 state as well as all of the interested and effective  
14 stakeholders. CEC is initiating this informational  
15 proceeding to support that allowing us to gather and  
16 analyze the information we need and conduct the assessments  
17 to support policy decisions and also providing that forum  
18 for the collaboration. Next slide.

19 A key challenge ahead for the state is really  
20 balancing the many objectives that we have to address.  
21 Clearly, meeting our greenhouse gas emission targets is  
22 critical. And as we've seen from the impacts of climate  
23 change on the state with excessive heat waves, droughts,  
24 and wildfires it's even more critical that we incorporate  
25 our contribution to the world by reducing our greenhouse

1 gas emissions.

2 Also we need to keep a constant focus on the gas  
3 infrastructure and making sure that it's safe and reliable  
4 to serve customers.

5 We also need to optimize our investments. There  
6 are opportunities to take advantage of our current  
7 infrastructure, invest where we need to, but also determine  
8 whether there is a value in retiring assets that are no  
9 longer providing value. So ultimately, we can keep the cost  
10 down for customers, and particularly those in equity  
11 communities. Next slide.

12 The focus of this informational proceeding will  
13 be to build upon the work that was done this last year in  
14 the IEPR volume by expanding our forecasts and assessments  
15 of supply, demand, price and also looking more closely at  
16 infrastructure.

17 Specifically, some of the items that we want to  
18 dig into expanding our analysis of a variety of different  
19 situations going beyond just looking at average years and  
20 looking at cold winter situations, cold peak days.  
21 Increase the granularity of our analysis hourly, monthly,  
22 etcetera.

23 Improve our price forecasts, expand our long-term  
24 rate forecasts, assess the assets, and help to identify  
25 where we can prevent stranded assets and make smart

1 investment decisions.

2           Begin our distribution modeling, and that's  
3 pretty important to target building electrification and  
4 possible segmentation of the of the system for retirement  
5 in certain areas.

6           And also, we need to evaluate alternatives to  
7 fossil gas, such as renewable gas and hydrogen. Next  
8 slide.

9           With that, we request the approval to launch the  
10 informational proceeding on gas decarbonization. I'm here  
11 if you have any questions, and happy to answer them.

12           CHAIR HOCHSCHILD: Thank you, David.

13           Let's go to public comment on Item 7.

14           MS. MURIMI: Thank you, Chair Hochschild.

15           For those interested in making a public comment  
16 use the raised-hand feature if you're on Zoom it looks like  
17 an open hand, it should be at the bottom of your screen or  
18 device. For those calling in to the meeting dial \*9 to  
19 raise your hand and \*6 to unmute on your end. If you're  
20 called, please restate and spell your first and last name,  
21 state your affiliation if any, and begin your comment. I  
22 see Sean S. Go ahead and state and spell your name and  
23 unmute on your end and give your comment.

24           MR. SONI: Thank you. Good morning CEC

25 Commissioners and staff, my name is Sean Soni, spelled S-E-

1 A-N S-O-N-I. And I'm speaking today on behalf of SoCalGas.  
2 This informational proceeding seeks to tackle several  
3 challenges the state faces and decarbonizing the gas  
4 system. And as we plan to decarbonize our system, we're  
5 encouraged to partner with the CEC to advance and achieve  
6 the state's decarbonization goals.

7 We understand that meeting GHG reduction goals is  
8 a long-term initiative that will run parallel and feed into  
9 the IEPR process. And in the spirit of collaboration, we  
10 highlight that clean fuels are an important component of  
11 any solution to decarbonize hard to abate sectors of the  
12 California economy.

13 At the same time, specific end use  
14 electrification may diminish the role of gas in the  
15 distribution system over time. A clean fuels network  
16 supports both decarbonization and electrification efforts  
17 by providing reliability and resiliency to all  
18 Californians. As the Energy Commission moves through Phase  
19 I of this proceeding, we highlight that pursuing a diverse  
20 set of decarbonization levers reduces the risk of over-  
21 dependence on any one technology.

22 We look forward to working with CEC staff and  
23 Vice Chair Gunda on the upcoming hearings and workshops.  
24 Thank you, that's it.

25 MS. MURIMI: Thank you, Sean.

1           Chair Hochschild, I see no other hands raised at  
2 this time.

3           CHAIR HOCHSCHILD: Okay, let's do Commissioner  
4 discussion, beginning with the Vice Chair.

5           VICE CHAIR GUNDA: Thank you, Chair. I just  
6 wanted to begin by kind of laying the kind of high-level  
7 vision on this.

8           As we discussed in January's business meeting, or  
9 our kind of retreat where we discussed the future of  
10 thinking through IEPR, how do we make it more of a  
11 consolidated summary document, but at the same time keep  
12 alive the recommendations and important trends of our work  
13 in kind of venues that allow for longer discussion and  
14 better coordination. So that's the spirit in which the OII  
15 was first conceived.

16           In the IEPR 2022 we were hoping to continue to  
17 tackle the natural gas work and the recommendations. But  
18 what we really recognized after we got a bunch of comments  
19 from the stakeholders, but also feedback from our sister  
20 agencies there's two specific things that we've received.  
21 One is having a dedicated venue for advancing important  
22 planning assumptions and analytical work in a way that  
23 allows broad coordination and communication. And so that's  
24 one element we were trying to tackle.

25           And the second one that specifically came from

1 our sister agencies is to ensure that whatever work CEC  
2 develops really becomes, for it to be used to readily,  
3 needs a strong record. And so the IEPR doesn't necessarily  
4 allow the time for that record keeping, so we really  
5 thought this could be a good way to do it.

6 So those twin goals are really what this OII is  
7 trying to address, this giving a venue for staff to really  
8 collaborate with their peers and stakeholders across  
9 agencies, as well as create groups and such. And also  
10 develop the necessary record and develop detailed analysis  
11 that they need to docket on an ongoing basis.

12 Again, as Sean pointed out in his comments, the  
13 insights and the updates from these proceedings will become  
14 a part of the IEPR docket as we move forward, but they are  
15 critical updates.

16 So I want to just thank everybody that has been  
17 involved in this: obviously Melissa Jones, Jennifer  
18 Campagna, David Erne, who just presented, Aleecia the  
19 Deputy of the Division, and many other people in the Energy  
20 Assessments Division who have been working on this vision  
21 for a while and really helped bring this to fruition.

22 I also want to thank Mike Florio, a former  
23 Commissioner at CPUC, and Katie Elder who are consultants  
24 and supporting some of this work in terms of the analysis,  
25 so just want to recognize them. Linda Barrera, Kristen

1 Driskell and Renee Webster-Dawkins (phonetic), Deborah Dyer  
2 in the Chief Counsel's Office who have all contributed to  
3 thinking through how best to do this in a way we allow, and  
4 then meet those goals that we stated at the top.

5 And also, I want to thank CPUC and CARB for their  
6 ongoing coordination at the staff level, so the  
7 (indiscernible) forums to really advance this conversation.  
8 And this OII has been thoroughly discussed with sister  
9 agencies, and really glad to have the support from them,  
10 including the CPUC Commissioners, Commissioner  
11 Rechtschaffen.

12 My advisors Liz Gill, Ben Finkelor, and Larry  
13 Klein (phonetic) always I cannot do anything without you  
14 all, so thank you so much for your ongoing support in the  
15 office.

16 In kind of laying out the overarching  
17 recommendations from the 2021 IEPR, Jennifer kind of laid  
18 out the need for a comprehensive, inclusive, integrated,  
19 and a long-term planning for gas systems and then the  
20 criticality of that as we move forward. I think this is  
21 what I would like to bring back one of the things that we  
22 have been socializing over the last year and a half and the  
23 role of CEC, as we think through the various stages of  
24 policymaking, planning, implementation. And then looking  
25 back and assessing how we are doing I think CEC has an

1 important role in the front end of that, really developing  
2 venues and forums to have broad discussions that are not  
3 necessarily through under a regulatory structure. So CEC  
4 really allows for that initial conversation on bringing  
5 together ideas that are not necessarily set readily for a  
6 regulatory implementation process. So I think this  
7 particular OII will help us with that comprehensive  
8 thinking and making CEC a venue to think through that.

9           And two, as CEC's core competency as an  
10 aggregator of data, and being the data repository for the  
11 state as well as being the backbone for some of the  
12 planning work we do in terms of products such as demand  
13 forecast, demand scenarios, hydraulic modeling price  
14 forecasts, whatever we do. We have a lot of competency at  
15 the Energy Commission to really develop the formative  
16 planning assumptions and tools and methods. So that's  
17 another thing this particular OII can really help develop.

18           So thinking again through the overall  
19 policymaking space, this is a front-end activity and I'm  
20 really glad that CEC staff are jumping with both feet and  
21 both hands in this important work. I think it's going to  
22 be a lot of work over the next two to three years.

23           So with all that I want to lend my support to  
24 David and all the staff for the incredible amount of work  
25 we are conceiving and thinking through for this OII.

1           And really welcome Commissioner McAllister,  
2 Commissioner Monahan, Commissioner Vaccaro, your input on  
3 how to best shape this OII in a way that it could  
4 collectively help with some of the ideas that you've  
5 mentioned over time, which is the integrated nature of the  
6 electricity and the gas sector, but also the integrated  
7 nature of the different domains that we're all working in  
8 whether it be transportation, industry, or buildings and so  
9 on.

10           So we hope this would be a venue for us to think  
11 about a variety of workshops and have staff try some of  
12 this work for us. So with that I really look forward to  
13 hearing your feedback and continuing to work with all of  
14 you.

15           CHAIR HOCHSCHILD: Thank you, Vice Chair, that  
16 was terrific.

17           Unless there are Commissioner comments, I'd  
18 welcome a motion from you on Item 7.

19           VICE CHAIR GUNDA: Yes, I very enthusiastically  
20 move Item 7.

21           CHAIR HOCHSCHILD: Thank you.

22           Commissioner McAllister, would you be willing to  
23 second?

24           COMMISSIONER MCALLISTER: I'll second Item 7.

25           CHAIR HOCHSCHILD: All in favor say aye.

1 Vice Chair Gunda?

2 VICE CHAIR GUNDA: Aye.

3 CHAIR HOCHSCHILD: Commissioner McAllister?

4 COMMISSIONER MCALLISTER: Aye.

5 CHAIR HOCHSCHILD: Commissioner Monahan?

6 COMMISSIONER MONAHAN: Aye.

7 CHAIR HOCHSCHILD: Commissioner Vaccaro?

8 COMMISSIONER VACCARO: Aye.

9 CHAIR HOCHSCHILD: And I vote aye as well. Let's

10 turn now to Item 8, which is Order Instituting

11 Informational Proceeding on Distributed Energy Resources.

12 MR. ERNE: Hello again. So this is another

13 informational proceeding that we want to set up, this one

14 on distributed energy resources. Again, this one will be a

15 proceeding would be led by Vice Chair Gunda. Next slide.

16 Distributed energy resources are defined in the

17 state as pretty broadly as a number of technologies and

18 solutions, including solar storage, EVs, efficiency

19 measures, and demand response. And they're being

20 implemented a much increasing rate, but what we don't have

21 is good information that would allow us to help with more

22 strategic deployment of these resources and to expand the

23 markets in a really substantial way. We want to ensure

24 that customers get the most value out of them, either

25 individually or collectively, and that they provide

1 resilience for customers as appropriate, while at the same  
2 time we maintain grid reliability and also take advantage  
3 of their ability to reduce our greenhouse gas emissions.

4           This proceeding will enable CEC to gather the  
5 information, conduct assessments to support policymaking in  
6 this area. And, again, as in the other OII lead to  
7 facilitate greater collaboration and provide a venue for  
8 engagement with all the stakeholders involved. Next slide.

9           Like with gas decarbonization we have a challenge  
10 here, which is really having the information and the  
11 analysis we need to make better policy decisions. And  
12 that's really going to -- we're going to need to have a  
13 better understanding of different customer types, their  
14 needs, how distributed energy resources can support our  
15 different weather conditions and operating conditions, how  
16 they can serve customers individually or communities.

17           And also, where we can find ways to grow their  
18 ability and expand the market in the state, while at the  
19 same time taking advantage of their deployment to ensure  
20 that we have grid reliability. And so that we have to  
21 collectively think of all of these and balance these  
22 objectives in the state.

23           We're seeing a lot more kinds of technologies  
24 that can be involved in this process such as smart  
25 appliances, strategies such as an aggregation of these

1 technologies that we can take advantage of and provide for  
2 greater value to customers. And again we do this with  
3 collaboration with the Public Utility Commission, Air  
4 Resources Board, other state agencies and the various  
5 stakeholders. And this activity would be conducted in  
6 cooperation with some of the many proceedings that are  
7 going on the PUC, such as the high DER, OIR. Next slide.

8           Through this OIIP, we plan to investigate and get  
9 a better sense of what the trends are with distributed  
10 energy resources, their performance, their cost, customer  
11 value and adoption, both qualitatively and quantitatively  
12 understand these benefits, understand how to create the  
13 right balance between building out distributed energy  
14 resources. And building out utility scale resources so  
15 that we can balance the need for what investments we need  
16 to make in the distribution system and the transmission  
17 system and make sure that we're thinking about those  
18 holistically.

19           We also want to evaluate policies and incentive  
20 structures, particularly those that would support equity  
21 communities. And enable them, who currently cannot take  
22 very much advantage of these technologies, to do it more.

23           And lastly, we need to identify technology gaps  
24 and focus our R&D to support for the development in these  
25 areas. Next slide.

1           With that we request adopting this order  
2 instituting informational proceeding on distributed energy  
3 resources. You have any questions I'm available to answer  
4 them, thank you.

5           CHAIR HOCHSCHILD: Thank you, David.

6           Any public comment on Item 8?

7           MS. MURIMI: Thank you, Chair Hochschild.

8           So just instructions again for those that are on  
9 Zoom go ahead and use the raised-hand feature. It looks  
10 like a high-five or an open hand at the bottom of your  
11 screen or device. And if you're calling into the meeting  
12 dial \*9 to raise your hand.

13           I see no hands at this time, Chair Hochschild.

14           CHAIR HOCHSCHILD: Okay. Let's go to  
15 Commissioner discussion, starting with Vice Chair Gunda.

16           VICE CHAIR GUNDA: Thank you, Chair. I don't  
17 want to repeat the vision element of why this OII was put  
18 together, but generally it's in the same spirit which is  
19 helping to have a venue for ongoing coordination on an  
20 important element, which is the DER work.

21           I want to just start with thanking again David  
22 Erne, who has been phenomenal just as he has been with  
23 everything, but specifically on kind of envisioning this  
24 particular proceeding. Tom Flynn and Erik Lyon for their  
25 incredible leadership on developing this. Again, I could

1 not do this without the support of CCO: Linda Barrera,  
2 Kristen Driskell, Renee Webster-Dawkins (phonetic) and  
3 Deborah, all from the Chief Counsel's Office.

4           And we just want to note one element on one of  
5 the reasons why we did it as an OII is to really lean on  
6 some of the mandates and the statutes and the authority  
7 that CEC has on data collection and really using this as a  
8 way to collect data that's needed as we go.

9           In this particular area we do have a consulting  
10 support from Lorenzo Kristov. Most of the people who work  
11 in distributed energy resources know his name, are really  
12 thankful for his support on this particular area, and my  
13 advisor Liz who's also been supporting this.

14           Finally, I want to note the incredible  
15 collaboration that has been going on between CEC and CPUC.  
16 As the Commission members recognize over the last year,  
17 we've gotten two or three specific requests from CPUC in  
18 terms of providing analytical support in decision making  
19 that included reliability analysis, included analysis on  
20 some of the stack work that we have done, all in the  
21 reliability space. But also specifically on the DER  
22 accounting that CPUC requested CEC to help with that. And  
23 I could not have done any of that without the support of  
24 Commission McAllister, so I just want to call out as my  
25 secret partner behind the scenes. He was always advising

1 on improving our analysis.

2           So overarching, this particular OII will help us  
3 further the work on DER accounting that we have done. But  
4 also really opens the overarching idea on what is the  
5 taxonomy that we want to develop on for DERs and how do we  
6 integrate the evolving DERs into both the reliability and  
7 resiliency planning, but overall resource planning the SB  
8 100 context. So we would like to develop modeling  
9 frameworks and some scenarios on DERs in this particular  
10 proceeding that can feed into both future IEPRs, but also  
11 into SB 100 directly so we could look at the optimization  
12 between the overall bulk investment versus the distribution  
13 side investments.

14           So this would be a great opportunity for, again,  
15 all of us to coordinate. And I really look forward to  
16 working with Commissioner Monahan on (indiscernible)  
17 particularly in this proceeding, your leadership on V2G and  
18 how that can inform development of some of the DER  
19 scenarios we could probably conceive for SB 100.

20           In the last SB 100 report under Commissioner  
21 McAllister's leadership we did envision the building  
22 flexibility as one of the core scenarios, but I think we  
23 really have an opportunity to think about how to maximize  
24 the distribution side.

25           And so the OII opens a venue for a broad

1 stakeholder engagement, looking forward to developing new  
2 forums as needed but also expanding the existing forums to  
3 have more dialogue with the stakeholders and really inform  
4 the Blue Sky policy ideation that is required for this  
5 particular area, so looking forward to this work. Again  
6 David, thank you for your leadership and looking forward to  
7 doing a lot of good work.

8 CHAIR HOCHSCHILD: Great. Thank you.

9 Any public comments?

10 VICE CHAIR GUNDA: Oh, Chair, I think  
11 Commissioner Monahan has a comment.

12 CHAIR HOCHSCHILD: Oh sorry, yeah.

13 Yeah sorry, go ahead Commissioner Monahan, yeah.

14 COMMISSIONER MONAHAN: I'm so excited to work on  
15 this with you, Vice Chair Gunda.

16 And I feel like we have such great talking points  
17 with the Chair, which actually I'm always quoting the  
18 Chair. You know, good EVs need to be good citizens of the  
19 grid, we want our EVs to run on sunshine, all of this. But  
20 now we could actually put some numbers to some of the  
21 statements, which I feel like will just help sharpen us.

22 And up to 21 percent flexible load by 2030,  
23 compared to today's baseline, like that's huge and how do  
24 we capitalize on that? How do we put some numbers around  
25 it? How do we get the policies in there so that we can

1 make sure the technologies can capitalize on that? And  
2 school districts that are providing V2G back to the grid  
3 they get money. That's what we want to create, that  
4 ecosystem so just really excited about this, working with  
5 you on this.

6 CHAIR HOCHSCHILD: Yeah, so any other  
7 Commissioners?

8 Commissioner McAllister, please.

9 COMMISSIONER MCALLISTER: Yeah, I just want to  
10 share in the excitement here. I think the buildings piece  
11 of this is sort of in parallel with the transportation  
12 piece. And I just think the old concept of load factor is  
13 still very, very relevant today. We're moving past a lot  
14 of our sort of planning, grid planning kind of conventional  
15 wisdom right, as we have new technologies. And we really  
16 are working hard to incorporate renewables at all scales.  
17 And this OIR approach that Vice Chair Gunda is initializing  
18 or initiating with the Chief Counsel's kind of guidance, I  
19 think, is really going to be a powerful way to keep these  
20 threads in the same tapestry at each step.

21 So I think load factor, improving load factors  
22 and using the grid optimally and optimizing investments in  
23 it is the way that we protect ratepayers and address the  
24 equity problem, the equity challenge rather, and end up  
25 with a grid that's reliable and cost-effective.

1           And I just think that I'm really excited to push  
2 forward together on the building's front and really  
3 ensuring that as we invest in earnest in building  
4 decarbonization electrification. Every device that goes  
5 into a home, business, industry that is electric, is also a  
6 good citizen of the grid. And so I think these  
7 technologies are going across platforms in a lot of ways.  
8 And so we have a lot of -- we have much potential in our  
9 R&D investments and other investments, program investments,  
10 to really make sure that we're planning, avoiding silo-ing  
11 and really planning across the board to leverage the right  
12 technologies in the right places and the right  
13 applications. So very, very excited to move forward on  
14 this together.

15           CHAIR HOCHSCHILD: Great. Thank you.

16           Vice Chair, please.

17           VICE CHAIR GUNDA: Okay. Yeah, just wanted to --  
18 I forgot in my thanks -- I mean I kind of spoke quickly --  
19 I think I really want to thank Commissioner Houck who,  
20 when she was here with us before, became an extended  
21 family. Really some of the OII ideas were her thought  
22 leadership. I know kind of, I think between the Chair, to  
23 you, and Commission McAllister and as me being staff back  
24 then, this really was your kind of thought leadership along  
25 with Commissioner Houck now. So I'm really excited to

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1 carry on that kind of thought leadership you set up, at the  
2 start of the vision you set up, so thank you again.

3 Looking forward to working with you all.

4 CHAIR HOCHSCHILD: Thank you.

5 All right, unless there are further comments, I'd  
6 welcome a motion from the Vice Chair on Item 8.

7 VICE CHAIR GUNDA: Yeah, I move Item 8.

8 CHAIR HOCHSCHILD: Okay. Commissioner  
9 McAllister, would you be willing to second that?

10 COMMISSIONER MCALLISTER: I second.

11 CHAIR HOCHSCHILD: Thank you, let's go to vote.

12 All in favor say aye.

13 Vice Chair Gunda?

14 VICE CHAIR GUNDA: Aye.

15 CHAIR HOCHSCHILD: Commissioner McAllister?

16 COMMISSIONER MCALLISTER: Aye.

17 CHAIR HOCHSCHILD: Commissioner Vaccaro?

18 COMMISSIONER VACCARO: Aye.

19 CHAIR HOCHSCHILD: Commissioner Monahan?

20 COMMISSIONER MONAHAN: Aye.

21 CHAIR HOCHSCHILD: And I vote aye as well. That  
22 item passes unanimously.

23 We'll return now to Item 6, Building Standards  
24 Code Petition.

25 And what I'd like to do folks, is just take us

1 through to about 12:30. And then we'll break for a short  
2 lunch for a half hour and then come back. So let's keep  
3 going with Item 6.

4 MR. STRAIT: Chair, just a quick check, can you  
5 all hear me?

6 CHAIR HOCHSCHILD: Yes. Hi, Peter.

7 MR. STRAIT: Excellent. Good morning, Chair and  
8 Commissioners. My name is Peter Strait and I'm presenting  
9 Item 6, a petition submitted by ACCO Engineered Systems  
10 requesting a change to help clarify part of California's  
11 Building Standards Code. Next slide, please.

12 The item benefits California in a few small but  
13 significant ways. Requests such as this one help to ensure  
14 that language in the California Building Standards Code is  
15 clear, straightforward to apply, and free of avoidable  
16 hurdles.

17 Enhancing clarity and removing hurdles improves  
18 the ability of builders to comply with requirements,  
19 improves the ability of building officials to hold builders  
20 accountable, and reduces costs.

21 In addition, following the petition process  
22 ensures that the voices of Californians are heard and that  
23 issues in the code aren't ignored, creating accountability  
24 for state agencies like ours empowered to adopt building  
25 standards. Next slide, please.

1           ACCO Engineered Systems submitted their petition  
2 to the Building Standards Commission on January 11<sup>th</sup>, 2002  
3 [sic] and the petition was forwarded to the California  
4 Energy Commission on January 27<sup>th</sup>, 2002. The Energy  
5 Commission has 45 days to respond from the date of  
6 forwarding. And the petition relates to minimum  
7 ventilation standards present in the 2019 Mechanical Code,  
8 Part 4 and Energy Code, Part 6 of our Building Standards  
9 Code.

10           The petition requests amended language in the  
11 Mechanical Code that more clearly states which sets of  
12 ventilation standards apply, so there is not a need to  
13 perform minimum airflow calculations under both codes and  
14 compare those results.

15           The petition also requests that the Energy Code  
16 standards be prioritized over the Mechanical Code standards  
17 as the Energy Code references a more current version of  
18 ASHRAE Standard 62.1 and uses a simpler calculation method.  
19 Next slide, please.

20           Staff reviewed the petition and found that the  
21 minimum criteria for petitions in the Building Standards  
22 Code are met. Ventilation standards apply statewide to a  
23 broad range of building types and potential conflicts  
24 between code provisions are expressly included in the  
25 petition process.

1           Staff also reviewed the petition against the  
2 causes for denial stated in the Building Standards Code and  
3 found that one of these criteria are met, specifically a  
4 petition should be denied if "the issue cited by the  
5 petitioner have been raised and answered during the  
6 previous rulemaking." The ambiguity noted by the  
7 petitioner was also noticed by staff and commentators  
8 during the 2022 rulemaking proceeding. And amendments to  
9 the 2022 Mechanical Code were adopted by the Energy  
10 Commission to clarify its language consistent with the  
11 request in the petition. Next slide, please.

12           Staff therefore recommends that the petition be  
13 denied, but for the reason that staff took steps to address  
14 those concerns in the 2022 rulemaking. We are fortunate  
15 that the work we would have needed to do to be responsive  
16 to that this petition has, in effect, already been done.

17           Staff reached out to the Petitioner, and they  
18 agreed that the amendments adopted for the 2022 Mechanical  
19 Code resolves their concerns. And I'm available to answer  
20 any questions regarding this item.

21           CHAIR HOCHSCHILD: Thank you, Peter. I like the  
22 beard, by the way. It looks good.

23           MR. STRAIT: Oh, thank you.

24           CHAIR HOCHSCHILD: Let's go to public comment on  
25 Item 6.

1 MS. MURIMI: Thank you, Chair Hochschild.

2 For those interested in making public comment use  
3 the raised-hand feature if you're on Zoom, looks like an  
4 open hand and should be at the bottom of your screen or  
5 device. For those calling in to the meeting dial \*9 to  
6 raise your hand and \*6 to unmute on your end.

7 At this time Chair Hochschild I see no hands  
8 raised.

9 CHAIR HOCHSCHILD: Okay, Commission McAllister?

10 COMMISSIONER MCALLISTER: Well great and thanks.  
11 This is a pretty straightforward item as you heard from  
12 Peter. I will reiterate that I think Peter at some point  
13 should do voiceovers for some of our videos with that  
14 voice. (Laughter.) And thanks for the presentation, it was  
15 just crystal clear.

16 So I don't have anything to add other than just  
17 to thank Peter and the whole staff for evaluating the  
18 petition and working with the petitioner. And just also  
19 over the longer term getting ahead of all these issues as  
20 they pop up and as we update the building code  
21 periodically. Just we have a good team that's sort of  
22 always surveying the landscape for these kinds of issues.

23 And a bunch of committed stakeholders whom I also  
24 want to thank, including the Petitioner for bringing all  
25 the issues in every cycle and consistently bringing up

1 issues that they noticed as they use and implement the  
2 Building Code.

3 So I don't have anything further to add,  
4 obviously very much support this item.

5 CHAIR HOCHSCHILD: Okay. Do you support it  
6 enough to move the item?

7 COMMISSIONER MCALLISTER: I do, I'll move Item 6.

8 CHAIR HOCHSCHILD: All right, Vice Chair Gunda,  
9 would you be willing to second that?

10 Vice Chair Gunda: I second Item 6.

11 CHAIR HOCHSCHILD: All in favor say aye.

12 Commissioner McAllister?

13 COMMISSIONER MCALLISTER: Aye.

14 CHAIR HOCHSCHILD: Vice Chair Gunda?

15 VICE CHAIR GUNDA: Aye.

16 CHAIR HOCHSCHILD: Commissioner Vaccaro?

17 COMMISSIONER VACCARO: Aye.

18 CHAIR HOCHSCHILD: Commissioner Monahan?

19 COMMISSIONER MONAHAN: Aye.

20 CHAIR HOCHSCHILD: And I vote aye as well.

21 Let's turn now to Item 9, Order to Rulemaking on  
22 Power Source Disclosure.

23 MS. LEE: Good afternoon, Chair and

24 Commissioners, my name is Ariel Lee with the Renewable

25 Energy Division's Clean Energy Office. I am joined by Lisa

1 DeCarlo from the Chief Counsel's Office. Today I am  
2 requesting approval for an Order Instituting a Rulemaking,  
3 or OIR, for a Rulemaking to Amend the Regulations Governing  
4 the Power Source Disclosure Program. Next slide, please.

5 The benefits expected from the proposed  
6 regulatory update include ensuring that consumers have  
7 reliable, accurate, timely, consistent, and simple to  
8 understand information about the electricity procured to  
9 serve their demand, including percentages of renewable  
10 energy and other fuel types, the greenhouse gas emissions  
11 intensity of the portfolio offered by their retail  
12 supplier, and the amount of unbundled renewable energy  
13 credits associated with the sales of the portfolio.

14 Additionally, this rulemaking is intended to  
15 improve and better support consistent reporting across all  
16 retail suppliers in California.

17 This rulemaking updates reporting deadlines  
18 codified in Assembly Bill 242. This rulemaking clarifies  
19 existing sections in the regulations for new Community  
20 Choice Aggregators and unbundled Renewable Energy Credits.

21 Additionally, this rulemaking considers  
22 regulatory modifications to the audit requirements with the  
23 intent of minimizing the reporting burden for public  
24 agencies.

25 Finally, this rulemaking modifies the formatting

1 rules for the power content label providing retail  
2 suppliers more flexibility to adjust the dimensions of the  
3 label to meet scaling limitations of various promotional  
4 materials. Next slide, please.

5 Staff hosted a pre-rulemaking workshop in  
6 December 2021. The intent of this rulemaking is to update  
7 program regulations with clarifying language, and to  
8 incorporate changes formalized by Assembly Bill 242,  
9 authored by Assemblymember Chris Holden.

10 The scope of this rulemaking is focused on the  
11 following six topics:

12 1. Audit Requirements and Alternatives for Public  
13 Agencies

14 2. Power Content Label Due Dates

15 3. Clarify Greenhouse Gas Reporting Requirements  
16 for New Community Choice Aggregators

17 4. Clarifying unbundled Renewable Energy Credit  
18 Reporting Requirements

19 5. Power Content Label Template Formatting

20 6. Power Charge Indifference Adjustment Resource  
21 Allocations. Next slide, please.

22 In conclusion, we ask the Commission to approve  
23 the OIR proceeding to consider modifications to the Power  
24 Source Disclosure Program regulations in compliance with  
25 the rulemaking process set forth by the California

1 Administrative Procedure Act. Thank you.

2 CHAIR HOCHSCHILD: Thank you, Ariel.

3 Let's turn now to public comment on Item 9.

4 MS. MURIMI: Thank you, Chair Hochschild.

5 For those interested in making public comment use  
6 the raised-hand feature, looks like an open hand at the  
7 bottom of your screen or device, that's if you're on Zoom.  
8 And for those calling in to the meeting dial \*9 to raise  
9 your hand and \*6 to unmute on your end. I'll give that one  
10 moment. Again, use the raised-hand feature, looks like an  
11 open hand at the bottom of your screen or device and \*9 to  
12 raise your hand.

13 Chair Hochschild, I see no raised hands at this  
14 time.

15 CHAIR HOCHSCHILD: Okay, let's turn to  
16 Commissioner discussion, starting with Commissioner  
17 Vaccaro.

18 COMMISSIONER VACCARO: So thank you, just a few  
19 brief comments. Thank you, Ariel and thanks to you and the  
20 team. I know you, Jordan, Gina, Lisa have been doing a  
21 great job listening to stakeholders, interacting with  
22 stakeholders, and being responsive. And you kind of framed  
23 these as maybe modest, clarifying type of changes that  
24 we're looking at in this rulemaking. But what they tell me  
25 is that you're listening and you're engaging. And I think

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1 the December workshop was a really good example of that  
2 robust participation and support for staff's proposals and  
3 many of them being responsive to what staff has heard. So  
4 looking forward to following this rulemaking and just  
5 thanks to you and the team for the work on this.

6 CHAIR HOCHSCHILD: Terrific.

7 Well this continues a long process as a power  
8 source disclosure regs and all that was a lengthy ordeal.  
9 And I know a lot of progress has been made over the years,  
10 so we look forward to continuing that.

11 Unless there are other Commissioner comments,  
12 Commissioner Vaccaro, would you be willing to move Item 9?

13 COMMISSIONER VACCARO: Yes, I move approval of  
14 Item 9.

15 CHAIR HOCHSCHILD: Thank you.

16 Commissioner Monahan, would you be willing to  
17 second that?

18 COMMISSIONER MONAHAN: I second Item 9.

19 CHAIR HOCHSCHILD: All in favor say aye.

20 Commissioner Vaccaro?

21 COMMISSIONER VACCARO: Aye.

22 CHAIR HOCHSCHILD: Commissioner Monahan?

23 COMMISSIONER MONAHAN: Aye.

24 CHAIR HOCHSCHILD: Vice Chair Gunda?

25 VICE CHAIR GUNDA: Aye.

1 CHAIR HOCHSCHILD: Commissioner McAllister?

2 COMMISSIONER MCALLISTER: Aye.

3 CHAIR HOCHSCHILD: And I vote aye as well. That  
4 item passes unanimously.

5 Let's turn now to Item 10, Humboldt Bay Harbor,  
6 Recreation and Conservation District.

7 MS. DEMESA: Good afternoon, I guess, Chair, Vice  
8 Chair and Commissioners. My name is Rhetta deMesa and I  
9 work in the Energy Resource and Land Use Planning Office in  
10 the Siting, Transmission and Environmental Protection  
11 Division. I'm presenting for your approval today a grant  
12 for up to \$10,450,000 to the Humboldt Bay Harbor,  
13 Recreation and Conservation District, or the Port of  
14 Humboldt, for the initial development stages of the  
15 Humboldt Bay Offshore Wind Heavy Lift Marine Terminal.  
16 Next slide, please.

17 Investing in offshore wind port infrastructure is  
18 critical to opening the state's opportunity for offshore  
19 wind development in California. Moving forward with the  
20 Humboldt Bay Offshore Wind Heavy Lift Marine Terminal will  
21 provide offshore wind developers increased confidence in  
22 pursuing offshore wind development in California.

23 At scale the terminal is expected to initially  
24 support the development of up to 1.6 gigawatts of offshore  
25 wind in the Humboldt call area as well as any future

1 offshore wind development in the north coast. The project  
2 is expected to revitalize the waterfront industry in  
3 Humboldt County and provide living-wage jobs to nearby  
4 communities.

5 An economic assessment of the project was  
6 conducted and found that the Humboldt Bay Offshore Wind  
7 Heavy Lift Marine Terminal could generate as many as 830  
8 local jobs and over \$130 million in industry output over a  
9 five-year period. Next slide, please.

10 California, particularly the northern coast  
11 region, has some of the best offshore wind resources in the  
12 country and floating offshore wind is emerging as a  
13 promising source of renewable energy generation for the  
14 state. In addition to providing renewable energy, the  
15 development of floating offshore wind in California will  
16 diversify the state's energy portfolio and provides an  
17 opportunity for good paying jobs and statewide economic  
18 benefits.

19 As offshore wind energy develops off the coast  
20 California ports have the potential to serve as strategic  
21 hubs, supporting the assembly, fabrication, installation  
22 and maintenance of offshore wind turbines and their related  
23 components.

24 However, given the size and expected scale of the  
25 floating offshore wind components, California's existing

1 port facilities are not equipped to support these offshore  
2 wind activities. To do so it will require significant  
3 investments to upgrade and expand their existing  
4 infrastructure. Next slide, please.

5 In close coordination with the State of  
6 California, and through a robust outreach and stakeholder  
7 engagement process, the Bureau of Ocean Energy Management,  
8 or BOEM, has identified and is moving forward leasing two  
9 areas for offshore wind development off the coast of  
10 California: one off the north coast, near Humboldt, and one  
11 off the central coast near Morro Bay.

12 The Port of Humboldt is well suited to support  
13 offshore wind development in the north coast. As you can  
14 see on the map there, the Port is only 30 miles from the  
15 Humboldt Call area. Additionally, the port has no overhead  
16 lines or bridges that would obstruct port access and has an  
17 existing 168-acre marine terminal where offshore wind  
18 components can be assembled and where vertical integration  
19 and onsite manufacturing can be placed. However, heavy  
20 lift port facilities and infrastructure would need to be  
21 constructed before offshore wind development could occur.  
22 Next slide, please.

23 The Port of Humboldt has initiated a phased plan  
24 to develop the new Humboldt Bay Offshore Wind Heavy Lift  
25 Marine Terminal. The port will be renovating their

1 existing Redwood Marine Terminal which will include  
2 redeveloping underdeveloped or vacant industrial areas  
3 within the port to support offshore wind activities. Once  
4 renovated, the new terminal will be capable of handling  
5 large heavy cargo vessels, offshore wind platform assembly,  
6 decommissioning, and other maritime activities.

7           The 2021-2022 State Budget included an allocation  
8 of \$10.45 million to support this project. This grant  
9 funding will support work under Phase 1 of the Humboldt Bay  
10 Offshore Wind Lift Marine Terminal. Activities funded by  
11 this grant will include completing preliminary engineering  
12 and design work, conducting site surveys and special  
13 studies, preparing necessary CEQA and NEPA materials,  
14 implementing early construction activities, and initiating  
15 early mitigation efforts. Next slide, please.

16           The Port of Humboldt is currently in the process  
17 of applying for a federal grant through the US Department  
18 of Transportation's Port Infrastructure Development Program  
19 to further support this project.

20           To maximize the amount of our grant funding that  
21 can be used as match for their federal application, we have  
22 broken the scope of work into two phases. Phase 1 will  
23 make \$780,000 available to the port upon execution of the  
24 agreement so they can continue to make progress on the  
25 project over the next year. Phase 2 funds are being

1 reserved for later grant activities to serve as match  
2 funding and will only be made available with written  
3 approval from the agreement manager.

4 I also want to note that Task 10 of the agreement  
5 includes construction activities that will require CEQA  
6 and/or NEPA and will be brought back to a future business  
7 meeting for approval. Next slide, please.

8 With that, staff would like to recommend approval  
9 of the proposed agreement with the Humboldt Bay Harbor,  
10 Recreation, and Conservation District and adopt staff's  
11 determination that Tasks 1 through 9 are exempt from CEQA.  
12 I would be happy to answer any questions. And also want to  
13 make note that we also have Larry Oetker, Executive  
14 Director of the Harbor District joining us today to say a  
15 few words about the project.

16 CHAIR HOCHSCHILD: Thank you, Rhetta. Well, on  
17 our march to offshore wind this is a very significant  
18 milestone so thanks for all your work on that.

19 Let's turn now to public comment on Item 10. If  
20 we have Larry Oetker, maybe we can start with Larry.

21 MS. MURIMI: Yes, we can.

22 Larry? Larry Oetker. Oh Peter, pardon me.

23 MR. OETKER: Yes, I'm Larry Oetker. I'm the  
24 Executive Director of the Port of Humboldt Bay. And I  
25 really want to thank the California Energy Commission and

1 the Governor's Office for working with the port to make  
2 this happen.

3           It is that, as you know, California ports are  
4 unlike the east coast, where we have very few ports and  
5 they're really scattered a couple of hundred miles apart.  
6 And so it's really important that the ports work together  
7 to achieve, help California to achieve its energy goals.

8           On the coastal access, there should be no new  
9 changes in the location or number of ports. And so really,  
10 we're working with the California Energy Commission and our  
11 local partners, the Redwood Coast Energy Authority and  
12 Humboldt Polytechnical University's Schatz Energy Resource  
13 Lab, to really ready our region for the offshore wind  
14 industry. We're looking at the Humboldt call areas,  
15 (phonetic) but also in the future the Del Norte and the  
16 Mendocino call areas.

17           And the private sector industry is regularly  
18 coming to the port and then looking at how can we work as a  
19 public/private partnership to develop these resources? As  
20 part of this, we have to coordinate the offshore wind  
21 development with the supply chain, the port, the  
22 transmission, the workforce and really ensure that the  
23 areas that are going to be impacted by the offshore wind  
24 received community benefits to sort of offset those so that  
25 all the benefits from the offshore wind resources go to

1 other areas and the areas that are impact don't receive  
2 local benefits as part of this.

3           And so when we look at California's goals  
4 basically, including two gigawatts of transmission lines  
5 off of the north coast to accommodate the offshore wind  
6 industry and additional transmission of the central coast,  
7 the private sector investment in the port infrastructure  
8 and these other resources they really need to have the  
9 overarching signal from the state of what are their large  
10 picture goals.

11           We're looking at having the Humboldt call area  
12 and the Morro Bay call area at least approximately  
13 November, December of this year, which is right around the  
14 corner. And so tomorrow night our board has on the agenda  
15 to approve the contract to really start this process.  
16 We're well underway and we're ready to get this moving.  
17 And the private sector is standing behind us and wants to  
18 do investments in the Port of Humboldt Bay and the other  
19 areas. But the size of the investment is going to be  
20 dictated based upon the policy decisions that the state of  
21 California has laid out.

22           And so at the port we have 168 acres here that we  
23 have identified. And we could be a marshalling port where  
24 the components are manufactured in other locations, or we  
25 could be the full West Coast Hub, which is what our goals

1 are. And these 168 acres includes locations for a tower  
2 manufacturing facility, foundation, repairs, and full  
3 integration where these 450-foot tall, 300-foot-wide areas  
4 can go out the existing federally maintained navigation  
5 channel.

6 And so we stand ready to be your partner. Now we  
7 really thank the California Energy Commission for your  
8 leadership on this because we are truly on the front line  
9 of climate change and we regularly see the impacts of sea  
10 level rise, so these issues are critically important to us.

11 CHAIR HOCHSCHILD: Thank you.

12 Any further public comments on Item 10 Dorothy?

13 MS. MURIMI: No more public comments at this time  
14 Chair.

15 CHAIR HOCHSCHILD: Okay, let's turn to  
16 Commissioner Vaccaro.

17 COMMISSIONER VACCARO: Yes, thank you.

18 So first of all, Rhetta, thank you for the  
19 presentation and your hard work and the work of CEC staff  
20 to bring this agreement to the meeting today. And thank  
21 you, Larry, for your comments and also for the work that  
22 you've put into this to make this agreement and this moment  
23 a reality. As an advisor to former Commissioner Douglas I  
24 had the benefit of seeing this concept come together. And  
25 now as a Commissioner I'm really pleased to see that it's

1 reached this first phase.

2           So just a little bit by way of background, I  
3 think that what several of us know is that preparing the  
4 infrastructure in California for developing wind energy in  
5 federal waters off California's coast, is a critical  
6 component of how we're going to maximize the benefits of  
7 this new industry. And floating offshore wind technologies  
8 are large in scale and to realize the benefits it's going  
9 to require a significant scale of technology to be  
10 deployed. And there are very few ports in California that  
11 have the conditions for floating offshore wind deployment,  
12 such as new bridge obstructions, ample space for assembling  
13 large components, and deep-water, things that Rhetta just  
14 mentioned. But thanks to the proactive action and analyses  
15 by the port and other partners it's clear that the port in  
16 Humboldt Bay has the capability to function as a port for  
17 offshore wind deployment.

18           I think it's also important to know that the  
19 timing of this work aligns very well with the Bureau of  
20 Ocean Energy Management's leasing process. And this  
21 investment is a signal that California is being strategic  
22 about phasing targeted investments to early actions that  
23 are aligned with BOEM's leasing and industry development,  
24 so we hear what you're saying Larry for sure.

25           I think I'm also really encouraged to see that

1 the federal government is focusing its efforts to support  
2 infrastructure improvement at ports. And there's a clear  
3 focus on making ports more efficient and cleaner, but  
4 there's also a focus on the longer-term investments that  
5 are necessary to support the construction of large, clean  
6 energy projects.

7 Well today's item is really about the first phase  
8 of the work. I'm really looking forward to watching this  
9 progress and seeing us get through Phase 10, the next  
10 phase, and getting through Task 10.

11 And just in closing, I mean it's clear but I'm  
12 fully in support of this item. And I want to give due  
13 credit to Commissioner Karen Douglas for her leadership in  
14 this offshore wind energy space. My exceptional advisor,  
15 Eli Harland, who's also been leading in this space, who's  
16 worked on this agreement development, and who played an  
17 integral role in helping me sort of shape the comments and  
18 the thoughts for today's meeting. So with that, very much  
19 support this item.

20 CHAIR HOCHSCHILD: Thank you. I just wanted to  
21 strongly concur about the market signal that it sends to  
22 approve funds like this. I really think the market watches  
23 very closely what the state is doing. And this is the kind  
24 of thing that that is really helpful in leveraging further  
25 private sector investment for their innovation investment

1 and further deployment resources, including federal  
2 resources for what we're trying to do here. So thank you,  
3 Commissioner, for your work and the team.

4 Any other comments or questions? Hearing none,  
5 Commissioner Vaccaro, would you be willing to move Item 10?

6 COMMISSIONER VACCARO: Yes, I move Item 10.

7 CHAIR HOCHSCHILD: Okay. Why don't we go --  
8 Commissioner Monahan, would you be willing to second?

9 COMMISSIONER MONAHAN: I second it.

10 CHAIR HOCHSCHILD: All in favor say aye.

11 Commissioner Vaccaro?

12 COMMISSIONER VACCARO: Aye.

13 CHAIR HOCHSCHILD: Commissioner Monahan?

14 COMMISSIONER MONAHAN: Aye.

15 CHAIR HOCHSCHILD: Commissioner McAllister?

16 COMMISSIONER MCALLISTER: Aye.

17 CHAIR HOCHSCHILD: Vice Chair Gunda?

18 VICE CHAIR GUNDA: Aye.

19 CHAIR HOCHSCHILD: And I vote aye as well. That  
20 item passes unanimously.

21 We'll turn now to Item 11 -- and I hope I'm not  
22 mangling the pronunciation of this -- Porifera. I hope I'm  
23 pronouncing that correctly. Go ahead, Michael.

24 MR. FERREIRA: Good afternoon, Chair and  
25 Commissioners. My name is Michael Ferreira and I'm here

1 today seeking approval of Item 11, an agreement with  
2 Porifera for approximately \$3 million. This project will  
3 support manufacturing scale-up of a forward osmosis  
4 membrane, which enables efficient industrial and  
5 agricultural and municipal wastewater reuse. Next slide,  
6 please.

7           The expected benefits to California include  
8 reducing the cost for waste, for water treatment and reuse,  
9 as well as expanding the opportunities for water reuse  
10 technologies, which could increase availability during  
11 droughts.

12           Also, since this project is focused on scaling up  
13 production, the project is expected to result in an  
14 increase in the manufacturing-related job opportunities.  
15 Next slide.

16           Agriculture and industry face increasing pressure  
17 to reduce water consumption and increase reuse in the face  
18 of continuing drought in California. However, high purity  
19 water reuse is traditionally energy intensive, expensive,  
20 and requires large treatment facilities. Porifera has  
21 developed forward osmosis membrane technology that can  
22 treat challenging waste streams with high concentrations of  
23 dissolved organics and suspended solids. They are up to  
24 three times more efficient and have a 50 percent smaller  
25 footprint than forward osmosis membrane. This project

1 seeks to scale up production of these membrane modules. By  
2 the end of the project, Porifera seeks to increase the  
3 production rate by up to four times and achieve more than a  
4 50 percent cost reduction than what they can achieve today.  
5 Next slide, please.

6 This membrane technology has two broad uses. The  
7 first is agriculture and industrial use at facilities such  
8 as cattle farms, food processing facilities, and paper and  
9 pulp mills.

10 The second is treatment for a direct potable use  
11 at municipal facilities and military bases.

12 Altogether, the global water reuse and recycle  
13 market is expected to generate over \$32 billion in revenue  
14 by the end of 2024. Next slide, please.

15 And this concludes my presentation. Staff  
16 recommends approval of this item and adopting staff's  
17 determination that this project is exempt from CEQA.

18 CHAIR HOCHSCHILD: Thank you, Michael.

19 Let's go to public comment on Item 11.

20 MS. MURIMI: Thank you, Chair Hochschild.

21 For those interested in making public comment use  
22 the raised-hand feature if you're on Zoom, it looks like an  
23 open hand and should be at the bottom of your screen or  
24 device. For those calling into the meeting dial \*9 to  
25 raise your hand and \*6 to unmute on your end. If you're

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1 called on please restate and spell your first and last  
2 name, state your affiliation and begin your comment.

3 I'm looking for individuals on the phone and on  
4 Zoom.

5 Again, if you're on the phone press \*9 to  
6 indicate you'd like to make a comment and use the raised-  
7 hand feature, looks like an open hand at the bottom of your  
8 screen if you are on Zoom.

9 Chair Hochschild, I see no raised hands at this  
10 time.

11 CHAIR HOCHSCHILD: Okay. Well I'll just start  
12 off by saying I'm thrilled to see anything we're doing  
13 around water, water efficiency, water recycling. That is  
14 welcome, as Commissioner McAllister noted earlier. And of  
15 course any time we can do anything that's going to reduce  
16 the pumping of water in any fashion that is also a  
17 pollution reduction, an energy use reduction and so very  
18 encouraged to see anything water-related. And this builds  
19 on a good legacy we have going on, on these types of  
20 technologies.

21 Let me just open it up. Maybe Commission  
22 McAllister, any thoughts on this you would like to share?

23 COMMISSIONER MCALLISTER: Yeah, just a couple of  
24 points. So I want to thank Jonah and the whole Division,  
25 the R&D Division just for so ably throwing out a wide net

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1 for innovative ideas and just bringing them into the fold  
2 and identifying areas for investment in each subsequent  
3 investment plan. The team is just really firing on all  
4 cylinders. And that's great because there's lots of  
5 opportunity and challenge ahead and we're going to need  
6 every dollar in that R&D bucket. So the EPIC program, this  
7 is another example of it just providing huge benefit.

8           And I'm very supportive of this project. And  
9 just really excited about all the different applications of  
10 membranes that the team is supporting across all industrial  
11 sectors really and including here potable or recycled  
12 waters. So really great for both water efficiency and for  
13 energy efficiency.

14           So I don't have anything else to add, but just  
15 want to thank the staff and really appreciate the  
16 presentation, Michael.

17           CHAIR HOCHSCHILD: Great. Thank you,  
18 Commissioner. Commissioner McAllister, would you be  
19 willing to move this item?

20           COMMISSIONER MCALLISTER: Yes, I'll move Item 11.

21           CHAIR HOCHSCHILD: All right. Commissioner  
22 Vaccaro, would you be willing to second?

23           COMMISSIONER VACCARO: Yes, I second.

24           CHAIR HOCHSCHILD: All in favor say aye.

25           Commissioner McAllister?

1 COMMISSIONER MCALLISTER: Aye.

2 CHAIR HOCHSCHILD: Commissioner Vaccaro?

3 COMMISSIONER VACCARO: Aye.

4 CHAIR HOCHSCHILD: Commissioner Monahan?

5 COMMISSIONER MONAHAN: Aye.

6 CHAIR HOCHSCHILD: Vice Chair Gunda?

7 VICE CHAIR GUNDA: Aye.

8 CHAIR HOCHSCHILD: And I vote aye as well.

9 We'll turn now to Item 12. What I'd like to do  
10 is get all the way through this item. And then we'll take  
11 a 30-minute break for lunch.

12 So let's go to Michael again for Item 12.

13 MR. FERREIRA: Thank you, Commissioner.

14 Good afternoon again, Michael Ferreira again.

15 And I'm here for this agreement, seeking approval. This  
16 agreement came out of our BRIDGE 2020 Solicitation. BRIDGE  
17 is one of a series of programs we've established to enable  
18 clean energy startups with this funding opportunity having  
19 the specific purpose of bridging the gap between public and  
20 private funding opportunities. Next slide, please.

21 Some of the expected benefits of this agreement  
22 are reducing battery costs for electric vehicles, which  
23 will make them more affordable while also allowing for  
24 increased electric vehicle range. Also the battery system  
25 and fabrication method proposed in this agreement are

1 expected to increase domestic manufacturing-related job  
2 opportunities. Next slide, please.

3           This agreement is with SPARKZ to develop an all-  
4 solid-state, cobalt-free lithium metal battery system. All  
5 solid-state batteries can offer higher energy density,  
6 longer cycle life, and better inherent safety than state-  
7 of-the-art lithium-ion batteries. However, their  
8 application has been restricted by several technical  
9 challenges, including poor interfacial contact between  
10 active materials and the solid electrolyte and resistance  
11 filter in battery cycling.

12           In this project SPARKZ will utilize a method  
13 called "freeze-tape-casting" to improve the interfacial  
14 contact and eliminate the formation of a lithium-depleted  
15 area between the lithium metal and solid electrolyte. This  
16 increases the energy and power density of the cell on  
17 decreasing how quickly the battery degrades. The result is  
18 an estimated doubling in the energy density compared to  
19 current lithium-ion technology. In terms of electric  
20 vehicles, this translates to increased range between  
21 charges or a lighter battery load.

22           Additionally, by eliminating cobalt and making  
23 other components more sustainable and localized they  
24 estimate a 40 percent reduction in cell manufacturing  
25 costs, while also reducing choke points created by foreign

1 supply chains.

2 This will also enable the domestic manufacturing  
3 of the next generation of energy storage, leading to local  
4 clean energy job creation and workforce development. Next  
5 slide, please.

6 Staff recommends approval of this grant agreement  
7 and staff findings that this project is exempt from CEQA.  
8 This concludes my presentation.

9 CHAIR HOCHSCHILD: Thank you, Michael.

10 Any public comment on Item 12?

11 MS. MURIMI: Yes Chair, we have a hand raised.  
12 So for the commenter go ahead and state your name and spell  
13 it as well, state your affiliation, if any, and unmute on  
14 your end. Go ahead, Abby Rodriguez.

15 MS. RODRIGUEZ: Hi, my name is Abby Rodriguez, A-  
16 B-B-Y R-O-D-R-I-G-U-E-Z. I'm the Product and Business  
17 Development Manager with SPARKZ and I'll be serving as the  
18 Project Manager on this work.

19 I wanted to extend our gratitude and thanks to  
20 the California Energy Commission, and your team, for your  
21 support of our work we'll be doing with LBNL on this  
22 project. As for SPARKZ, because of the BRIDGE program we  
23 chose to move our corporate headquarters from Knoxville,  
24 Tennessee, to Livermore, California. Our facility in  
25 Livermore will house our pilot manufacturing of our current

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1 battery technology and will also house our work under the  
2 BRIDGE program.

3           As recently as the last 24 hours, we have  
4 actually chosen to expand into 20,000 additional square  
5 feet, so we'll be at 30,000 square feet in our Livermore  
6 facility. And this will be happening over the next three  
7 to four months as we ramp up. We're very excited to be  
8 growing in California, working with the State of California  
9 through GO-Biz to locate manufacturing by, let's see, 2026.  
10 We're looking to have about 8 gigawatt hours of capacity of  
11 production.

12           We will locate our giga factory somewhere in the  
13 Central Valley. And just to discuss our ramp-up across our  
14 work in Central Valley by Q4 of this year we'll have about  
15 50 megawatts of production in place. by March or April of  
16 next year we'll have about half-a-gigawatt hour of  
17 production in place. And by the end of 2023 we'll have  
18 one-gigawatt hour of production and will scale up to that  
19 eight-gigawatt hour of production from there.

20           And to give you a frame of reference, I know jobs  
21 were mentioned as part of this project, one-gigawatt hour  
22 of capacity will give about, will provide about 150 to 175  
23 jobs to the Central Valley area. And as we ramp up to the  
24 eight-gigawatt hour it'll provide around 1,000 jobs to the  
25 Central Valley area. And the greater majority of these

1 jobs will be manufacturing jobs.

2 So I again thank you to the California Energy  
3 Commission for your support on this work and look forward  
4 to working with you all moving forward. Thanks.

5 CHAIR HOCHSCHILD: Thank you.

6 Any further public comment on Item 12, Dorothy?

7 MS. MURIMI: Chair Hochschild, there are no more  
8 hands raised at this time.

9 CHAIR HOCHSCHILD: Okay. Well first of all let  
10 me just give my congratulations to SPARKZ and to the CEC  
11 team who's been working on this, super-encouraged by this.  
12 This is a critical piece of the Lithium Valley vision that  
13 we're focused on at the Energy Commission, which is to  
14 build out in a robust way lithium production in California,  
15 ensure the downstream markets are healthy. That's both for  
16 electric vehicles, electric buses, electric delivery vans  
17 and trucks as well as energy storage.

18 And then to do as much as we possibly can to  
19 bring that production of batteries back to California. And  
20 we're doing that through grants like this that support  
21 technology development, as well as a new program we're  
22 going to be rolling out in the months ahead, directly  
23 focused on manufacturing scale.

24 So I want to thank SPARKZ. I've been in touch  
25 with the CEO on Sanjiv Malhotra about the decision to go to

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1 Livermore, welcome that, congratulate that. And there is  
2 a lot of moment now in this space. Tesla recently opened a  
3 big new battery factory in Lathrop and there's a bunch of  
4 other battery companies we're engaging with; more to come  
5 on this.

6 I just want to congratulate everybody who's been  
7 working on this at the SPARKZ team and the Energy  
8 Commission team, so I'm really happy to see this on the  
9 agenda today. Unless there are other Commissioner  
10 comments? Yes, Commissioner Monahan, please go ahead.

11 COMMISSIONER MONAHAN: Well, you stole many of  
12 the words right out of my mouth Chair. So I'm just going  
13 to add one more comment, which is this focus on a cobalt-  
14 free battery and human rights abuses in the Congo. And we  
15 want to have, as you said, a domestic supply chain here.  
16 Especially here in California where we can be assured that  
17 we're doing the best we can for our workers, the best we  
18 can for the environment, and so really excited.

19 I have never visited SPARKZ. I actually want to,  
20 putting as my to-do to go visit your facility in Livermore  
21 and hopefully soon visit your facility in the Central  
22 Valley. I'm sure there may be other Commissioners  
23 interested in this as well, so just congratulations to the  
24 team at SPARKZ for this and really looking forward to you  
25 investing here in California.

1 Oh, the last thing I would say is that we had  
2 from the last budget \$250 million for zero-emission vehicle  
3 manufacturing grants here in California and batteries are  
4 in that chain, so just a heads-up on that opportunity. We  
5 really want to make sure that California remains the  
6 Michigan of the United States when it comes to zero-  
7 emission vehicle manufacturing.

8 CHAIR HOCHSCHILD: Yep, well said. So with that  
9 Commissioner Monahan would you be willing to move Item 12?

10 COMMISSIONER MONAHAN: I move Item 12.

11 CHAIR HOCHSCHILD: All right, Vice Chair Gunda,  
12 would you be willing to second that?

13 VICE CHAIR GUNDA: Yes, second it.

14 CHAIR HOCHSCHILD: All in favor say aye.  
15 Commissioner Monahan?

16 COMMISSIONER MONAHAN: Aye.

17 CHAIR HOCHSCHILD: Vice Chair Gunda?

18 VICE CHAIR GUNDA: Aye.

19 CHAIR HOCHSCHILD: Commissioner Vaccaro?

20 COMMISSIONER VACCARO: Aye.

21 CHAIR HOCHSCHILD: And Commissioner McAllister?

22 COMMISSIONER MCALLISTER: Aye.

23 CHAIR HOCHSCHILD: And I vote aye as well. That  
24 item passes unanimously.

25 Let's take a short break and reconvene at 1:00,

1 we'll pick up with Item 13.

2 (Off the Record at 12:32 p.m.)

3 (On the Record at 1:00 p.m.)

4 MS. MURIMI: Oh, pardon me, I was speaking while  
5 muted. We have everyone on board, and we are now live.

6 CHAIR HOCHSCHILD: Okay, thank you. Welcome back  
7 everybody. Let's pick up where we left off, which is Item  
8 13, Hydrogen Fuel Cell Truck and Bus Technology  
9 Integration and Demonstration.

10 MR. CHEN: Good afternoon, Chair, Vice Chair, and  
11 Commissioners. My name is Peter Chen and I work in the  
12 Energy Research and Development Division. Today I am  
13 presenting two recommended awards from the solicitation  
14 titled "Hydrogen Fuel Cell Truck and Bus Technology  
15 Integration and Demonstration." The goal of this  
16 solicitation was to improve the performance and cost-  
17 effectiveness of heavy-duty hydrogen fuel cell vehicles  
18 with challenging duty cycles. Next slide.

19 The projects will reduce greenhouse gas and air  
20 pollutant emissions by displacing heavy-duty diesel trucks  
21 with zero-emission hydrogen fuel cell electric trucks. The  
22 trucks will incorporate advanced components and vehicle  
23 integration strategies to improve efficiency, durability,  
24 and economics over previous prototypes. The trucks will be  
25 demonstrated out of freight facilities located in

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1 disadvantaged and low-income communities in Santa Fe  
2 Springs and Fontana, as shown on the map.

3           This research and demonstration effort will  
4 accelerate progress towards the introduction of more  
5 commercially attractive hydrogen fuel cell trucks that can  
6 address challenging duty cycle requirements such as long  
7 routes, limited refueling opportunities, and high payload  
8 weights. The projects also align well with efforts to  
9 deploy green hydrogen at scale to decarbonize difficult-to-  
10 reach sectors of our economy. Next slide.

11           The first project with Cummins Electrified Power  
12 NA Inc. will develop and demonstrate two hydrogen fuel cell  
13 electric trucks in an industrial gas bulk delivery  
14 application that involves transporting heavy cryogenic  
15 payloads over a large service area with limited refueling  
16 opportunities. Air Products, the fleet partner, will  
17 operate these trucks in the Greater Los Angeles region over  
18 a 12-month demonstration period.

19           The project incorporates Cummins' next generation  
20 120-kilowatt heavy-duty fuel cell module, which operates at  
21 higher pressures and temperatures to achieve a 59 percent  
22 lower volume, 45 percent lower weight, and improved  
23 efficiency and durability compared to their current module.

24           A truck-mounted electrified power take-off system  
25 will be developed to power pumps for the cryogenic tank

1 trailers that will be pulled by the truck. And the project  
2 will also assess the feasibility of on-board liquid  
3 hydrogen storage to further extend range.

4           The project is part of an effort to upgrade  
5 Cummins service and support facilities in California, to  
6 repair and maintain electric trucks as they roll out.  
7 Targeted outreach activities will be conducted for fleets  
8 and communities to help raise awareness about the project  
9 and technology. Next slide.

10           The second project with Gas Technology Institute  
11 will develop and demonstrate a hydrogen fuel cell electric  
12 truck on an extended regional haul operation that involves  
13 a combination of urban driving, steep grades across the  
14 Grapevine, and long highway routes. Total Transportation  
15 Services Inc., or TTSI the fleet partner, will operate  
16 these trucks between the Inland Empire and Northern San  
17 Joaquin Valley over a 12-month demonstration. The project  
18 will integrate a 400-kilowatt heavy-duty fuel cell system  
19 with advanced controls and a lightweight onboard hydrogen  
20 storage system.

21           The project will also demonstrate pre-production  
22 low rolling resistance tires to assess fuel economy  
23 improvement and longevity benefits for a high-torque  
24 electric vehicle application. The project team is  
25 partnering with Rio Hondo Community College to engage one

1 of their electric vehicle technician training programs in  
2 the design process of the truck through webinars,  
3 discussions with the builders and operators, hands-on work,  
4 and data interpretation.

5 Service and Maintenance Education Workshops will  
6 also be conducted with fleet operators, independent  
7 commercial dealers, truck stops, and other stakeholders to  
8 help educate the workforce on hydrogen and fuel cell  
9 technology. Next slide.

10 Both projects are targeting a maximum range of  
11 450 to 500 miles to comfortably meet their challenging  
12 operational requirements. The California Air Resources  
13 Board recently conducted a large entity fleet reporting  
14 survey, which identified 27,000 California tractors or  
15 semi-trucks owned by large entities that travel over 300  
16 miles per day. If these 27,000 tractors adopt the hydrogen  
17 fuel cell truck technology advanced by these projects and  
18 use 100 percent green electrolytic hydrogen, annual CO2  
19 equivalent emissions can be reduced by 4.2 million metric  
20 tons, and annual NOx emissions can be reduced by 1,100  
21 metric tons. Under-resourced communities located around  
22 highly trafficked freight corridors would directly benefit  
23 from these emission reductions. Next slide.

24 Staff recommends approval of these two grant  
25 agreements and adoption of staff's determination that these

1 projects are exempt from CEQA. I'm available for any  
2 questions. And I believe Jean-Baptiste Gallo from Cummins  
3 and Ted Barnes from GTI are on the line as well. That  
4 concludes my presentation and thank you for your time.

5 CHAIR HOCHSCHILD: Thank you. Let's go to public  
6 comment on Item 13.

7 MS. MURIMI: Thank you, Chair Hochschild.

8 We do have two raised hands at this time. So for  
9 individuals who'd like to make a comment go ahead and use  
10 the raised-hand feature, it looks like an open hand at the  
11 bottom of your screen or device. And if you're on the  
12 phone dial \*9.

13 When you're called upon restate and spell your  
14 first and last name and state your affiliation, if any. So  
15 we'll start with Ted Barnes, you may give your comment.

16 MR. BARNES: Thank you. Hello, my name is Ted  
17 Barnes, T-E-D B-A-R-N-E-S. I am the Director of the  
18 Transportation Group at GTI.

19 I would like to start by thanking the Chair, Vice  
20 Chair and Commissioners as well as all the Energy  
21 Commission for their leadership in deploying zero-emission  
22 vehicles, particularly heavy-duty vehicles that are so  
23 important to environmental justice topics and equity,  
24 particularly for heavy-duty space all of the respiratory  
25 health issues caused in priority communities across

1 California.

2 I'd also like to thank the long-term leadership  
3 of Peter Chen and Rey Gonzalez in this space and in the  
4 funding and the support that they have provided to these  
5 types of projects over the years.

6 TGI is very happy to be selected for award on  
7 this program working with all of our project partners,  
8 including Symbio, Michelin, Faurecia, Ricardo, but also  
9 receiving funding support and project support from SoCalGas  
10 as well as Rio Hondo Community College and our fleet  
11 partner TTSI.

12 This project is very exciting for us because it  
13 will allow this team to create a truck that will be a true  
14 one-to-one replacement with a diesel truck. Because of the  
15 increased range and power capabilities of the truck that is  
16 being produced it will open up the market sector for long  
17 regional haul routes, without having to disadvantage the  
18 vehicle compared to its evil counterparts.

19 So with that I'd just like to say thank you  
20 again. We're so happy to continually work with the Energy  
21 Commission and particularly with hydrogen vehicles and  
22 zero-emission vehicles. Thanks so much.

23 CHAIR HOCHSCHILD: Thank you.

24 Any further public comments?

25 MS. MURIMI: Yes, Chair, we have one more. I see

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1 Jean-Baptiste. Again, restate and spell your name and give  
2 your affiliation, if any. And then go ahead and give your  
3 comment.

4 MR. GALLO: Hi, this is Jean-Baptiste Gallo from  
5 Cummins. So first name Jean-Baptiste, J-E-A-N-B-A-P-T-I-S-  
6 T-E and name Gallo, G-A-L-L-O. So I'm from Cummins,  
7 Manager of Government Programs in our New Power Business  
8 Unit. Yeah, and I want to thank the Energy Commission for  
9 approving or considering to approve our project for award.  
10 Peter Chen did a pretty good job at presenting the  
11 technology, it's really putting our latest and greatest  
12 technology, since some of it is in current development. It  
13 is really exciting. Like GTI, it's a one-to-one  
14 replacement with diesel vehicles. And our goal is really  
15 to bring our latest and greatest technology together into a  
16 Class 8 truck, test it, demonstrate it, and really build it  
17 for customers in mind.

18 And in this particular project or products with  
19 where we are working very closely, you may have seen now  
20 Cummins and their product announced a (indiscernible) an  
21 understanding for 2,000 vehicles, all fuel cells. And as  
22 you know, our product has a vested interest in hydrogen, so  
23 it's a great relationship. And they were really excited to  
24 partner together, to do it in California where it makes a  
25 lot of sense.

1           We're also partnering with SoCalGas and South  
2 Coast AQMD, so it's going to be a great partnership. We're  
3 looking forward to getting started, and I think it'll  
4 really prove the validity of this technology for this  
5 application and really a one-to-one replacement for this  
6 long-range hard-to-electrify transportation area.

7           So I get really excited and I'm really thankful  
8 for the Energy Commission to approve this project. And I  
9 think the exciting thing is it builds on previous CEC  
10 projects that were awarded to Hydrogenics that was acquired  
11 by Cummins and in Cummins as well.

12           And then it builds on hundreds of millions of  
13 dollars of investment that Cummins has made in the space,  
14 and investment that Cummins has made in the space in  
15 California with our facility in West Sacramento, which is  
16 going to support this project. So yeah, a great, great  
17 project. I'm really excited about it and in a great  
18 relationship with all the partners and really excited to do  
19 that in California with the support of the Energy  
20 Commission and Peter Chen's group. So thank you very much.

21           CHAIR HOCHSCHILD: Thank you.

22           Any further public comment?

23           MS. MURIMI: Thank you Chair, no more comments at  
24 this time.

25           CHAIR HOCHSCHILD: Okay. Let's go to

1 Commissioner Monahan.

2           COMMISSIONER MONAHAN: Well, thanks Peter and to  
3 the whole team that is working at this intersection of R&D  
4 with clean transportation. And I thought the data you  
5 shared, Peter, was really compelling around the number of  
6 long-haul trucks that are traveling more than 300 miles per  
7 day. And why that's such a critical sector that we want to  
8 focus on for hydrogen technologies.

9           I think this is a place, long-haul trucking,  
10 where we don't have -- where it's much more complicated to  
11 use battery electric vehicles. I think it's not  
12 impossible, but it's more difficult. And the fast refuel  
13 time, the lighter weight of fuel cells relative to battery  
14 electric vehicles, just it'll be a more -- as everybody  
15 keeps saying -- diesel-like experience. And so for that  
16 sector, in particular, there could be a very important role  
17 to be played by fuel cell vehicles. So I'm excited to  
18 support these projects.

19           I'm glad Cummins is building here in California.  
20 I'll say again, we have \$250 million worth of manufacturing  
21 grants that we want to make sure that manufacturing of  
22 zero-emission vehicles and their components happens here in  
23 California. We are the number one market in terms of off-  
24 takers, and we want to make sure we're the number one  
25 market in terms of actually manufacturing these vehicles as

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1 well.

2 CHAIR HOCHSCHILD: Great.

3 Any other Commissioners wishing to comment on  
4 this item? If not, it seems like a terrific project.

5 Commissioner Monahan, would you like to move Item 13.

6 COMMISSIONER MONAHAN: I move Item 13.

7 CHAIR HOCHSCHILD: Okay, how about Commissioner  
8 Vaccaro, do you want to second Item 13.

9 COMMISSIONER VACCARO: I second that.

10 CHAIR HOCHSCHILD: All in favor say aye.

11 Commissioner Monahan?

12 COMMISSIONER MONAHAN: Aye.

13 CHAIR HOCHSCHILD: Commissioner Vaccaro?

14 COMMISSIONER VACCARO: Aye.

15 CHAIR HOCHSCHILD: Commissioner McAllister?

16 COMMISSIONER MCALLISTER: Aye.

17 CHAIR HOCHSCHILD: Vice Chair Gunda?

18 VICE CHAIR GUNDA: Aye.

19 CHAIR HOCHSCHILD: And I vote aye as well. That  
20 item passes unanimously. Thanks to all the stakeholders  
21 and staff.

22 We'll turn now to Item 14, City of Long Beach  
23 Harbor Department.

24 MR. BRECHT: Yes. Good afternoon, Chair, Vice  
25 Chair and Commissioners. I'm Patrick Brecht, staff with

1 the Fuels and Transportation Division and I'm here to  
2 present Item Number 14. This item is a proposed \$2.5  
3 million agreement with the City of Long Beach Harbor  
4 Department, also known as the Port of Long Beach, and  
5 funded through the Clean Transportation Program. Next  
6 slide.

7           The benefits to California are to improve  
8 accessibility charging infrastructure by accelerating  
9 towards California's zero-emission vehicle infrastructure  
10 goals. This will also reduce the barriers to zero-emission  
11 vehicles. And the workforce component will create green  
12 jobs. Next slide, please.

13           The agreement proposed for approval today  
14 reflects the investment targets of the Clean Transportation  
15 Program in supporting the development, deployment, and  
16 scaling of zero-emission vehicles and infrastructure. The  
17 agreement with the Port of Long Beach is part of the 2020  
18 CEC grant funding opportunity entitled, "Electric Vehicle  
19 Ready Communities Phase II-Blueprint Implementation," which  
20 is a follow-up to the Phase I, the blueprint development  
21 solicitation.

22           Now in September 2021, the CEC added over \$9  
23 million to the original solicitation by utilizing funds  
24 from the Clean Transportation Program investment plans  
25 Recovery and Reinvestment Funding category from Fiscal Year

1 2020 to 2021. This allowed the full funding of three  
2 additional projects and to fund one project that was  
3 originally only partially funded. Three projects were  
4 approved at January's CEC's business meeting, the fourth  
5 project is seeking approval today.

6 If approved the project proposes the following  
7 activities, as noted here. Install 10 Level 2 ZEV charging  
8 stations and 6 additional stub-outs for use by port fleet  
9 vehicles, employees, and visitors.

10 This project will provide an Electric Drayage  
11 Truck Charging Station Siting Toolkit for local business  
12 owners.

13 This project will also produce a Workforce  
14 Assessment Report to support the ZEV industry.

15 Additionally, it will provide ZEV industry  
16 workforce outreach and recommendations. Next slide.

17 Now in closing staff recommends approval of this  
18 agreement with the Port of Long Beach for \$2.5 million, and  
19 approval of staff's determination that the project is  
20 exempt from CEQA. That concludes my presentation. Thank  
21 you.

22 CHAIR HOCHSCHILD: Thank you.

23 Any public comment on Item 14?

24 MS. MURIMI: Thank you, Chair. At this time I  
25 see no raised hands.

1 CHAIR HOCHSCHILD: Okay, let's go to Commissioner  
2 Monahan.

3 MS. MURIMI: I'm going to give a --

4 CHAIR HOCHSCHILD: I'm sorry. Dorothy, sorry,  
5 did you need more time there?

6 MS. MURIMI: Pardon me, Chair, no, no.

7 CHAIR HOCHSCHILD: Okay, let's go to Commissioner  
8 Monahan.

9 COMMISSONER MONAHAN: I think you guys are  
10 getting used to these blueprints. This has been something  
11 we've heard time and again from our advisory committee that  
12 it's really important to have planning grants. And then  
13 it's really important to have the funds to actually be able  
14 to implement these planning grants. So this is, as Patrick  
15 said, the last in the long chain of planning grants and  
16 implementation that we have been funding.

17 The City of Long Beach had, and the Port of Long  
18 Beach in particular is a member, a very active member of  
19 our Ports Collaborative, and they are really one of the  
20 lead ports in California really trying to think through how  
21 to zero out emissions and do it in a way that's great for  
22 their community.

23 So I'm excited to support this blueprint  
24 implementation and look forward to actually being able to  
25 visit the Port of Long Beach, hopefully in the not-too-

1 distant future, and seeing some of these investments play  
2 out.

3 CHAIR HOCHSCHILD: How many of these planning  
4 grants have we done for ports now or is this the first?  
5 Yeah, Patrick, do you remember?

6 MR. BRECHT: I think this is only Port One, but  
7 I'm not too sure, though. (Overlapping colloquy.)

8 CHAIR HOCHSCHILD: Okay, okay. So this is the  
9 first of the ports, I was just trying to remember something  
10 on that. Okay that's helpful. But anyways I am in  
11 agreement, it's strategic to do them. So unless there are  
12 Commissioner comments on this, Commissioner Monahan, would  
13 you be willing to move Item 14?

14 COMMISSIONER MONAHAN: I move Item 14.

15 CHAIR HOCHSCHILD: Okay, Commissioner McAllister,  
16 would you be willing to second that?

17 Commissioner McAllister: I second.

18 CHAIR HOCHSCHILD: All in favor say aye.

19 Commissioner Monahan?

20 COMMISSIONER MONAHAN: Aye.

21 CHAIR HOCHSCHILD: Commissioner McAllister?

22 COMMISSIONER MCALLISTER: Aye.

23 CHAIR HOCHSCHILD: Commissioner Vaccaro?

24 COMMISSIONER VACCARO: Aye.

25 CHAIR HOCHSCHILD: Vice Chair Gunda?

1 VICE CHAIR GUNDA: Aye.

2 CHAIR HOCHSCHILD: And I vote aye as well. That  
3 item passes unanimously.

4 We'll turn out Item 15, Ultra-Low-Carbon Fuel:  
5 Commercial-Scale Production Facilities and Blending  
6 Infrastructure.

7 MR. NGUYEN: Hello. Good afternoon, Chair, Vice  
8 Chair and Commissioners. My name is Hieu Nguyen, staff  
9 with the Fuels and Transportation Division. Today staff is  
10 seeking approval of two projects that were proposed for  
11 funding under the Ultra-Low-Carbon Fuel: Commercial-Scale  
12 Production Facilities and Blending Infrastructure  
13 solicitation. Next slide.

14 Before I present the two projects, I wanted to  
15 provide an overview of GFO-20-608, the Ultra-Low-Carbon  
16 Fuel: Commercial-Scale Production Facilities and Blending  
17 Infrastructure solicitation. The two areas of focus for  
18 this solicitation were to provide support for projects that  
19 increase the in-state fuel production and/or blending  
20 capacity of ultra-low-carbon alternative fuels, defined as  
21 a fuel with a carbon intensity score of equal or less than  
22 30 grams of carbon dioxide equivalent per megajoule.

23 Proposed projects must use commercially tested  
24 fuel production or blending technologies and expand their  
25 fuel production capacity by 1 million diesel gallon

1    equivalents or more per year.

2                   A total of \$9 million were awarded under this  
3    solicitation. I will now be presenting two of the projects  
4    that were proposed for funding under this solicitation.  
5    There will be one fuel production project and one fuel  
6    blending project. Next slide, please.

7                   The following slides provide an overview of the  
8    proposed agreement with Merced Pipeline LLC for a \$1.5  
9    million dollar grant to support an expansion of an ultra-  
10   low carbon fuel production facility. The agreement with  
11   Merced Pipeline is to construct a new expansion to their  
12   existing centralized gas clean-up and upgrading facility in  
13   Merced County, California. The project will collect biogas  
14   captured from an additional seven dairies, which are  
15   represented on this picture as red boxes, and transport the  
16   biogas to a centralized gas upgrading facility by a  
17   private, low-pressure pipeline which is represented on this  
18   picture as the yellow line.

19                  This expansion facility will have the capability  
20   to produce approximately 1.8 million diesel gallon  
21   equivalents per year of renewable compressed natural gas  
22   with a carbon intensity of about -375 grams of carbon  
23   dioxide equivalents per megajoule. The finished fuel will  
24   be injected into the Pacific Gas and Electric utility  
25   pipeline and transported to new and existing compressed

1 natural gas refueling stations in the San Joaquin Valley.

2 Next slide, please.

3           The benefits of the Merced Pipeline agreement are  
4 to improve economic opportunities within disadvantaged and  
5 low-income communities by providing over 39 full-time  
6 equivalent jobs during the duration of the project.

7           The project will also increase the supply of  
8 waste-derived carbon negative renewable fuels and decrease  
9 fugitive methane emissions from the participating dairies  
10 on-site management of dairy manure.

11           The project supports the state's short-lived  
12 climate pollution strategy and methane reduction goals  
13 under Senate Bill 1383.

14           When the project is operating at full capacity  
15 the project is expected to reduce greenhouse gas emissions  
16 by over 113,000 metric tons of carbon dioxide equivalents  
17 on an annual basis. Next slide, please.

18           The following slides provide an overview of the  
19 proposed agreement with New Leaf Biofuel LLC for a \$1  
20 million dollar grant to support an expansion of an ultra-  
21 low carbon fuel blending infrastructure facility.

22           This project will upgrade their existing fuel  
23 blending terminal in Fontana located in Southern California  
24 by completing a series of upgrades designed to increase the  
25 fuel throughput. Currently, railcars arrive at this

1 existing terminal and transload biodiesel or renewable  
2 diesel directly to trucks via a blending skid at a rate of  
3 350 gallons per minute for transport throughout Southern  
4 California.

5           As seen in the image here, the proposed tank farm  
6 and associated upgrades will enable more than one railcar  
7 to simultaneously offload biofuel at over 1,100 gallons per  
8 minute directly into tanks instead of into waiting trucks.  
9 Freed from the constraint of having to be simultaneously  
10 present, both railcars and trucks can arrive at any time,  
11 offload, or load, and move on to their next destination  
12 allowing for an estimated increase of 78 million gallons  
13 per year of blended biofuel available to the marketplace.  
14 Next slide.

15           The particular benefits of the New Leaf Biofuel  
16 project are to improve economic opportunities within  
17 disadvantaged and low-income communities by supporting 12  
18 new full-time jobs, with 3 to 5 jobs being long-term and  
19 increasing the supply of waste-derived renewable fuels.

20           When the project is complete and running at full  
21 capacity the project is expected to reduce greenhouse gas  
22 emissions by more than 700,000 metric tons of carbon  
23 dioxide equivalents per year. Next slide.

24           Merced Pipeline's renewable and natural gas  
25 conditioning facility was evaluated by the lead agency,

1 Merced County, which conducted an Initial Study and found  
2 that the proposed project, with mitigation, would have no  
3 significant impact on the environment. On November 20th,  
4 2019, Merced County's Planning Commission adopted and  
5 approved the Initial Study, the Mitigated Negative  
6 Declaration, and the Mitigation Monitoring and Reporting  
7 Plan for Conditional Use Permit 19-003.

8           Staff analyzed these documents and determined  
9 that this project causes no new significant or  
10 substantially more severe environmental impacts beyond  
11 those already considered and mitigated by the lead agency.

12           For the Merced Pipeline agreement staff is  
13 seeking your adoption of the CEQA findings and approval of  
14 the grant award in Item 15a. Stephen Hatley with Maas  
15 Energy Works is attending this meeting remotely and is  
16 available to answer any questions.

17           For the New Leaf Biofuel agreement staff is  
18 seeking your approval of the grant award in Item 15b.  
19 Staff has also determined that this project is exempt from  
20 CEQA. Jennifer Case with New Leaf Biofuel is attending  
21 this meeting remotely and is available to answer any  
22 questions.

23           This concludes my presentation for Items 15a and  
24 15b. Thank you for your consideration of these two items.

25           CHAIR HOCHSCHILD: Thank you.

1           Let's go to public comment.

2           MS. MURIMI: Thank you, Chair Hochschild. For  
3 those interested in making public comment use the raised-  
4 hand feature if you're on Zoom, it looks like an open hand  
5 and should be at the bottom of your screen or device. For  
6 those calling into the meeting dial \*9 to raise your hand  
7 and \*6 to unmute on your end. After you are called, please  
8 restate, and spell your first and last name, state your  
9 affiliation if any.

10           I see Jennifer Case. Go ahead and state your  
11 name and affiliation.

12           MS. CASE: Good afternoon, can you hear me?

13           MS. MURIMI: Yes, we can.

14           MS. CASE: Awesome. This is Jennifer Case, J-E-  
15 N-N-I-F-E-R, last name is Case, C-A-S-E. I am affiliated  
16 with New Leaf Biofuel. I am one of the founders and owners  
17 of the company.

18           I just wanted to thank the California Energy  
19 Commission for its continued investment in low-carbon  
20 biofuels in the state of California. This would be New  
21 Leaf's third competitive grant we've received from the  
22 California Energy Commission over the years. Twice we were  
23 blessed with the opportunity to build a low-carbon  
24 biodiesel plant in San Diego and upgrade it several times,  
25 so we really wanted to thank the Commission for that.

1           And then on this particular project we are really  
2 thankful for releasing funds for infrastructure. It's been  
3 one of our big goals here in California as an industry over  
4 the last decade to improve the infrastructure, to support  
5 all the low carbon fuels that have been -- all the low  
6 carbon projects that have been started or announced in the  
7 last few years to meet the demands of the LCFS.

8           This project will bring more renewable diesel and  
9 biodiesel in from other parts of the country that are  
10 currently having trouble getting distribution efficiently  
11 and low cost into the market. This will be a 100 percent  
12 renewable fuels distribution facility and we're really  
13 proud of the project and we're really thankful for your  
14 support.

15           CHAIR HOCHSCHILD: Thank you. Any further public  
16 comment?

17           MS. MURIMI: No more public comment at this time  
18 Chair.

19           CHAIR HOCHSCHILD: Great.

20           Let's go to Commissioner discussion, Commissioner  
21 Monahan.

22           COMMISSIONER MONAHAN: Well thanks to Hieu and  
23 the team for bringing this forward. I wonder Hieu, I think  
24 you didn't mention it but when we talked, you had said that  
25 the offtakes for all the Merced project is that the R&D is

1 going to be used directly by vehicles, like there's already  
2 off takers for those. And that's one aspect that I really  
3 want to highlight, this idea that we want facilities here  
4 in California, we want that fuel to go directly to  
5 transportation, and to get credit under the Low Carbon Fuel  
6 Standard. The Low Carbon Fuel Standard, it's really doing  
7 its job in California. I mean it's remarkable how much  
8 change there has been, how much investment there has been  
9 directly due to the Low Carbon Fuel Standard. And so we're  
10 looking for scaleup solutions, we're looking for ways to  
11 leverage our limited amount of public dollars to scale up,  
12 but not to do what the LCFS would do by itself. So I want  
13 to emphasize there's been a shift over time in the grants  
14 towards biofuels, recognizing that policy driver is the one  
15 that's doing the heavy work.

16           So just thanks to Hieu and the team really for  
17 the thoughtfulness around this. These are complicated  
18 issues to navigate. A lot of positive impacts in terms of  
19 community, jobs, and capturing the methane that would  
20 otherwise be released to the atmosphere, and some concerns  
21 in communities around biofuels that we need to recognize.

22           So we're navigating these issues and really  
23 looking for opportunities for our dollars to leverage  
24 sustainable solutions for biofuels.

25           CHAIR HOCHSCHILD: Well said. Unless there are

1 other Commissioner comments, Commissioner Monahan, would  
2 you be willing to move Item 15?

3 COMMISSIONER MONAHAN: I move Item 15.

4 CHAIR HOCHSCHILD: And how about Commissioner  
5 Vaccaro? Would you be willing to second that?

6 COMMISSIONER VACCARO: Yes, I second.

7 CHAIR HOCHSCHILD: All in favor say aye.  
8 Commissioner Monahan?

9 COMMISSIONER MONAHAN: Aye.

10 CHAIR HOCHSCHILD: Commissioner Vaccaro?

11 COMMISSIONER VACCARO: Aye.

12 CHAIR HOCHSCHILD: Commissioner McAllister?

13 COMMISSIONER MCALLISTER: Aye.

14 CHAIR HOCHSCHILD: And Vice Chair Gunda?

15 VICE CHAIR GUNDA: Aye.

16 CHAIR HOCHSCHILD: And I vote aye as well. That  
17 item passes unanimously.

18 Let's go to Item 16, Business Meeting Minutes.

19 Do we have any public comment on that?

20 MS. MURIMI: Thank you, Chair. I'll go ahead and  
21 give instruction. So this is the period for any person --  
22 oh no sorry, pardon me -- so for individuals who would like  
23 to make a comment go ahead and use the raised-hand feature  
24 if you're on Zoom, it looks like a raised hand. It's at  
25 the bottom of your screen or device. And if you're calling

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1 into the meeting press \*9.

2 We'll give that one moment. I see no raised  
3 hands Chair.

4 CHAIR HOCHSCHILD: Okay. Let's see, Vice Chair  
5 Gunda, would you be willing to move Item 16?

6 VICE CHAIR GUNDA: Yes, Chair, I'll move Item 16.

7 CHAIR HOCHSCHILD: Okay. Commissioner Monahan  
8 could you second?

9 COMMISSIONER MONAHAN: I second it.

10 CHAIR HOCHSCHILD: All in favor say aye.  
11 Vice Chair Gunda?

12 VICE CHAIR GUNDA: Aye.

13 CHAIR HOCHSCHILD: Commissioner Monahan?

14 COMMISSIONER MONAHAN: Aye.

15 CHAIR HOCHSCHILD: Commissioner Vaccaro?

16 COMMISSIONER VACCARO: Abstain.

17 CHAIR HOCHSCHILD: Okay. And Commissioner  
18 McAllister?

19 COMMISSIONER MCALLISTER: Aye.

20 CHAIR HOCHSCHILD: And I vote aye as well. That  
21 item passes 4-0, with Commissioner Vaccaro abstaining.

22 Let's go to Item 17, Lead Commissioner, Presiding  
23 Member Reports. Started with the Vice Chair.

24 VICE CHAIR GUNDA: Yes, thank you, Chair. Just I  
25 want to provide a few updates, there's a lot happening

1 early in the year. But before I start into kind of my  
2 updates just wanted to note, I believe it's been a year  
3 since I've been in this role. And just it went really,  
4 really fast this last year. And I just wanted to not  
5 provide like an exhaustive thanks, but just wanted to note  
6 specifically my thanks to this group of Commissioners, my  
7 colleagues. Especially Chair, thank you on working with me  
8 on reliability and issues that we both were in the trenches  
9 last year.

10           And then Commission McAllister thank you for  
11 including me on the IEPR and having the opportunity to work  
12 with you on IEPR, it's been great.

13           I also want to just thank my office, Miina, thank  
14 you so much for everything you do and the advisors. Also  
15 Aleecia Gutierrez, she's a friend but now a colleague. I  
16 mean thank you so much, I couldn't do anything without you,  
17 And the entire 80 staff who I work with every day.

18           We have done some big things last year including  
19 launching reliability products, enhancing our analytical  
20 work around demand scenarios, DR forecasting, gas analysis.  
21 So it was a big year, so thanks to everybody. We have four  
22 more years to do good work, what an opportunity.

23           At our last meeting I think I kind of mentioned  
24 at a high level that we're going to put out a draft scoping  
25 order for IEPR, so the IEPR update for 2022. And I just

1 wanted to make sure everybody, colleagues and also the  
2 public, know that we're thinking about broadly three  
3 elements. There'll be a chapter on energy transition and  
4 equity considerations. We'll be working with the Public  
5 Advisor's Office, Noemi and her team, Katrina, thank you  
6 so much for that part.

7           We are going to consolidate all our planning  
8 work, all the analytical work we do into a planning  
9 library; that's what we're calling that. That way we could  
10 take all the EAD analysis, but also siting analysis, some  
11 of the cool analysis that Siting is developing into one  
12 library, and a good cadence around that.

13           And obviously there'll be an element on emerging  
14 issues. So again, leaning on other dockets we have,  
15 anything we might want to highlight, such as hydrogen.  
16 Commissioner Monahan, you are kind of working on the  
17 hydrogen elements, so there is an opportunity to talk about  
18 that a little bit.

19           And also thinking through some regional  
20 considerations and evolution of the CAISO market on the  
21 electricity side. So we'll get some public comment and  
22 think through what we want to include there.

23           And then kind of going into a couple of cool  
24 meetings we've been a part of. Commissioner Monahan,  
25 myself, and Commissioner McAllister, all three of us were

1 able to attend the Affordability En Banc last week. I'm  
2 sure they both might want to add their comments to that,  
3 but I just want to thank Commissioner Houck and her  
4 leadership on that and the CPUC's leadership. An extremely  
5 timely conversation, some really meaty stuff. I mean, I  
6 got a passive sense of the role of a Commissioner at PUC,  
7 and it is not easy, so I was just thankful for the CPUC  
8 Commissioners for the incredible work they do. And it's  
9 tough, tough situations and some tough issues that they  
10 have to grapple with there.

11           And I also joined in on the en banc and provided  
12 some opening comments. And so just a couple of quick  
13 things in it that that I stuck with me, and I think it's  
14 important for us to consider moving forward, I think there  
15 was an overall agreement that we need to manage utility  
16 costs. We have seen proposals from PG&E and SDG&E, has  
17 been over the last month on the rates. Again, everybody's  
18 trying to grapple with these things as we try to mitigate  
19 climate change by rapid decarbonization of our system. But  
20 also are trying to deal with the wildfires and such. So I  
21 think there are elements we need to really think through.

22           I think there was an ask for thinking of energy  
23 systems holistically, both the gas side and the electricity  
24 side. And thinking about energy affordability and access  
25 as an important element of that. So I thought that was a

1 very helpful discussion.

2           There was also kind of discussions on reimagining  
3 which costs have to be stacked into the rates and how do we  
4 think about that, and whether we want to put on some fixed  
5 costs or whether they're differentiated by income. So  
6 there was a lot of good discussions, and I would really  
7 encourage our staff to kind of look at the notes from that  
8 proceeding. I think that it's extremely important for CEC  
9 to consider.

10           I think, from a CEC perspective, I think as we  
11 move towards these conversations, I want to encourage our  
12 staff to think about modeling specifically that allows and  
13 helps this conversation. Whether it might be rates or  
14 impact on demand, the key policy areas such as cost-  
15 effectiveness and building standards. I think these are  
16 the important elements we're already considering. But  
17 having those discussions as we think through  
18 electrification and DR options is an extremely useful thing  
19 to talk through. So I just wanted to flag that for  
20 colleagues as well as public that I heard it loud and  
21 clear, and our staff as well.

22           From a reliability standpoint, again Chair and I  
23 have been in a lot of different in work streams over the  
24 last month, a lot of the work we're doing is not really  
25 visible. And I did hear loud and clear that it's not

1 visible, so I just want to send a signal to the public that  
2 there is a lot of interagency coordination that's happening  
3 behind the scenes. We are meeting many, many times on a  
4 variety of issues. So I think it's important that we begin  
5 to daylight some of this interagency work and then we're  
6 thinking through how to daylight them.

7           And I attended a California energy storage  
8 alliance market development forum last week, which was  
9 super-interesting. I was able to directly hear from the  
10 storage industry on some of the issues that they're  
11 tackling with, and then the importance of having market  
12 certainty. But also as we develop new technologies it's  
13 not readily easy for them to get insurance on stuff like  
14 that.

15           For example, Lithium Valley is a success,  
16 lithium-ion is as successful, because of its operational  
17 record. And it's easy for funding to be brought through,  
18 but also insurance and other things to be brought through.  
19 So I thought that was really helpful, so as we move towards  
20 more and more R&D efforts in long-duration storage and  
21 other chemistries I think thinking through the investment  
22 lens, what does it take for private investors to really  
23 scale this I think is an important element. Maybe  
24 Commissioner McAllister and Monahan, I don't know if  
25 there's an opportunity for us to think about a workshop to

1 really bring the industry and investment perspectives into  
2 this dialogue.

3           The other thing that the Chair and I are kind of  
4 working on is really de-risking our reliability through mid  
5 (indiscernible) electric grid. So we've heard a lot from  
6 industry on the interconnection issues, supply chain  
7 issues. And so even though we have a solid procurement,  
8 for example, from PUC and about 11,500 their recent IRP  
9 decision there is this concern on how fast can we get that  
10 built and are we sure that can be interconnected and built?

11           So we, again, all the agencies together -- from  
12 our end it's the Chair and myself -- are really working  
13 through thinking about a variety of strategies on how to  
14 de-risk this, including improving our coordination. And  
15 there is, again, as an opportunity to daylight there is a  
16 task force at GO-Biz called Ted Task Force (phonetic) that  
17 really is coordinating on issues like project, mid-project  
18 issues. For example, if something could be a supply chain,  
19 something could be a land use permit. So we are kind of  
20 like working through those elements in a coordinated  
21 fashion, but there is a lot to do. So this kind of has  
22 been our main focus.

23           And moving forward over the next couple of weeks  
24 Commissioner McAllister and I are going to be attending the  
25 Native Conference in Southern California and we are looking

1 forward to that.

2           There is as a part of the trip, I think, we're  
3 hoping to learn the vision that SoCalGas put out in the  
4 decarbonization strategy, but also the broader L.A. regions  
5 we're really looking forward to understanding the  
6 decarbonization of the gas system and how we're thinking  
7 about L.A. Basin.

8           Also I'm planning to attend a kind of a solar and  
9 storage ribbon-cutting in Kings County on March 15<sup>th</sup>.

10           So looking forward to all these learnings and  
11 helping advance our work and being a good ambassador of the  
12 state and the CEC, will keep you all apprised.

13           CHAIR HOCHSCHILD: Thank you, Vice Chair.

14           Let's go next to Commissioner McAllister.

15           COMMISSIONER MCALLISTER: Well, great now it's my  
16 turn to follow Commissioner Gunda, so a hard act to follow  
17 as well.

18           But so yeah, I'll try not to repeat but the joint  
19 work we're doing together is just a pleasure. And I think  
20 really emblematic of the fact that we're trying to connect  
21 dots across all of our offices and all our activities to  
22 the extent we can integrate those conversations and avoid  
23 silo-ing, so great to be working together on these various  
24 issues.

25           I also enjoyed the en banc. And I did want to

1 make just a couple of comments about that. Commissioner  
2 Houck's leadership on that has been tremendous. And  
3 Commissioner Rechtschaffen obviously is deep into that as  
4 well as is President Reynolds and all the Commissioners  
5 over there. There's a fundamental job that the PUC has.  
6 And we want to be sort of helpful, proactively helpful with  
7 them, so that we -- so that really just to help them help  
8 facilitate good decision-making over the PUC. But their  
9 job of ratemaking is just very complex and nuanced. And I  
10 think at the en banc we gained an even higher appreciation  
11 of that.

12 I think this idea that there seemed to be  
13 relative consensus on about needing to move back to sort of  
14 forthrightly toward cost-of-service ratemaking, but with a  
15 core of equity, I think was really the overarching theme  
16 that I heard, at least.

17 And doing that at the same time we're doing --  
18 trying to provide incentives through rates for time-of-use  
19 and load flexibility and a number of other goals that we  
20 have is no mean feat.

21 And so I just think things are headed in a good  
22 direction in general, some movement toward a binomial rate  
23 structure is more pervasively. So that's something like a  
24 fixed charge or demand-based charge. And then less  
25 emphasis on volume-metric charges. I think that's where

1 we -- that's the direction, I think, that the things will  
2 go and that's the right direction, but in any case, just  
3 very much willing to support our colleagues over at the PUC  
4 as they were grapple with some of these issues.

5           Let's see, I wanted to just again thank, Heather  
6 and the team, for the IEPR. I think we've sort of tied it  
7 up with a bow now with the adoption of the gas volume this  
8 month. But Heather and team have just been tremendous and  
9 already starting on the next IEPR update in earnest. And  
10 so it's sort of a permanent revolution that never ends, but  
11 really glad that that's kicked off and the scoping order is  
12 taking shape.

13           Next, I wanted to really congratulate Deana  
14 Carrillo for stepping into the role of Deputy over the  
15 Renewables Division, just very, very well deserved. She's  
16 been with the Commission a short time, but has a long  
17 history of working with us at the Commission at CAEATFA and  
18 just really have appreciated her professionalism and so  
19 congrats Deana. And she spearheaded the development of the  
20 BUILD program which has rolled out and has some  
21 applications and has been a long time coming, a relatively  
22 complex structure of how that program is funded and  
23 administered. But it's now on the street and I think the  
24 marketplaces, the builders and other stakeholders are very  
25 excited about it.

1           The Chair and I are going this Friday down to  
2 L.A. to do a precedent with Senator Stern, author of the  
3 bill that created the BUILD program along with Commissioner  
4 Rechtschaffen from the PUC. And I just wanted to thank  
5 all of our staff here, so Deana and team and last but not  
6 least, the local Assistance and Financing Office, and then  
7 our colleagues over the PUC as well. Lots of interaction  
8 between our staffs in our respective agencies.

9           I'm looking forward to leveraging that trip to  
10 meet with the folks involved in decarbonization, building  
11 decarbonization more broadly. Southern California Edison  
12 has a big application over at PUC, and so a lot of  
13 innovative thinking about those issues around  
14 implementation there as well. So really excited about sort  
15 of developing BUILD as a platform for even bigger things in  
16 the future.

17           The CalSHAPE program, just sort of heads-up, this  
18 is a two-pronged program that is water efficiency and  
19 energy efficiency evaluations and upgrades in schools  
20 across the state and disadvantaged communities. The team  
21 there has done a fabulous job. We're entering the second  
22 phase of funding. A great participation from schools, a  
23 lot of knowledge about the program across the state, and  
24 flexibility to keep improving that program over time to  
25 make sure that the work is done, that when actually

1 retrofits take place they'll be done well and accountably  
2 by qualified labor.

3           But I just wanted to thank Jonathan Fong and  
4 Theresa Daniels, Hughson Garnier, and Danny Velazquez in  
5 particular, for their great work on that program. And then  
6 also Natalie Lee, the former deputy of Renewables, who  
7 really I think waded through that whole process over a  
8 number of many months to get it in place and get a robust  
9 program established, so thank you, Natalie, for that.

10           Let's see, I wanted to also thank my Advisor,  
11 Bryan Early for spearheading a bunch of work in Mexico. We  
12 don't talk about it publicly that much, but we have a  
13 number of MOUs and partnerships with colleagues across  
14 Mexico and Jalisco state. We just renewed that MOU, so  
15 that was a really productive first MOU. And we've now  
16 renewed it for another few years. They're sort of the Cal  
17 Jalisco (phonetic), I think arguably sort of the California  
18 of Mexico, and there's been a lot of innovative things.  
19 And so it's great to have that sort of moving down the  
20 tracks again.

21           Lots of great work with Mexico City and the  
22 prospect of doing more work with the federal government and  
23 also with Baja California state, Baja Norte. So lots of  
24 counterparts want to work with us in Mexico in sort of  
25 figuring out how we can touch even more partners down

1 there. But there's a lot to like with our closest  
2 neighbor.

3           And then finally I just want to sort of highlight  
4 building decarbonization as really one of the challenges of  
5 our time. I mean, we are doing a lot on it, we're going to  
6 be doing even more. And I think it's relatively complex,  
7 buildings are diverse; a building that was built 100 years  
8 ago is not the same as one that was built yesterday. The  
9 Building Code has helped a lot. But we have a huge diverse  
10 population and that's reflected in our building stock. And  
11 so there are many, many opportunities to improve people's  
12 lives in innumerable ways as we invest in our building  
13 stock. And do that, really look at that challenge through  
14 an equity lens first and foremost.

15           So I'm incredibly excited to do innovative things  
16 in the state in the coming years to really impact our  
17 building stock, make savvy investments, and achieve scale  
18 and private sector partnerships. And really begin now in  
19 the next year and couple of years to build the models that  
20 are going to serve us for the long term.

21           So we have a lot of supply chain challenges.  
22 We've heard those in a number of different arenas. You  
23 know, "supply chain" is sort of the buzzword these days.  
24 And it's real, because manufacturers really are having a  
25 hard time with the global supply chain and all the

1 disruptions coming, and seemingly new disruptions every  
2 week. But we need to relate into that. And I think we  
3 have the policies in California to be able to do that, to  
4 bring investment in the private sector partner with our  
5 public funds and really fund that value that's going to  
6 draw the private sector to sustainable business models.

7           And along the way we're going to create a lot of  
8 jobs, the labor sector is going to grow even greater than  
9 it is now. We have hundreds of thousands of jobs in  
10 California in the clean energy sector and around half a  
11 million jobs in the clean energy sector. And most of  
12 those, the lion's share, are in buildings and efficiency in  
13 one manner or another. And we could double,  
14 triple, quadruple that number with the concerted long-term  
15 investment in our buildings.

16           So I'm really excited also to partner with  
17 Commissioner Gunda, and our GIS team actually as well, to  
18 do the analytical underpinnings that will enable us to  
19 target the right communities where really the value of our  
20 investment is highest with a savings potential, with a  
21 greenhouse gas reduction potential, and where all the other  
22 co-benefits are greatest.

23           And I think we now have the analytical chops and  
24 the data to be able to do that, so it's super-exciting to  
25 be able to sort of bring big data to making good policy and

1 directing actual funds on the ground and identifying the  
2 communities with the most potential for good in terms of  
3 channeling our investments, so lots of great work ahead.

4 I'm really, really pleased to be working with  
5 all of you on it and particularly Commissioner Vaccaro,  
6 it's good to have you here. I'm looking forward to  
7 partnering on those as well.

8 CHAIR HOCHSCHILD: Thank you, Commissioner.

9 Let's go to Commissioner Monahan.

10 COMMISSIONER MONAHAN: Well, I want to start by  
11 recognizing that yesterday was International Women's Day.  
12 And just that it's an important moment, I think, for us all  
13 to reflect on the women and girls in our lives and just to  
14 acknowledge the barriers that they still face today.

15 And I just want to start with my daughters, who  
16 of course I love dearly. And they're both STEM majors in  
17 college and I really couldn't be prouder of them. But one  
18 thing that really still is hard for me, and for them, is  
19 that they're still encountering harassment at school for  
20 being girls. And I'm sorry, it gets me a little choked up,  
21 just that idea that the "Me too" movement highlighted some  
22 of the challenges that girls face and women face. And I  
23 just think we need to acknowledge that barrier still  
24 exists. Barriers exist I think, on a racial basis, on a  
25 gender basis, and there's so much we need to do to make our

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1 societies more equitable for everyone.

2           And International Women's Day is just a good time  
3 to reflect on that. And I was actually looking at the  
4 leadership of the Energy Commission and thinking, "Wow  
5 we're doing pretty good," in terms of having strong women  
6 leaders who are, I think, good role models. From Linda  
7 Spiegel, Linda Barrera, Lindsay Buckley, Carousel Gore, our  
8 Public Advisor Noemi, Katrina her compatriot. And that's  
9 something that we can be proud of, and yet recognize we  
10 still need to do more. So I just wanted to start with  
11 that, thanks. Sorry for getting emotional but it's very  
12 personal to me.

13           So pivoting to the broader work of the Energy  
14 Commission I wanted to say that there has been a process,  
15 which Chief Counsel Linda Barrera has really been  
16 instrumental in defining a revised roles and responsibility  
17 document for all of our advisory committee members. So  
18 this applies in particular to the DACAG and to the Clean  
19 Transportation Program Advisory Committee.

20           And there's been a lot of work, we did a lot of  
21 work to make sure that these committees were attentive to  
22 equity and diversified. And the roles and responsibilities  
23 document I think was really very careful to make sure that  
24 we're following the law. And we're being really clear  
25 about what it means to be on our advisory committee in

1 terms of getting funding.

2           So I just feel a lot of -- I just have a lot of  
3 thanks to Linda and to my Advisor Mona Badie. This took a  
4 -- it was hard. I don't want to go into how hard it was,  
5 but it was pretty hard to get a document and Q&A mapped out  
6 that the average person would have to be like a lawyer to  
7 be able to understand what it means to be on our advisory  
8 committees. And we should still be able to have a diverse  
9 set of advisors based on these roles and responsibilities.

10           So there has been a fair amount of work to defend  
11 the Governor's Budget. And I guess if you guys haven't  
12 seen Drew and Hannon defending the budget you should watch,  
13 they're both doing amazing jobs. It's hard, I'm sure  
14 everybody feels like when we were up there for our  
15 confirmation process it's hard to testify in front of these  
16 committees and it's very extremely stressful. And they're  
17 both just doing a great job and taking it very seriously  
18 and really working to make sure that the final budget will  
19 be a good one for the state of California.

20           And let's see, I want to appreciate the fact that  
21 Andrew and I have been doing a lot of learning tours around  
22 industrial decarb and really exploring. We talked just  
23 yesterday with Rajinder, CARB's Deputy Executive Officer,  
24 around how we can make sure that whatever we do here at the  
25 Energy Commission aligns with what Air Resources Board is

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1 thinking. We've talked to various technical experts and  
2 just it's been a lot of fun to learn from Andrew,  
3 Commissioner McAllister I mean.

4           And there have also been a lot of high-level  
5 international issues. I mean it's wonderful to me that  
6 California can be this petri dish -- sorry my dog, that's  
7 my dog moaning not me -- this petri dish for the rest of  
8 the world. And that idea of like, "How do we make sure  
9 that whatever we do in California can migrate to other  
10 states and even internationally?"

11           And the even internationally opportunities,  
12 there's been a lot lately with China, Denmark. Los Angeles  
13 is going to be hosting the Summit of the Americas, so I  
14 think that's an opportunity for all of us to think through  
15 how do we have and use that as a platform to migrate the  
16 great work here in California on clean energy. And Mexico,  
17 as well, as Commissioner McAllister talked about.

18           Okay, and the last thing I want to mention,  
19 because I think this company is kind of interesting. And  
20 you guys might want to visit, is I talked to this company  
21 called Tae Technologies, T-A-E Technologies. They're doing  
22 fusion energy, yes fusion energy, and they're really  
23 interesting in terms of their level of ambition. They're  
24 not just working on fusion energy they're also working on  
25 through scalable energy solutions, including in the EV

1 space and then the EV charging management space, or  
2 charging management more broadly. So strongly recommend  
3 that if you're interested in fusion energy --who isn't  
4 interested in fusion energy -- that you talk to them.

5 CHAIR HOCHSCHILD: Thank you, Commissioner.

6 I just really wanted to appreciate you raising  
7 the International Women's Day. And I think we need to live  
8 that as well as acknowledge it.

9 I really wanted to just lift up how important  
10 mentoring is, and internships is a way to provide that. My  
11 former Chief of Staff, Emilio Camacho, helped us launch  
12 this summer fellowship program, which we've been doing ever  
13 since. And now it's scaled to a bunch of different  
14 agencies through Stanford. But there's other programs as  
15 well, and I think those can be life-changing for a young  
16 person. I know for myself some of the mentoring and  
17 encouragement I got early on changed the direction of my  
18 life. And I think especially for young women coming into  
19 energy where it has been more of a male-dominated field, it  
20 can make all the difference and we've got to start early.  
21 So those summer fellowships and even we have some  
22 internships that now run around the year are a great way to  
23 be on that, so I really appreciate you sharing that.

24 Let's turn next to Commissioner Vaccaro.

25 COMMISSIONER VACCARO: Thank you. I'll just keep

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1 this very brief. Between now and the end of the month  
2 there is quite a bit going on in terms of travel for my  
3 office down to the Imperial and Coachella Valley we have  
4 quite a delegation of representatives from state agencies,  
5 Secretary Crowfoot will be there and others, really, to  
6 engage with the community, to engage with developers. We  
7 have a Tribal Roundtable that we're going to be  
8 participating in. And at the next business meeting I'm  
9 going to be happy to share what we learned and what came  
10 out of some of that.

11           And then we've got some offshore wind events  
12 coming up and just want to go backwards again to give a  
13 great shoutout to our team for a wonderful offshore wind  
14 workshop that we held on March 3<sup>rd</sup>, really talking for the  
15 first time about how we're going to be implementing AB 525,  
16 so much more to say about that in the coming months.

17           And then at the end of this month, Chair  
18 Hochschild as you know, there is the Pacific Rim Summit in  
19 San Francisco that's also going to be a wonderful  
20 opportunity for people to learn what California is doing in  
21 this space. So in the next meeting I'll probably have a  
22 little bit more to say about those events but thank you for  
23 the time today.

24           CHAIR HOCHSCHILD: Great. Thank you. Yes, I'm  
25 speaking at that event. We'll be meeting with the wind

1 leadership. And look forward to working with you and the  
2 team on that. I'm very glad it's finally happening here in  
3 California.

4 I will just give a couple of updates. I think  
5 most people saw the news about the waiver today, so the  
6 Trump Administration had canceled this EPA waiver, and this  
7 is a big step having that reinstated. And I think 13  
8 states follow the California standards, so that's a  
9 positive development from an air quality perspective.

10 I also wanted to highlight another piece of news  
11 that came out in the last 24 hours, which is that PG&E has  
12 made an announcement in cooperation with GM around using  
13 electric vehicles as backup power supply for homes and for  
14 the grid. And this is particularly encouraging giving that  
15 we're now, we estimate, adding about 650 electric vehicles  
16 a day in California. We recently passed a million EV  
17 sales, so making use of those for grid support, and  
18 particularly for areas that are hit with a PSPS event, is a  
19 really exciting and important milestone, and I think more  
20 to come. I'm optimistic that there'll even be software  
21 upgrades for vehicles that came out the last few years  
22 that will allow them to have a bidirectional capability.

23 And then, finally, I just wanted to share we had  
24 a terrific carbon capture tour which Le-Quyen and Terra and  
25 Jonah Steinbuck and I went on, organized by a colleague

1 Justin Ong, who has been working on this for CNRA.

2 We visited four companies in the Bay Area:  
3 Heirloom and Mosaic Materials are doing direct air  
4 capturing, some really cutting-edge innovation there to how  
5 to suck CO2 out of the atmosphere; a company called Ebb,  
6 which is actually using the oceans as sort of re-alkalizing  
7 the oceans to fight ocean acidification and help absorb  
8 more CO2; and then Twelve, formerly Opus-12, which is  
9 basically creating CO2 fuels.

10 That was just a sampling of a bunch of the  
11 companies in that ecosystem. They're operating in  
12 California, and we hope to help them scale, so really  
13 exciting to see that firsthand. And I look forward to  
14 partnering with all the companies in that space.

15 Let's turn now to Item 18, Executive Director's  
16 Report. Drew.

17 MR. BOHAN: Thank you Chair, just a couple items.  
18 First, thank you, Andrew, for acknowledging Deana and  
19 Natalie. I just want to do the same, and really excited to  
20 have Deana on board. And I've already done so personally  
21 and we're setting up some events for her. But Natalie's  
22 been a great thought partner for the last five or six  
23 years, and three or so of them as deputy. And so it's a  
24 great transition.

25 Check in budget hearings were referred to. Yes,

1 today we have the Assembly Budget Hearing, Assembly Sub 3.  
2 I thought it went well. We got a lot of very positive  
3 feedback about the Governor's clean energy package. And we  
4 did as well in front of the Senate last week, although  
5 there were only two senators in attendance. We had almost,  
6 I think, pretty close to the whole committee or nearly so,  
7 at the Assembly today, so that was great.

8           And then back to the office, I just wanted to  
9 tell you folks that we are -- the deputies -- we've had  
10 deputies' meetings every week for a long time. We're going  
11 to have those in the office. So not tomorrow, but next  
12 Thursday and every Thursday thereafter I'm going to be in  
13 the office every Thursday and so will the deputies.

14           And we want to project to staff that flexibility  
15 remains paramount and we want to treat staff like adults,  
16 and we can be flexible. But we also want to make the  
17 office itself a welcoming place and demonstrate that  
18 there's a good balance potentially to be striking, folks  
19 should -- strike it as they see fit.

20           Finally, I just want to thank Commissioner  
21 Monahan. I haven't convinced my daughter that what Daddy  
22 does for a living is particularly interesting. But I'm  
23 going to play the video of your comments and see if I can  
24 change her mind. Thank you very much.

25           CHAIR HOCHSCHILD: Okay, thank you, Drew. And

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1 then you reminded me of one other thing, I'm going to be  
2 speaking to the Legislature on Monday on hydrogen for a  
3 couple of the committees there. So thanks to you and to  
4 Hannon for doing a great job presenting last week.

5 Let's turn now to Item 19, Public Advisor's  
6 Report.

7 MS. GALLARDO: (Indiscernible.)

8 CHAIR HOCHSCHILD: We're having a little trouble  
9 hearing. Can you hear us? (Audio difficulties.) Is that  
10 Noemi or Dorothy? We're not hearing you very well.

11 COMMISSIONER MCALLISTER: You're coming through  
12 garbled, Noemi.

13 CHAIR HOCHSCHILD: Dorothy, do you want to speak?

14 MS. MURIMI: Oh, pardon me, Chair. I can get  
15 the comments from Noemi in a minute.

16 CHAIR HOCHSCHILD: Okay.

17 MS. MURIMI: In one moment.

18 CHAIR HOCHSCHILD: Well, if you're waiting for  
19 those, we can do public comment first if you're waiting for  
20 her to send you something.

21 MS. MURIMI: Okay. Great I'll go ahead and give  
22 instructions for public comment and then we'll come back to  
23 the Public Advisor's Report.

24 So this is a period for any person wishing to  
25 comment on information items or reports of the meeting

1 agenda or any item. So each person has up to three minutes  
2 to comment and comments are limited to one representative  
3 per organization. We may reduce the comment time depending  
4 on the number of commenters.

5 Use the raised-hand icon to indicate that you'd  
6 like to make a comment. If you're on the phone press \*9 to  
7 raise your hand and \*6 to unmute on your end.

8 After you're called upon, please restate, and  
9 spell your first and last name, state your affiliation if  
10 any if representing a tribe, agency, or organization. And  
11 do not use the speakerphone feature when talking, we will  
12 not be able to hear you clearly.

13 I'll give that one moment. I see one hand  
14 raised, Claire Warshaw. Claire, your line is open. You  
15 may speak, you may go ahead.

16 MS. WARSHAW: Hi. My name is Claire Warshaw, C-  
17 L-A-I-R-E and then W-A-R-S-H-A-W. I'm a member of the  
18 public. And I just wanted to thank the Public Advisor's  
19 Office. I did get a response after sending you an email  
20 regarding the auxiliary heat system that I've been working  
21 with, with my heat pump and smart thermostat. And it was a  
22 very extensive response from a person at the Energy  
23 Commission, right now his name completely escapes me, I'm  
24 so sorry. But I wanted to thank you because that is  
25 follow-through that worked really well. Thanks.

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1 CHAIR HOCHSCHILD: Thank you.

2 Any other public comment, Dorothy?

3 MS. MURIMI: No more raised hands at this time,  
4 Chair.

5 CHAIR HOCHSCHILD: Okay. Anything else from the  
6 Public Advisor's Report?

7 MS. MURIMI: Yes, one moment. We're going to try  
8 Noemi one more time.

9 MS. GALLARDO: All right, can you hear me?

10 CHAIR HOCHSCHILD: Yes, we can hear you now.

11 MS. MURIMI: Yes.

12 CHAIR HOCHSCHILD: We can hear you loud and  
13 clear.

14 MS. GALLARDO: Okay, thank you. I'll be quick.

15 I wanted to start out with just a quick congratulations to  
16 Commissioner Vaccaro. And just noting that for  
17 International Women's Day I'm also inspired to see the  
18 heroes on the dais, including Commissioner Monahan and  
19 Commissioner Vaccaro. So I appreciate the CEC always  
20 having that at the forefront, gender balance and everything  
21 else that we're doing on inclusion, diversity, equity, and  
22 access.

23 I also wanted to highlight the collaboration, and  
24 that was mentioned earlier between my office and other  
25 divisions such as STEP. I think it's fantastic to be able

1 to do that and I wanted to appreciate Rosemary Avalos from  
2 my office who's so committed to the community, making sure  
3 that everyone gets heard. And it's wonderful to be able to  
4 do that together with the divisions.

5 And finally, a big thanks to Dorothy Murimi and  
6 Kaelynn Huelves from my office who are stepping up today to  
7 handle the management of the meeting and have done such a  
8 terrific job, bravo, bravo, bravo to you. And that's it,  
9 thank you for enabling me to do the report today.

10 CHAIR HOCHSCHILD: Okay, thank you.

11 Let's go to Item 21, Chief Counsel's Report.

12 MS. BARRERA: Good afternoon, Chair and  
13 Commissioners, thank you. I also want to congratulate  
14 Commissioner Vaccaro and just say on behalf of the entire  
15 staff in the Chief Counsel's Office that we wish her much  
16 success and we look forward to working with her.

17 So, my report is to recommend that the  
18 Commissioners break for a brief closed session to discuss  
19 Agenda Item 21(a)(ii) and 21(a)(iv), which provides Notice  
20 to the Energy Commission that may adjourn to a closed  
21 session with its legal counsel pursuant to Government Code  
22 section 11126(e) to discuss litigation to which the Energy  
23 Commission is a party.

24 CHAIR HOCHSCHILD: Okay. Let's adjourn for  
25 closed session, and we'll report back. Thank you, Linda.

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MS. BARRERA: Thank you.

(Off the Record at 2:10 p.m. for Closed Session)

(On the Record at 2:23 p.m. from Closed Session)

MS. MURIMI: Thank you, Chair Hochschild, we are  
back online.

CHAIR HOCHSCHILD: Okay, thank you. We are back  
from closed session, nothing to report. And with that  
we're adjourned, thanks everybody.

(The Business Meeting adjourned at 2:32 p.m.)

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

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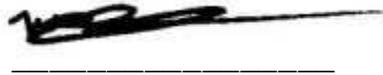
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