

DOCKETED

Docket Number:	23-BUSMTG-01
Project Title:	Business Meeting Agendas, Transcripts, Minutes, and Public Comments
TN #:	253169
Document Title:	Transcript of 11-8-23 for Business Meeting
Description:	N/A
Filer:	Blanca Camberos
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	11/16/2023 3:39:32 PM
Docketed Date:	11/16/2023

BUSINESS MEETING

BEFORE THE

CALIFORNIA ENERGY COMMISSION

In the Matter of:)
) 23-BUSMTG-01
 Business Meeting)

)

WEDNESDAY, NOVEMBER 8, 2023

10:00 A.M. - 3:30 P.M.

Warren-Alquist State Energy Building
1516 Ninth Street
Art Rosenfeld Hearing Room
Sacramento, California 95814
(Wheelchair Accessible)

Remote Access via Zoom™

Please note that the California Energy Commission (CEC) aims to begin the business meeting promptly at the start time and the end time is an estimate based on the agenda proposed. The meeting may end sooner or later than the time indicated depending on various factors. To continue to protect the health and safety of civil servants and the public, this meeting will be held consistent with Senate Bill 143 (Stats. 2023, chapter 196) and one or more commissioners may participate remotely.

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

Reported by:
M. Nelson

APPEARANCES (*Present via Zoom)

Commissioners

David Hochschild, Chair
Siva Gunda, Vice Chair
*Andrew McAllister
Patty Monahan
Noemi Gallardo

Staff Present:

Drew Bohan, Executive Director
Linda Barrera, Chief Counsel
Mona Badie, Public Advisor
Dorothy Murimi, Public Advisor's Office
Jared Babula, Senior Staff Attorney
Mariah Ponce, Staff Attorney
Deana Carrillo, Director, RREDI Program
Christopher Meyer, Staff, Reliability, Renewable Energy &
Decarbonization Incentives Unit
Joseph Hughes, Staff, Siting, Transmission & Environmental
Protection Division Unit

Agenda Item

Mona Badie, *Carousel Gore	4
Stephen Banister	5
Eric Knight	6, 7
*Jason Tancher	8

Also Present:

Interested Parties:

Scott Galati	6, 7
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Public Comment: (*Present via Zoom)

Jennifer Butler, SitelogIQ	1
*Steve Uhler, Self	1, 3
*Curtis Yakimow, Yucca Valley, Town Manager	3
Vamsi Kotla, ReMo Homes	8

I N D E X

	Page
Proceedings	6
Items	
1. Public Comment	6
2. Agency Announcements	12
3. Consent Calendar	39
a. The Board of Trustees of the Leland Stanford Junior University.	
b. Interstate Renewable Energy Council, Inc. (IREC) Proposed resolution approving agreement 100-23-005.	
c. Interstate Renewable Energy Council, Inc. (IREC) Proposed resolution approving agreement 100-23-006.	
d. CivicWell.	
e. American Council for an Energy Efficient Economy (ACEEE).	
f. Alliance to Save Energy.	
g. Town of Yucca Valley.	
i. CEQA.	
ii. Solar PV System Installation at Aquatics Recreation Center.	
h. Wheatland School District.	

- i. Business Meetings and Requests for Rulemakings (23-OIR-02).

I N D E X (Cont.)

	Page
3. Consent Calendar (Cont.)	39
j. The Candide Group, LLC.	
k. Battelle Memorial Institute dba Battelle Pacific Northwest Division.	
l. Guidehouse Inc.	
4. Information Item - 2022 JAEDI Report.	14
5. Information Item - Energy Conservation Assistance Act (ECAA) Loan Program.	47
6. Small Power Plant Exemption (SPPE) for Lafayette Backup Generating Facility (Docket 20-SPPE-02).	60
7. Small Power Plant Exemption for Bowers Backup Generating Facility (Docket 22-SPPE-01).	73
8. Advanced Pre-Fabricated Zero-Carbon Homes - GFO-22-305	81
a. Institute of Gas Technology dba GTI Energy.	
b. Lawrence Berkeley National Laboratory.	
c. ReMo Homes Inc.	
9. Minutes.	91
10. Lead Commissioner or Presiding Member Reports	92

11. Executive Director's Report.
115

I N D E X (Cont.)

	Page
12. Public Advisor's Report.	116
13. Chief Counsel's Report.	116
ADJOURNMENT	116

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
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P R O C E E D I N G S

NOVEMBER 8, 2023 10:03 a.m.

CHAIR HOCHSCHILD: Good morning friends and welcome. I'm David Hochschild, Chair of the California Energy Commission. Today is November 8th. I call this meeting to order. Joining me here on the dais are Vice Chair Gunda, Commissioner Monahan, and Commissioner Gallardo. Commissioner McAllister is joining us virtually. We do have a quorum.

Let's begin with Commissioner Gallardo leading us in the Pledge of Allegiance.

(Whereupon the Pledge of Allegiance was recited.)

CHAIR HOCHSCHILD: So we'll first take public comment and then move on to agency announcements. Our Public Advisor will provide the instructions. And let's go ahead and begin with that.

MS. BADIE: Good morning. This is Mona Badie, the Public Advisor for the California Energy Commission. The Energy Commission now welcomes public comment on any nonvoting or any other item on the agenda. If you have a comment for a voting item, we ask that you reserve that comment for the dedicated public comment period for that item.

1 And to notify us if you'd like to make a comment
2 there's a few ways. One is using the QR code if you're
3 joining us in the room. You could also raise your hand to
4 let me know. And if you're joining us on Zoom, please use
5 the raise hand feature on your screen it looks like an open
6 palm. And if you're joining by phone, you'll press *9 to
7 let us know.

8 And we do have a commenter in the room, Jennifer
9 Butler. Jennifer, if you want to approach the podium
10 please make sure the mic light is on. We ask that you
11 spell your name for the record, announce any affiliation.
12 And we are asking for comments to be two minutes or less.
13 Thank you.

14 MS. BUTLER: Good morning. (Indiscernible.)
15 That light, thank you. Do I need to repeat? No. Okay.

16 SitelogIQ is an energy services company serving
17 our K-12 market for the last 40 years. And I'm here today
18 to ask the Commission to understand the incredible impact
19 that the Energy Conservation Assistance Act Loan has for
20 our small K-12 and rural K-12 communities, and particularly
21 those in disadvantaged communities.

22 These K-12 districts are experiencing continued
23 incredible amounts of inequity as far as opportunity to
24 rehab and modernize their facilities. They're also facing
25 incredible inequity with participating in sustainability

1 programs that are assumed to be required by state
2 legislation.

3 Just to give you an example, our smalls and
4 disadvantages now have the obstacle of NEM 3.0 and
5 extraordinarily high interest rates. For a majority of
6 these smaller, rural disadvantages communities, there is no
7 opportunity for them to lower their interest or their PG&E
8 utility use costs. And most importantly, they lose out on
9 the opportunity to leverage those savings for critical
10 modernization upgrades like HVAC systems, which we all know
11 are very important because it addresses our indoor air
12 quality.

13 But additionally, a lot of these communities are
14 in areas without a lot of shade in warmer climates. And so
15 the idea of being able to have a dual purpose solar shade
16 system is very attractive to them. Without the aid of the
17 ECAA Loan is what we call it, there is absolutely no way
18 that they will be able to have any participation in this
19 process.

20 And to give you some idea, we have recently had
21 to turn away 12 small school districts from aiding them in
22 solar and modernization simply, because they can't afford
23 it now that NEM 3.0 is in place I think in that time.

24 Thank you very much. And we just ask that you
25 please consider refunding that loan year after year. Thank

1 you.

2 MS. BADIE: Thank you.

3 Seeing no other hands raised or QR code cue in
4 the room, we're going to transition to Zoom. And we have
5 one commenter on Zoom. Call-in User 2, I'm going to open
6 your line. Please state and spell your name for the
7 record, announce any affiliation, and we're asking for
8 comments to be two minutes or less.

9 MR. UHLER: Good morning, Commissioners.

10 (Echo in audio.)

11 Could you please shut off the -- I'm getting an
12 echo, making it difficult to talk.

13 MS. BADIE: There's no echo in the room, so it
14 might be on your end?

15 COMMISSIONER MCALLISTER No, it's a mic on Zoom
16 picking up people who are talking.

17 MR. UHLER: Yeah. Yeah, it's on your end. It's
18 not a fault on my end. Please correct it.

19 CHAIR HOCHSCHILD: Yeah, we can hear you fine.
20 So if you're able to speak, please go ahead.

21 MR. UHLER: I'm getting an echo. I can't
22 (indiscernible).

23 COMMISSIONER MCALLISTER Hold on just one second,
24 Mr. Uhler. So I'm getting the same effect. And the
25 whoever speaks is getting picked up by the mic and it's

1 being fed back (indiscernible) the audio to listeners.

2 Some people (indiscernible) are talking.

3

4 (Off-mic colloquy to correct echo in the audio.)

5 MR. UHLER: Are we corrected?

6 COMMISSIONER MCALLISTER: Oh, that's perfect.

7 Thank you.

8 MR. UHLER: Can you hear me? Can you hear me?

9 COMMISSIONER MCALLISTER: Yes. Yes, go on. Go
10 ahead.

11 Mr. UHLER: Thank you. Okay, I'll start.

12 Good morning, Commissioners. I come to you with
13 a concern. Back in 2018, SB 100 prohibited resource
14 shuffling. Five years later, and the Commission has still
15 has resource shuffling in their programs. Power
16 (indiscernible) to fix all your program.

17 The shuffling would be the use of natural gas.
18 They're shuffling up natural gas as a source of generation.
19 And that would lead people to believe that there's less
20 carbon in their electricity that they use. This is a
21 hazard. It's a hazard as much as not having the RPS Period
22 3, which I see they yesterday started acting on the
23 verification for RPS 3.

24 Within our RPS for Period 3 I am asking the
25 question, what authority does the Commission have to define

10

1 electricity as a product notwithstanding *Fong vs PG&E 1988*.

2 And also within the guidelines, I find no
3 regulation that tracks ownership. So there's no doubt
4 double counting. And then there's also appears to be
5 double counting between power source disclosure, which
6 derives revenue from renewable energy credits. But there
7 doesn't seem to be any information on the verification on
8 that.

9 And I'd also like to know what rule allows you to
10 have a resolution where you delegate the authority for
11 Final Statement of Reasons for a rulemaking to the
12 Executive Director. There is no such regulation. Thank
13 you.

14 MS. BADIE: Can I have your name for the record?

15 MR. UHLER: (Echo in audio again.) Staff need to
16 unmute my microphone.

17 MS. BADIE: If you could please state and spell
18 your name for the record, for the commenter.

19 MR. UHLER: This is Steve Uhler again. I just
20 got a message to unmute my microphone. And I'm still
21 getting an echo.

22 MS. BADIE: Okay. Thank you, Mr. Uhler, for your
23 comment.

24 All right, we don't have any other raised hands.
25 Back to you, Chair.

1 CHAIR HOCHSCHILD: Thank you.

2 You know, just to the first public comment on the
3 ECAA Loan Program I just want to note I'm incredibly proud
4 of the team at the Energy Commission that administers this
5 program. It's approaching 1,000 facilities that we've
6 provided these revolving loans to since inception in the
7 early 1980s. And it's been an incredibly, incredibly
8 successful program to support more clean energy and
9 efficiency projects with local governments and now with
10 tribes. And I just couldn't be prouder of the team and so
11 great to get that feedback. Thank you for that comment.

12 We'll turn now to agency announcements. November
13 is Native American Heritage Month and the California
14 Natural Resources Agency is planning a number of events
15 related to that theme this month.

16 The Vice Chair and I are actually heading up
17 tonight for a tribal consultation on offshore wind in the
18 North Coast, where we will be for some time. And continue
19 to have very close engagement with the tribes on that and
20 with other issues. And really want to recognize the
21 incredible role tribes have continued to play and are
22 increasingly playing in our public policy development. And
23 so many of the programs where we're operating. So I want
24 to just lift up the Native American Heritage Month in
25 December.

1 Oh, let me just turn to is there any other agency
2 announcements, anyone? Yeah, Commissioner Gallardo,
3 please.

4 COMMISSIONER GALLARDO: Buenos Dias, Good
5 morning. And just checking really quick, can you hear me
6 through my mask?

7 CHAIR HOCHSCHILD: We can hear you fine.

8 COMMISSIONER GALLARDO: Perfect. So I wanted to
9 remind everybody that the Clean Energy Hall of Fame Awards
10 is happening December 7. The award ceremony is at 3:00
11 p.m. And there will be a reception with food and drink
12 afterwards, starting at about 5:00 p.m.

13 We're going to have the Miwok Indians come and do
14 a prayer and ceremonial dance during the event, which will
15 be really special. And there will be other speakers as
16 well. Is there a slide available for the Hall of Fame?
17 Okay.

18 So I also wanted to just highlight that there are
19 six winners who are just incredible leaders doing really
20 good work at the local level. We are also celebrating
21 Cliff Rechtschaffen, who was the Commissioner at the CPUC.
22 He is now with CARB. He's our Lifetime Achievement Winner,
23 so I wanted to highlight him. And the other five are
24 exceptional as well.

25 So I want to invite everybody to join us:

1 Commissioners, staff, public, everybody's invited. It's
2 going to be at the CNRA building in the auditorium. Again
3 on December 7, 3:00 p.m. starts, 5:00 p.m. reception.
4 Thank you.

5 CHAIR HOCHSCHILD: Any other agency? No, okay.
6 With that, today the Energy Commission is going
7 to be seeking approval for over \$14 million with new grants
8 and investments helping contribute to California's economy.
9 And let's see with that let's turn to -- we're going to
10 take things out of order. And we'll take Item 4 first to
11 accommodate Carousel Gore's schedule.

12 So let's go ahead and welcome Carousel to present
13 Item 4 and then we'll take up Item 3 after that and welcome
14 Mona to present initially then Carousel.

15 MS. BADIE: Good morning Chair Commissioners and
16 other attendees. My name is Mona Badie, the Public Advisor
17 of the California Energy Commission. I'm joined by my
18 colleague Carousel Gore, the Commission's Equal Employment
19 Opportunity Officer who's joining us virtually by Zoom.

20 Carousel and I are here today to present the 2022
21 Justice Access Equity Diversity and Inclusion or JAEDI
22 Report that was formerly known as the Diversity Report.
23 Next slide.

24 The JD report is an opportunity for us to
25 highlight some of our work from 2022 towards advancing

1 justice access, equity, diversity and inclusion at the
2 Commission. Carousel will present first and focus on our
3 inward facing initiatives called JAEDI-In. Then I will
4 present on our outward facing initiatives called JAEDI Out.
5 I will now hand the mic over to Carousel who's joining us
6 virtually. Next slide, please.

7 MS. GORE: (Echo in audio.) Thank you, Mona.
8 Good morning, Chair and Commissioners. I am Carousel Gore,
9 the Equal Employment Opportunity Officer for the Energy
10 Commission. I apologize for being unable to join you in
11 person today due to an unavoidable scheduling conflict.
12 But I will stay as long as possible to answer any questions
13 you may have about JAIDI In. Today I'm going to provide
14 you an update on JAEDI-In. Next slide, please.

15 MS. BADIE: I'm going to pause, because I'm
16 having an echo.

17 MS. GORE: Okay, I think it's fixed.

18 MS. BADIE: Thank you.

19 MS. GORE: JAEDI-In is the internal workforce-
20 focused prong of the CEC's diversity effort. The primary
21 work of JAEDI-In is the task force that all staff are
22 welcome to participate in through Commission-wide meetings.
23 Since our last update to this body, we have hosted on
24 generational diversity, the impact of hate crimes on our
25 mental health, hiring, promotions, and career paths within

1 the CEC. Next slide, please.

2 There is a JAEDI-In task force. We created
3 several paths for employee involvement in furthering
4 justice access, equity, diversity, and inclusion. One
5 avenue for employee involvement are the Employee Resource
6 Groups, or ERGs. ERGs are employee-created and led
7 affinity groups that are by design inclusive to any and all
8 employees who wish to participate.

9 The CEC currently has seven ERGs. The 1st
10 Generation ERG for employees who are first generation
11 college graduates coordinated by Ronnie Raxter. The Asian-
12 American and Friends ERG coordinated by Myoung-Ae Jones.
13 The Black and Ally Community Resource Group coordinated by
14 Dorothy Murimi. The Disability Advisory Committee with
15 Greiana Williams as Chair. The European Culture Group
16 coordinated by John Hingtgen. La EC Familia, coordinated
17 by Guadalupe Corona. And the Rainbow Affinity Group
18 coordinated by Rene Webster Hawkins.

19 In the last year, several of our ERGs have worked
20 with the California Natural Resources Agency to coordinate
21 multiple events for various heritage months. Next slide,
22 please.

23 Within the last year we also created Employee
24 Synergy Groups or ESGs. With many of us teleworking, we
25 find it challenging to connect across the agency as we

1 would have naturally done in person. The ESGs are staff-
2 led groups that are focused on building an intentional
3 culture of connection within the CEC. These groups may be
4 based on a diversity of shared interests, activities, and
5 experiences. The purpose of ESGs is to build bridges
6 between divisions, disciplines, and all of us as
7 individuals within the CEC to further inclusion and
8 belonging at the Commission. Next slide, please. If we
9 can move to the next slide, please. Thank you.

10 In 2023 the CEC had four ESGs. The Move it
11 Together ESG with a focus on running, walking, hiking and
12 the outdoors, coordinated by Mike Turner and Shawn Anayah.
13 The Ping-Pong ESG coordinated by Geoffrey Dodson. Coffee
14 Science and Culture coordinated by Bruce Helft. And the
15 Poetry ESG coordinated by Gaylene Tompkins.

16 If we can go to the previous slide, please?

17 The CEC ERGs and ESGs have become a model for
18 other agencies. We are leading the way in establishing
19 ERGs and ESGs amongst state service. While some agencies
20 may have one or the other, they do not often have both. I
21 often receive calls from various state agencies, and have
22 been asked to speak at external meetings with a broad
23 audience of multiple state agencies, on how to establish
24 and guide ERGs and ESGs based on our groups and the work
25 that we have done here at the CEC.

1 We are also working to implement the remaining
2 employee JAEDI recommendations including sending
3 information to supervisors and managers on suggestions for
4 employee development and resources. Creating a Diversity
5 Corner for CEC staff to share positive stories about their
6 team, coworkers and colleagues. A SharePoint page on
7 resources of external organization, and to evaluate CTCs
8 progress and furthering JAEDI principles. We plan to have
9 these implemented by the end of 2023.

10 We can move two slides forward, please. Perfect,
11 thank you.

12 Today, I'm very excited to offer an update on the
13 recommendations based on -- on one of the recommendations,
14 excuse me. Today I'm very excited to offer an update on
15 one of the recommendations: the CEC Mentorship Program,
16 which has been coordinated by Greiana Williams. After its
17 launch in March 2023, 43 mentees and 27 mentors embarked on
18 a six-month mentorship journey that ended in September.
19 The impact of those mentorship engagements, has been
20 overwhelmingly positive for mentors and mentees. Not only
21 are mentors and mentees experiencing greater professional
22 gains from mentorship, but most have also been touched on a
23 personal level.

24 Some of the feedback we have been allowed to
25 share includes the following. One mentor said, "We have

1 gotten to know each other and have developed a friendship.
2 We started with really focusing on career goals and have
3 evolved into learning from each other. I can say that I
4 have grown not only in learning how to help different
5 individuals reach their goals, but also in expanding my
6 technical knowledge, which we have been sharing with each
7 other. And refreshing myself on communicating my
8 management style and learning from others on what good
9 management to them looks like.

10 One mentee said, "My mentor has been an
11 incredibly helpful resource for me. She's guiding me
12 through my first time hiring and how to deal with a low-
13 performing employee. She has saved me from making several
14 mistakes."

15 The mentorship program launched the second cohort
16 in October 2023 with 20 mentors and 21 mentees. As we move
17 forward, we continue to learn from various challenges, and
18 use feedback to improve and refine the mentorship process
19 and experience.

20 In 2024, we hope to expand the mentorship program
21 by creating two additional mentorship tracks. One track
22 will be geared toward connecting student assistants with
23 staff who will guide them on their journey from student to
24 full-time employee. Another track will be geared toward
25 teaching supervisors and managers how to coach and mentor

1 their employees. Next slide, please.

2 Before I close, I would like to extend an
3 invitation on behalf of the Chair to all CEC employees to
4 join us for the Annual Unity Celebration and JAEDI Awards
5 on December 15th, from 11:00 a.m. to 5:00 p.m. This will
6 be an opportunity to celebrate our unity through our
7 diversity by hearing stories of our colleagues, celebrating
8 each other's contributions, food, music and fun. This will
9 be our first unity celebration to be held in person.
10 Employees of the CEC may email me if they need an
11 invitation. Next slide please.

12 In closing, I want to highlight that it may often
13 look like a three-woman team of Commissioner Gallardo, Mona
14 Badie and I in doing the work of diversity for the CEC. It
15 would be easy to take all the credit. But while the
16 efforts of JAEDI is an enduring labor of love, Commissioner
17 Gallardo, Mona and I, we did not and could not have done
18 this alone. It is truly the work of the staff, your staff
19 here at the CEC, that pushes this work forward and keeps us
20 striving ahead.

21 I want to publicly thank every meeting
22 participant whether you listened, shared via chat, or
23 spoke, all of our staff presenters, the facilitators at the
24 ERGs, the coordinators of the ESGs and the mentorship
25 program, we see, hear, and appreciate each of you.

1 Thank you to the Executive Office, Drew Bohan and
2 Jennifer Martin-Gallardo for their never-ending support,
3 being slow if ever, to say no to ideas presented, always
4 being willing to hear feedback from the employees in your
5 care, and learning and leaning in with sensitivity. I
6 often brag to other agencies about your amazing leadership
7 and support.

8 And I want to thank each of you, Chair, Vice
9 Chair and Commissioners, for your support, encouragement,
10 assistance. For always asking how we can do better and
11 offering help to make it so. And for your commitment to
12 the CEC's efforts on justice, access, equity, diversity,
13 and inclusion. Thank you,.

14 Mona, I hand my virtual mic back to you.

15 MS. BADIE: Thank you, Carousel.

16 This is Mona again with the Office of the Public
17 Advisor, Energy Equity and Tribal Affairs. I joined JAEDI
18 leadership efforts at the end of 2022, but I'm happy to
19 present these updates for you today.

20 CHAIR HOCHSCHILD: Is your mic on?

21 (Off-mic colloquy.)

22 MS. BADIE: Testing.

23 CHAIR HOCHSCHILD: Yeah, that's better.

24 MS. BADIE: Okay. Thank you.

25 CHAIR HOCHSCHILD: It's not after we have to tell

1 the Public Advisor to turn the mic on. (Laughter.)

2 MS. BADIE: Next slide. Next slide. Any
3 conversation on equity efforts at the CEC in 2022 must
4 include the 2022 Integrated Energy Policy Report Update, or
5 IEPR, which included CEC's first ever justice access,
6 Equity, Diversity and Inclusion framework. Under the
7 leadership of Vice Chair Gunda, the framework was drafted
8 by Commissioner Gallardo in her former role as Public
9 Advisor. The framework outlines CEC's commitment
10 principles and best practices for embedding energy equity
11 and environmental justice into our programs and policies.
12 Next slide, please.

13 As part of developing the 2022 IEPR, a series of
14 regional workshops and other engagement events including
15 meetings with tribes were conducted across California
16 covering important topics. Including the historical
17 context of inequitable government policies and their
18 connection to current pollution burdens and climate
19 vulnerability, addressing barriers to community engagement,
20 clean energy, economic and workforce needs, and the diverse
21 resource needs and capacities of communities and tribes.
22 Next slide, please.

23 In 2022, CEC conducted regional meetings with
24 many tribes across California building relationships and
25 spreading the word about CEC funding, partnership

1 opportunities, and other initiatives. Meetings took place
2 on the North Coast, ancient Lake Cahuilla region near
3 Imperial Valley, the Sierras, Eastern San Diego and other
4 regions. Many of these meetings were done in conjunction
5 with the IEPR, the Lithium Valley Commission Report and
6 California offshore wind planning.

7 It's also important to highlight that CEC
8 invested over 59 million in projects directly benefiting
9 tribes through 2022. That includes over 26 million in EPIC
10 funding; 329,000 under the California Schools Healthy Air
11 Planning and Efficiency Program. And under the Clean
12 Transportation Program we funded 500,000 for rural, tribal
13 rural EV charging; 500,000 for tribal zero emission vehicle
14 workforce training; and over 1 million under CaleVIP
15 Program through 2022 for EV infrastructure. And a standard
16 of course, is the \$31 million grant for a first of its kind
17 long-duration energy storage project.

18 Our Deputy Public Advisor and Tribal Lead Katrina
19 Leni-Konig couldn't be here today to present these
20 highlights as she and Sarah Gravely (phonetic) are
21 preparing for an offshore wind and tribal engagement event
22 on the North Coast happening tomorrow. And she's enroute
23 right now. Next slide.

24 On this slide you'll see total funding from
25 program inception through the end of 2022 invested in

1 disadvantaged communities for some of our active funding
2 programs. This data uses the Senate Bill 535 definition of
3 disadvantaged communities pursuant to CalEnviroScreen.
4 CalEnviroScreen uses 21 indicators to characterize
5 pollution burden, and population characteristics for census
6 tract scoring.

7 On this slide, you'll see that the Clean
8 Transportation Program or CTP has funded over 465 million,
9 and that's for clean transportation, fuel technology, and
10 infrastructure projects.

11 The Geothermal Grant and Loan Program funded by
12 the Geothermal Resources Development Account or GRDA has
13 funded over 9 million in grants and loans for the
14 development of geothermal energy resources and lithium
15 recovery.

16 The Food Production Investment Program or FPIP
17 provides funding for food processors to accelerate adoption
18 of advanced energy and decarbonization technologies, and
19 funded approximately 88 million and projects and
20 disadvantaged communities.

21 The California Schools Healthy Air Plumbing and
22 Efficiency Program or CalSHAPE has funded over 78 million
23 in disadvantaged public schools for upgrades to HVAC
24 systems plumbing and appliances.

25 The Energy Conservation Assistance Act Program,

1 or ECAA which you're going to hear about later today, has
2 funded over 102 million in zero or 1 percent interest rate
3 loans to public schools and entities and California Native
4 American tribes. And that's to finance efficiency
5 measures, generation, storage and EV charging in
6 disadvantaged communities.

7 We also have the Electric Program Investment
8 Charge or EPIC, and that funds a portfolio of over 186
9 million in investments in scientific and technological
10 research in the electricity sector.

11 And finally, the Gas R&D Program, which invested
12 approximately 40 million in projects advancing technologies
13 and solutions for energy efficiency and gas alternatives in
14 disadvantaged communities.

15 I want to also note that CEC recognizes that
16 project location is not a sufficient metric alone to assess
17 project benefits. We've received feedback from our
18 Disadvantaged Community Advisory Group, and other community
19 representative groups, that when a project is located in
20 the community it doesn't necessarily mean that the project
21 brings benefits to that community. Especially when
22 combustion or biofuels technologies are involved.

23 CEC is working to address this feedback. And
24 just to highlight a few examples, our R&D division is
25 working to improve incorporation of community engagement

1 benefits and the impacts in its funding application
2 requirements, and its scoring criteria under EPIC. Also
3 under the upcoming Clean Hydrogen Program, the Community
4 Energy Resilience Investment Program also known as CERI,
5 and other investments.

6 The Fuels and Transportation Division continues
7 to transition its portfolio even further toward zero
8 emission transportation investments. And it's also
9 developing a community benefits framework to better
10 identify, track, report and expand the kinds of benefits
11 that have material impact in communities.

12 Also, last month, we formed an internal working
13 group to coordinate different efforts across the Commission
14 related to equity metrics, including under Senate Bill 100.
15 Next slide, please.

16 MS. BADIE: On this slide, you'll see the
17 investments in disadvantaged communities as percentages and
18 this is from program inception through the end of 2022.
19 Please note, these percentages do not include investments
20 in low-income communities. So these are just for
21 disadvantaged communities. We have different metrics,
22 different definitions of low income across different
23 programs, and that's why we can't offer standardized, you
24 know, data across all programs for low-income communities.

25 And as you can see in this slide our active

1 programs are investing double digit percentages in
2 disadvantaged communities. Next slide.

3 CHAIR HOCHSCHILD: All right, so just to be
4 clear, that would be within CalEnviroScreen when you're
5 doing that metric?

6 MS. BADIE: Yes, yes.

7 CHAIR HOCHSCHILD: Okay.

8 MS. BADIE: Yes. In 2022, the CEC continued to
9 actively engage with our CEC CPUC Disadvantaged Committees
10 Advisory Group or DACAG, which was established in Senate
11 Bill 350 to advise CEC and CPUC and designing and
12 implementing policies and programs to be more effective on
13 behalf of disadvantaged communities in the achievement of
14 our clean energy and pollution reduction goals. The
15 advisory group has 11 members from or representing a
16 disadvantaged community in California. They meet monthly,
17 and in 2020 advised the CEC on EPIC, CTP, the IEPR,
18 CalSHAPE, ECAA, CERI, theory Senate Bill 100 and among
19 other efforts. Next slide, please.

20 MS. BADIE: In September 2022, Governor Newsom
21 issued Executive Order N-1622, directing state agencies and
22 departments to design and deliver state programs to advance
23 equity and address existing disparities and opportunities
24 and outcomes so all Californians may reach their full
25 potential.

1 Pursuant to the executive order and resulting
2 directives the CEC began preparation of the JAEDI
3 Communities of Practice Initiative. This initiative
4 includes five Committees of Practice or COPs with staff
5 leads and Commissioner Champions as shown on this slide.
6 Staff had the opportunity to join one or more of the COPs
7 via an all-staff survey. Each COP has been asked to
8 develop two or more recommendations to advance outward
9 facing programs, policies, and projects in their focus
10 area. Recommendations from all five COPs have been
11 developed with input from their Commissioner Champions.
12 They will be presented together at a CEC business meeting.
13 Next slide, please.

14 In 2022, the CEC held its Second Annual Clean
15 Energy Hall of Fame Awards in December. The annual awards
16 recognize outstanding individuals helping California
17 achieve a 100 percent clean energy future for all. As
18 Commissioner Gallardo announced, our next awards event is
19 on December 7th, 2023, at 3:00 p.m. in the CNR Auditorium.
20 Next slide.

21 I want to take this moment to express my deep
22 appreciation, for being appointed to a job where I get to
23 work on climate action and the advancement of energy equity
24 on behalf of California with our amazing and growing CCE
25 staff. It is important work and I'm proud to do that under

1 your leadership. That concludes our presentation. Thank
2 you.

3 CHAIR HOCHSCHILD: Well thank you so much, Mona,
4 to you as Public Advisor you've been spectacular in this
5 role. And this is yet another example of why and to
6 Carousel as well. It's really above and beyond your job
7 description and you've just stepped up and fleshed out this
8 whole program. And I just especially want to recognize
9 Commissioner Gallardo who really got this ball rolling and
10 has added so much.

11 You know, I guess one reflection I just want to
12 offer. There's an enormous amount of bad news happening in
13 our world, unfortunately, across the world with two active
14 wars now and climate consequences, Maui burning up and so
15 forth. And it is really important in every way, you know,
16 for us to kind of live how we want the world to be. And
17 that really starts with how we treat each other, and how we
18 see each other, and how we support each other. And culture
19 matters enormously to all of us here on the dais in
20 supporting the Energy Commission's vision of building out a
21 clean and equitable energy future. This is not some fringe
22 side activity. This is really I think, a core part of our
23 goal is to have a culture that is inclusive and supportive
24 and celebratory of the amazing diversity that we have. And
25 to really have people feel a part of a team that recognizes

29

1 that and sees that. And you guys have been absolutely
2 amazing on this. I just want to just give you guys a round
3 of applause for all the work. It's incredible.

4 (Applause.)

5 And I would also point out that talented people
6 can go in many directions. People have a lot of
7 opportunities. You know, our top performers have a lot of
8 other places they can go. And that includes people on this
9 dais, okay. And part of what keeps me here and keeps I
10 think all of us here is the culture. And so this is not
11 something we take lightly. I just really cannot emphasize
12 how proud I think all of us are of you guys for this. And
13 very much enjoyed the Unity Celebration.

14 So with that, let's go to Commissioner comments
15 starting with Commissioner Gallardo.

16 COMMISSIONER GALLARDO: Thank you. So wonderful
17 job Mona, and Carousel presenting. And I want to remind
18 everybody that JAEDI Initiative is really about making sure
19 that we can bring our whole selves to work. And also
20 wanting to apply that humanity, you know, that perspective
21 to our programs. So that's why we set this up as an inside
22 outside strategy, so that what we're doing in the Energy
23 Commission, we're also doing out to benefit communities and
24 really all Californians.

25 And Carousel has been leading the internal

1 efforts. And she's been doing a fabulous job putting up
2 with me since the inception of this in 2019 when we started
3 working on it. And I just want to elevate how these
4 activities are such a great way for staff to connect in a
5 different type of forum other than our, you know, direct
6 work. And this is especially important given how much
7 we're doing remotely, so it gives us an extra opportunity
8 to get to know each other better. And really, that's
9 leading to that culture of belonging and acceptance.

10 So I want to celebrate Carousel for all her
11 efforts there. I think it requires a special person to do
12 that. And Carousel is that perfect person to do it.

13 And then I also want to celebrate Mona. She's
14 making her impact and growing as Public Advisor and taking
15 it to the next level, which I really appreciate. And so
16 I'm grateful that you were willing to join our JAEDI
17 executive co-sponsors team. And then I also want to
18 highlight how she's setting up a group to talk about
19 metrics for benefits. And I think that's going to be
20 really valuable for all of us in terms of programs agency
21 wide. And then for communities in California, that's going
22 to make sure we're making positive impact and delivering
23 the types of outcomes that we're hoping for, but we don't
24 necessarily know that they're happening. So those benefits
25 and metrics, I think are going to make a huge difference.

1 And then I'm also really excited about the
2 Communities of Practice. So that was something that the
3 Governor, Governor Newsom, suggested that we do. And we
4 took it up. We had done something similar with our
5 internal efforts, the JAEDI-In efforts last year, that
6 Carousel was leading. We called them subgroups. And now
7 we're calling them Communities of Practice, which I think
8 makes a lot of sense. And so I want to thank the Governor
9 for you know, making that push to ensure that all state
10 agencies are embedding equity. And these Communities of
11 Practice are basically bringing out staff from their silos,
12 to collaborate and be able to deliver some recommendations
13 that will benefit us agency wide on our programs. So I'm
14 excited about that. Commissioners, hopefully, you're
15 getting involved with those Communities of Practice. And
16 if you're not yet, you know, they'll reach out to you or
17 feel free to reach out to them as well.

18 And then I also wanted to clarify something. So
19 for the 2022 IEPR Update Mona gave me too much credit about
20 doing the JAEDI framework myself. It took a big team. It
21 took a lot of input from the community. And we also did a
22 lot of literature review, where we looked at the DACAG's
23 equity framework. We looked at CEJA's scorecard for state
24 agencies on environmental justice. And a lot of federal
25 documents as well and other types of documents. So we did

32

1 a really thorough review of that, to bring that into a
2 framework that would be tailored for the Energy Commission.

3 And it wasn't me on my own. And Mona actually
4 helped with the writing of that, too. So, Mona, thank you
5 for that. And I especially want to thank Vice Chair Gunda,
6 because he really opened the door for the 2022 IEPR Update
7 to have this equity and environmental justice framework.
8 And he made it like, you know, the top topic. And so
9 credit to you, Vice Chair, for doing so.

10 And then I also wanted to let you all know that
11 the JAEDI Framework has been published. Our Media and
12 Telecommunications Office did a tremendous job developing a
13 cover for it. And I want to explain it's not a report.
14 It's not an appendix. It's a framework, it's a tool that
15 we should own as an agency. And so it's on our web pages
16 now in the equity and diversity webpage of the CEC website.
17 And it's going to be put on our Comms Hub as well, so that
18 we can use it internally. And MPCO is going to be working
19 on making that really easy to use, very user friendly. So
20 we're looking forward to implementing that further in the
21 coming months, and really getting started the with the new
22 year with this excellent framework.

23 I'm going to do something a little different,
24 because MPCO works so hard on it, and it's such a lovely
25 piece of work. I'm going to share my screen to show it to

1 you all. So let me see if I can make that happen easily.
2 All right, there it is. So Hung Pham created this artwork.
3 And he had some suggestions from us, but really he was the
4 artiste on this. And so thank MPCO and Hung in particular,
5 for working on this: Rick Macias (phonetic), Lindsey, they
6 were really patient with us as we were trying to get this
7 right.

8 And we will want feedback on the content of the
9 Framework and also even the cover page if you have any
10 suggestions, so we'll take those.

11 All right, I'll leave it at that. But I just
12 wanted to celebrate all this good work from a big team.

13 CHAIR HOCHSCHILD: That's a beautiful logo.
14 Congratulations to the team for putting that together.

15 Let's go to Vice Chair Gunda.

16 VICE CHAIR GUNDA: Thank you, Chair, and
17 Commissioner Gallardo. I don't think I can add a lot more,
18 but I just wanted to say -- elevate a couple of points that
19 you made. I think this work on the culture of CEC is such
20 an invisible thing from all the products we put out there.
21 But such an important element of not just our productivity
22 as a team, but what we show as a team as an example to the
23 rest of the world.

24 Personally I'm a beneficiary of all the work that
25 the staff are doing, so that I feel welcome here. And I

1 know that I could bring my best to the table and continue
2 to feel like I'm included. So I started here as staff
3 about seven years ago and I always comment on this, CEC has
4 probably been the best home for me, professional home.
5 I've never felt more included, allowed to shine and bring
6 the best to the table that I can bring. So I appreciate
7 that culture that CEC has to begin with. But I think as we
8 continue to evolve as a society, it's important to continue
9 to change, and learn and grow. And I think, you know, this
10 kind of work that is so seminal to that cultural evolution
11 and acceptance and togetherness.

12 So I just want to thank Mona, to you, Carousel,
13 and Commissioner Gallardo for your leadership on kind of
14 allowing us to have the conversation in the kindest way
15 possible. So we can actually change things rather than
16 rather than becoming bitter. So I think it's been really
17 wonderful to watch your leadership here. And I just want
18 to continue to endorse the great work we do. And, you
19 know, show by example, that we could do this better every
20 day. So thank you,

21 CHAIR HOCHSCHILD: Commissioner Monahan?

22 COMMISSIONER MONAHAN: Well, first off, I mean I
23 have to comment on the leadership of Commissioner Gallardo,
24 then the Public Advisor who really has been such a stalwart
25 champion through your entire tenure here for making sure

1 that we do better for the communities that we serve and for
2 each other.

3 And Carousel, you too. When you came to the
4 Energy Commission, you were just a breath of fresh air.
5 And you have brought so much energy and positivity to this
6 work that could otherwise -- I mean, I think there are some
7 big barriers that we face as a society. And sometimes they
8 get reflected inside of our walls. And we're doing all we
9 can to make this a really healthy environment for everyone.
10 And your leadership, Carousel, has just been seminal to
11 this. So I just want to thank you for all you've done for
12 us. Both, you know, inside the agency and outside.

13 And Mona, you as the Public Advisor carrying the
14 torch. When you were in my office you're carried the
15 torch. And now in this new role, I just love to see what
16 you're doing to help us be better.

17 And this is a journey. It's a never-ending
18 journey. We never reach a point of equity. We always
19 strive for it. And I think that's really reflected in this
20 work, that it is a continuous. We're seeking continuous
21 improvement. We want to do things better. And that's our
22 journey.

23 And I want to say in terms of ensuring that
24 there's equitable access to clean energy technologies, and
25 the benefits of clean energy, that too is just an endless

1 journey. And I am so happy to have a team that's so
2 committed to help us make sure that we do better and better
3 and better. So I also am excited to embark. I'm in the
4 mentorship program. I don't know if any of you are.
5 Commissioner Gallardo is as well, so excited to learn from
6 that process and to see what we can do to support each
7 other in this virtual environment.

8 But I just feel really heartened by being at the
9 Energy Commission. And by this recognition that we're not
10 sitting on our laurels. We're not just saying okay, check
11 the box, we've done it, now move on. It's a never ending
12 process.

13 CHAIR HOCHSCHILD: Well said.

14 Commissioner McAllister.

15 COMMISSIONER MCALLISTER Well, great and the
16 benefit - I'm getting an echo. There's a benefit of coming
17 last, I don't have to say quite as much and fill a few gaps
18 is all. But Mona and Carousel and Commissioner Gallardo,
19 just I want to pile on the praise.

20 And there is no perfection here, so it's a
21 constant. It's a sort of a permanent revolution. You
22 know, society moves and we have to move with it. And the
23 expectations change and morph and we just have to be with
24 the times. And I think we're doing an amazing job at that
25 really just by investing and focusing on it.

1 And I guess one thanks that I haven't heard yet
2 is to the Chair for sort of supporting the creation of
3 these roles. Like bringing Carousel in, and really making
4 sure the Public Advisor's Office just really has everything
5 they need. And Commissioner Gallardo as well when she was
6 in that role, just really redefined it. You just I think
7 really opened up the possibilities for that role.

8 And so that going back to sort of been things
9 that I've been involved in, like the SB 350 work, the
10 equity report that Mike Sokol and others worked on. You
11 know, we're implementing that and that's a long journey.
12 So I think really investing real money and real effort and
13 real staff time and real sort of sweat on trying to make
14 things as good as they can be. I'm just really proud to
15 see that happening and be part of it at the Commission.
16 And I think it's an example for other agencies and other
17 states. So really appreciate everything you're doing.

18 And also I just thought the language access
19 piece which I'm leading. You know, the Commissioners
20 (indiscernible) I'm really excited to open up language
21 access to the Commission processes. I think that's super,
22 super important. So thanks.

23 CHAIR HOCHSCHILD: Comments and team effort. I
24 also just wanted to uplift Drew Bohan for his support on
25 all this work. And appreciate Commissioner you mentioning

1 SB 350 and the good work Mike Sokol did early on to get
2 this ball rolling.

3 I just before we leave this, I really wanted to
4 build on Commissioner Monahan's comments about mentorship
5 and just really uplift that part of the work. Mentorship
6 changed my life. When I got into the energy field almost
7 25 years ago, I had no earthly idea what I was doing. I
8 was excited about the topic, and had no idea how to begin
9 to engage. And I was lucky to have a couple people who
10 really took me under their wing and encouraged me and
11 showed me the ropes and motivated me and guided me. And I
12 can say with 100 percent certainly no way I'd be where I am
13 without that early mentorship.

14 And so for us to be intentional about trying to
15 cultivate that, I think it's good both for the people who
16 are being mentored and for the ones who are doing the
17 mentoring. And I just really want to thank again, Mona and
18 Carousel, for you driving on that piece of this, because I
19 think it's life changing. So thank you again.

20 So with that let's turn now back to Item 3, the
21 Consent Calendar. And why don't we go ahead, Mona, and
22 take public comment Item 3.

23 Thank you again, Carousel.

24 MS. BADIE: Thank you. This is Mona Badie, the
25 Public Advisor. The Commission now welcomes public comment

1 on Item 3, our Consent Calendar portion of the agenda. If
2 you are joining us in the room, we're asking you to use the
3 QR code to notify us you'd like to make a comment. You can
4 also raise your hand if you're in the room. And if you are
5 joining by Zoom, please use the raise hand feature on your
6 screen to notify us. And if you're joining us by phone,
7 you'll press *9 to notify us.

8 I'm not seeing anyone in the room. I'm going to
9 transition to Zoom.

10 CHAIR HOCHSCHILD: Thank you. I believe we have
11 a recusal on Item 3 from Commissioner McAllister.

12 MS. BADIE: Sorry, Chair. We have some
13 commenters on Zoom.

14 CHAIR HOCHSCHILD: Oh, so there were -- I
15 misheard you, sorry, go ahead with public comment. I'm
16 sorry.

17 MS. BADIE: That's okay.

18 So I'm going to Call-In User 2. I'm going to
19 open your line. Please state and spell your name for the
20 record before beginning your comment. We're asking for
21 comments to be two minutes or less.

22 MR. UHLER: Hello, Commissioners. This is Steve
23 Uhler, U-H-L-E-R. I would like you to remove item i from
24 the Consent Calendar, the rulemaking. You have my written
25 comments. There was no alternative provided by the staff.

1 I provided alternatives. There's no need to change the
2 rules for scheduling a meeting. You should use the Bagley-
3 Keene Standing Committees to help out with efficiency,
4 their permanent record.

5 I also gave an example. You should add ballots
6 to the agenda and then allow the Public Advisor who's in
7 charge of ensuring a complete record, two checkboxes to
8 show what you voted on and add notes. Although you should
9 change the former item d, references 104(c) (phonetic) and
10 doesn't make much sense. That's not the Consent Calendar
11 for 104(d). (phonetic)

12 I've given an example of for 1221 petitions.
13 There's no need for the Commission to be involved in the
14 initial determination of grant or deny. It can be done by
15 the Executive Director. They can have 30 days to do that.
16 And just be you know -- and then it would go to the
17 Commission if somebody felt that was done incorrectly.

18 You seem to have no authority to not have in the
19 record the Final Statement of Reasons, because the APA
20 clearly states as in the second item -- group of items --
21 to the Final Statement of Reasons. This makes it
22 impossible for the public to comment on the Final Statement
23 of Reasons, because once it's transferred to the APA, OAL
24 public cannot comment by law.

25 So please remove this item. You're not ready for

1 it. They suggested that there would be a workshop. There
2 was never a workshop. They suggested you sign up to a
3 certain listserv, and then they changed the listserv later
4 in there. They did not put the item on the events page.
5 And I'm the only comment are from the public. I'm the only
6 commenter. You need to really question -

7 MS. BADIE: (Indiscernible) your comment.

8 Next we have Curtis. Curtis, I'm going to open
9 your line. If you could please state and spell your full
10 name for the record. And we're asking for comments to be
11 two minutes or less. There'll be a timer on the screen.

12 MR. YAKIMOW: Good morning, Chair and Commission
13 Members. Curtis Yakimow, C-U-R-T-I-S Y-A-K-I-M-O-W, for
14 the town of Yucca Valley. I serve as the City Manager
15 here, commenting on item g on your consent agenda.

16 We thank the Commission for their consideration
17 of this application. This is an important component of our
18 funding for our Aquatics and Rec Center Project. We would
19 appreciate the support on that today.

20 And just a shout out to Mr. Lockwood, who was our
21 primary staff contact, very professional. All of our
22 interactions with the CEC has been professional and we
23 really appreciate that. Thank you for your support for
24 this item today.

25 MS. BADIE: Thank you for your comment.

1 That concludes public comment for Item 3. Back
2 to you, Chair.

3 CHAIR HOCHSCHILD: Thank you so much. I believe
4 we have a recusal on Item 3f from Commissioner McAllister.

5 COMMISSIONER MCALLISTER That's correct. Thank
6 you, Chair, Public Advisor. So this is the membership to
7 the Alliance to Save Energy and on this annual agreement
8 with the Alliance to Save Energy, I will recuse myself from
9 any discussion, consideration, and the vote on the proposed
10 resolution for the \$25,000 membership to the organization.
11 I'm currently a member of the Board of the Alliance to
12 Save Energy.

13 This position constitutes a conflict of interest
14 under Government Code Section 1090 with regard to voting on
15 this membership agreement. So pursuant to Government Code
16 I'm disclosing this conflict and recusing myself from the
17 discussion and vote on this item, so that a quorum of the
18 Commission may deliberate and decide in my absence.
19 Thanks.

20 CHAIR HOCHSCHILD: Thank you.

21 Commissioner McAllister has left the room. We
22 will now take up for vote Item 3f. Unless there is further
23 Commissioner discussion on Item 3f I would entertain a
24 motion from Commissioner Monahan on Item 3f.

25 COMMISSIONER MONAHAN: I move to approve Item 3f.

1 CHAIR HOCHSCHILD: Is there a second from the
2 Vice Chair?

3 VICE CHAIR GUNDA: I second Item 3f.

4 CHAIR HOCHSCHILD: Seconded by Vice Chair Gunda.
5 All in favor say aye.

6 Commissioner Monahan.

7 COMMISSIONER MONAHAN: Aye.

8 CHAIR HOCHSCHILD: Vice Chair Gunda.

9 VICE CHAIR GUNDA: Aye.

10 CHAIR HOCHSCHILD: And I vote aye as well. Item
11 3f passes 4-0 with Commissioner McAllister abstaining. And
12 now we'll welcome Commissioner McAllister back. Madam
13 Public Advisor, just let us know when he's back on.

14 MS. BADIE: He's back.

15 COMMISSIONER MCALLISTER: I'm back, thanks.

16 CHAIR HOCHSCHILD: We will now take up for a vote
17 Items 3a through e and 3g through l through E and three G
18 through L. Unless there are further public - yes, go ahead,
19 Commissioner Gallardo.

20 COMMISSIONER GALLARDO: Yeah, I heard the
21 comments from the public. And I was curious if Chief
22 Counsel's Office would be able to respond to some of the
23 questions on 3i? I'm curious if there was a workshop that
24 actually happened in particular or if there's any other
25 things you want to comment on? That would be really

1 helpful.

2 MS. BARRERA: Thank you, Commissioner Gallardo.
3 This is Linda Barrera, the Chief Counsel. I have both the
4 two lead attorneys that work on this rulemaking, Jared
5 Babula and Mariah Ponce, who would like to respond to the
6 questions from Mr. Uhler.

7 MS. PONCE: Good morning, Commissioners and
8 Mariah Ponce from the Chief Counsel's Office.

9 COMMISSIONER GALLARDO: Make sure your microphone
10 is on, Mariah.

11 MS. PONCE: Can you hear me? Okay.

12 Mariah Ponce from the Chief Counsel's Office. We
13 want to thank Mr. Uhler for his comment in just addressing
14 some parts of what he stated. We wanted to make clear that
15 this is a very limited rulemaking. It had a very narrow
16 scope of what we were trying to achieve here.

17 As far as the alternatives that Mr. Uhler brought
18 up, we're definitely going to consider them. All of his
19 comments will be addressed in the Final Statement of
20 Reasons.

21 And then Mr. Uhler also brought up notice and
22 access to the public hearing that we had. Yesterday we had
23 a public hearing for the proposed rulemaking. Notice for
24 this public hearing was given on October 26, 2023. We
25 posted the notice of the public hearing to the rulemaking

45

1 docket 230IR02. Those that are subscribed to not only the
2 rulemaking subscription were given notice of the NOPA. And
3 then alternatively, the rulemaking on procedural changes
4 subscription lists were also notified.

5 At this event we did have other members is the
6 public there so we do know that members of the public had
7 access to it.

8 COMMISSIONER GALLARDO: Thank you. I appreciate
9 that clarification.

10 CHAIR HOCHSCHILD: With that, I would entertain a
11 motion again on Item 3a through e and 3g through l from the
12 Vice Chair.

13 VICE CHAIR GUNDA: Yes, I move items 3a through e
14 and 3g through l.

15 CHAIR HOCHSCHILD: Is there are a second from
16 Commissioner Gallardo.

17 COMMISSIONER GALLARDO: I second.

18 CHAIR HOCHSCHILD: All in favor say aye.
19 Vice Chair Gunda.

20 VICE CHAIR GUNDA: Aye.

21 CHAIR HOCHSCHILD: Commissioner Monahan.

22 COMMISSIONER MONAHAN: Aye.

23 CHAIR HOCHSCHILD: Commissioner McAllister.

24 COMMISSIONER MCALLISTER: Aye.

25 CHAIR HOCHSCHILD: And I vote aye as well. Those

1 items pass unanimously.

2 And as we heard Item 4 previously, we'll turn now
3 to Item 5, which is an Information Item on the Energy
4 Conservation Assistance Act, ECAA, which was referenced
5 actually in the earlier public comments at the beginning of
6 the meeting. Welcome Stephen Banister to present.

7 MR. BANISTER: Good morning, Chair, Vice Chair
8 and Commissioners. My name is Stephen Banister and I
9 supervise the Energy Conservation Assistance Act or ECAA
10 Program in the Reliability, Renewable Energy &
11 Decarbonization or RREDI Division. I am joined today by
12 Christopher Meyer, Manager of the Building Decarbonization
13 and Incentives Branch. Today I will be presenting an ECAA
14 Program update. Next slide, please.

15 ECAA is one of the longest-running programs at
16 the CEC, having been in existence since 1979. ECAA is a
17 backbone of the loan incentive programs, developed to
18 provide financing for energy efficiency and clean energy
19 generation projects for schools and municipalities. Since
20 the inception of the program, ECAA has funded more than 950
21 projects, totaling over one half billion dollars. The
22 great strides California has made in energy efficiency and
23 renewable energy generation since 1979 have resulted in
24 significant changes to the types of measures and realized
25 energy savings of ECAA projects.

47

1 The last 100 projects approved measures ranging
2 from high efficiency water pumps to energy storage, with
3 the largest annual project savings exceeding 1.5 megawatt
4 hours. This slide includes a breakdown of the measures and
5 a testimonial from Red Bluff Union Elementary School. Next
6 slide, please.

7 As you can see from this map, the program has
8 funded projects in every one of California's counties.
9 These projects have financed energy efficiency and
10 decarbonization projects bring benefits to both small towns
11 and large urban cities, including many disadvantaged
12 communities. Next slide, please.

13 ECAA is separated into two sub-programs: ECAA
14 Regular and ECAA-Educational. ECAA Regular offers 1
15 percent interest loans, with a maximum loan amount of \$3
16 million. This program is currently open to public entities
17 such as local governments, California Native American
18 tribes, and special districts such as parks and water
19 districts. Next slide, please.

20 The ECAA Educational subaccount commonly referred
21 to as ECAA-Ed is open to local educational agencies such as
22 public schools, school districts, and charter schools.
23 ECAA-Ed offers zero interest loans with loan maximums from
24 \$3 million to \$5 million depending on the project. This
25 makes the program a very attractive option for schools that

1 want to reduce their overall costs by installing energy
2 savings and storage measures. This program is also
3 oversubscribed and has an active waitlist. Next slide,
4 please.

5 In 2021, Assembly Bill 33 amended the enabling
6 legislation for the ECAA Program, expanding it in several
7 ways. Eligible measures may now include fleet EV charging
8 infrastructure and onsite energy storage. Multiple project
9 measures may now be bundled together to determine the
10 overall cost savings for a project. The ECAA Program is
11 also now open to California Native American tribes. Next
12 slide, please.

13 After evaluating feedback received during the
14 public outreach events, several modifications were made to
15 the ECAA Program. For the ECAA-Ed Program the maximum loan
16 amount has been increased from \$3 million to \$5 million for
17 projects that incorporate fleet EV charging infrastructure
18 and/or energy storage measures.

19 In addition, \$4 million from the ECAA Regular
20 Program has been set aside for tribal loans.

21 Lastly, approved ECAA loan applicants are able to
22 leverage other qualified loan funding sources to accomplish
23 deeper clean energy projects. Next slide, please.

24 The first ECAA-Ed loan with EV charging and
25 energy storage was approved in July 2023 for Tulare County

1 Office of Education for \$5 million. Many applicants are
2 now taking advantage of projects with measured bundling.
3 This allows for energy savings and deep energy retrofits to
4 achieve mandated program cost savings. Outreach for tribes
5 continues and incentives for battery storage and EV
6 charging are steadily increasing. Next slide, please.

7 Due to the number of loan approvals over the last
8 year, ECAA revolving loan funds have been temporarily
9 depleted. Funds will be replenished within the next
10 repayment in December 2023. Until there are sufficient
11 funds, all ECAA applicants will be added to a waitlist once
12 a completed application is then received.

13 A core program goal is the award of an ECAA loan
14 to a California Native American tribe. To accomplish this,
15 we have set aside \$4 million for tribes. Staff will
16 continue with outreach and coordination with tribes to
17 maximize participation in this program. Next slide,
18 please.

19 Thank you. That concludes my presentation. And
20 I'm available for any questions.

21 CHAIR HOCHSCHILD: Great. I had a number of
22 comments or questions, but let me just go first to my
23 colleagues. And Commissioner McAllister, maybe beginning
24 with you. There's been a number of efficiency projects
25 that have been funded by this as well.

1 COMMISSIONER MCALLISTER Yeah. Thank you, Chair.
2 And yes, I've been Lead Commissioner on ECAA for much or
3 most of my time at the Commission. And just as you said,
4 it's a shining star of our programs. And provides critical
5 capital to entities that really need it and don't have a
6 tax appetite and access to some of the other advantages the
7 private sector folks would have.

8 And there tend to be schools particularly, but
9 also cities, you know, they have to really manage their
10 bonding authority in these times. And so it's just a real
11 critical resource for them to get the kinds of -- to
12 implement their climate plans and do everything else they
13 have to do to respond to the challenges of the day.

14 So I just -- and it's got great staff, the
15 history of the ECAA Program, so many wonderful staff have
16 come through it. It provides critical data about the
17 marketplace. It funds a lot of kind of standard projects.
18 You know, lighting and HVAC upgrades and PV, and now
19 storage. And is really kind of a tracker of the evolution
20 of those measures over time given its long trajectory. So
21 really just a valuable resource for the state.

22 And I do think it could swallow about as much
23 capital as the Legislature sees fit to dedicate to it,
24 because obviously there's a much, much bigger demand than
25 capital. You know, several \$100 billion out there in

1 circulation and the reflows are what we are able to push
2 out these days. But every time we get a new tranche to
3 expand the bucket of resources it finds places to go. So
4 really just a great program.

5 So those are my comments. Big kudos to the staff
6 and really a thanks for the great presentation.

7 CHAIR HOCHSCHILD: Commissioners, other comments?
8 Vice Chair Gunda.

9 VICE CHAIR GUNDA: Thank you, Chair.

10 Stephen, thank you for the presentation, that was
11 really helpful. I think we as a state are super fortunate
12 to have this program. So just to elevate both the success
13 of the program, but also the expansion that we're seeing in
14 terms of scope. You know, so I feel like it's a win-win
15 situation.

16 But one thing that you noted about, the funding
17 depletion. I just wanted to see if we could have a quick
18 conversation on this in terms of given that we have a
19 federal monies right now, you know, monies with the DSGS
20 and DEBA. Is there any opportunity for us to stack those
21 monies?

22 MR. BANISTER: Yeah, you might help me with that.

23 MS. CARRILLO: Good morning, Commissioners. For
24 the record. This is Deana Carrillo, Director of the RREDI
25 Division. To answer the questions simply but broadly, I

1 think the answer is yes. With each funding mechanism or
2 funding approach it adds complexity and wanting and needing
3 to find that niche market. So ECAA statute is limited to
4 education facilities, public buildings, and has been
5 expanded to tribes.

6 One way that we're looking to stack or I would
7 also say fill gaps is with, you know, California has
8 submitted a very robust Sotera (phonetic) application.
9 That didn't get approved by the federal government, so
10 we're looking to see how we could perhaps use those ECAA
11 funds to fill gaps in that tribal set aside, and really
12 collaborate across the divisions.

13 I think there's also some opportunities
14 potentially within California's competitive application for
15 the Solar For All application, potentially as that relates
16 to tribes.

17 And then we've all been working with the
18 Department of Energy and their loan program office to see
19 how we can leverage that LPO capital for funding and
20 incentives.

21 So under RREDI now that we're focusing on
22 building decarbonization, and grid reliability, we are
23 working to pull that. You know, to thread that needle
24 given so many of the technologies and our policy goals are
25 interrelated.

1 VICE CHAIR GUNDA: Thanks, Deana, particularly
2 the DOE LPO Program, it looks like there's a lot of money
3 there that hasn't been dispersed by DOE. To the extent
4 that DOE is hoping to fund microgrids, or virtual power
5 plants, or whatever it might be I know you're leading some
6 of those efforts for the agency. It would really kind of
7 be informative for us to have a discussion on how
8 potentially that money could be used in conjunction with
9 DEBA or DSGS to help fund some of these projects,
10 especially if there is a reliability and resiliency
11 opportunity.

12 So yeah I just want to elevate a big thanks to
13 you for your leadership of the Division and the entire
14 staff of RREDI in the Efficiency Division. Thank you.

15 MS. CARRILLO: Yes, it's a pleasure.

16 CHAIR HOCHSCHILD: Commissioner Monahan?

17 COMMISSIONER MONAHAN: Yeah, I just wanted to
18 build on that. Because I mean we also have funding for EV
19 charging. And so there could be an intersection there now
20 that the program has expanded to EV charging. So that's
21 something we should just make sure the Divisions are
22 talking with each other. I think this is a great fit.

23 MS. CARRILLO: Agreed, Hannon, Division Director
24 of FTD have been coordinating, especially with the Clean
25 Bus Program that you guys have had. And also exploring B2G

1 technologies, and how to help spur that with our demand
2 load forecasting, as well as FTD and at RREDI.

3 COMMISSIONER MONAHAN: Yeah, I think all of us
4 like to hear that there's an oversubscription. We all want
5 to fill that as quickly as possible. So just
6 congratulations to the team, really exciting work. And I
7 of course, love that it has expanded to EV charging. So
8 yeah, that's a wonderful evolution.

9 CHAIR HOCHSCHILD: Commissioner Gallardo?

10 COMMISSIONER GALLARDO: Yeah, I also want to load
11 on the praise to you, Deana, and the whole team. And just
12 I really appreciate this program. And I'm always touting
13 it, even though I'm not the Lead Commissioner on it I was
14 touting it to communities where I go and engage.

15 And Katrina and I were trying to talk to the
16 tribes about it, too. They've been somewhat hesitant
17 because they're not used to it. And it's a loan program,
18 so it kind of seems scary to them, intimidating. But then,
19 you know, Katrina Leni-Konig, our Tribal Liaison, has done
20 a really good job of explaining to them how it works. And
21 is getting more into the details. Christopher Meyer also
22 joined us for some of those conversations and did a
23 fantastic job.

24 So I think we'll see that soon with the tribes
25 coming forward. It's just a matter of education, not just

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1 awareness. And so I think that's really helpful. And I
2 really appreciate your team for doing that.

3 And I also wanted to comment, I mean talking to
4 Deana recently about the possibility of maybe expanding
5 this to nonprofits. The Department of Energy has a
6 program. It's a grant program, not a loan program, but
7 they invested like 50 million in a program called Renew
8 America's Nonprofits and it's focused on energy efficiency.
9 And basically what they're looking at is every dollar saved
10 in energy they can spend on services that benefit the
11 community. And so I thought that was really beautiful.

12 I learned about it when I went to a visit that
13 Secretary Granholm did out in San Jose to a place called
14 Martha's Kitchen where they give hot meals to folks who
15 might not otherwise be able to afford a meal or a hot meal.
16 And she encouraged California to do something similar.

17 So I took her up on it and am talking to folks to
18 see if that's a possibility. I want to mention it to you.
19 I thought, you know, I love the expansion and Deana, maybe
20 we can consider nonprofits or community-based organizations
21 as well. So thank you.

22 CHAIR HOCHSCHILD: Thank you.

23 Yeah, and I mean I think obviously the challenge
24 we have is we're way over-subscribed as it is. And I just
25 think we do need to make the case for more funding for

1 this. This is the gift that keeps on giving. And the
2 beauty of a revolving loan fund is it's not just a one and
3 done, you can do more projects.

4 So Stephen, if I can ask you to come back up,
5 just a few more questions for you. So all in just so I'm
6 understanding if we'd stop new grants just everything that
7 we have out there comes back in, what is the total size of
8 the ECAA funds altogether? I mean, ballpark?

9 MR. BANISTER: That's a great question.

10 Christopher, would you mind helping with that
11 one? It's a bit of a complicated answer, I think.

12 MR. MEYER: Hi, Commissioners, Christopher Meyer,
13 I manage the Building Decarbonization Incentives Branch
14 where ECAA is located.

15 Yeah, the project's gotten funds at different
16 times over its lifetime. And I believe there's about
17 (indiscernible) about 117 million in circulation. And
18 think about 123 in ECAA-Ed just off the top of my head.

19 CHAIR HOCHSCHILD: ECAA-Ed is in addition to
20 altogether about 240 or so, 230?

21 MR. MEYER: Yeah.

22 CHAIR HOCHSCHILD: So about a quarter million
23 dollars, roughly?

24 MR. MEYER: Yeah, and we've been working with,
25 with great help from the Budget Office to sort of get a

1 really good accounting of that. And we'll have projections
2 of how that increase in reflow is going to happen, so we
3 can plan our (indiscernible).

4 CHAIR HOCHSCHILD: (Overlapping colloquy.) So
5 what is the wait list? If we look at all the applications
6 we have in if we were to 100 percent meet those, how much
7 additional funding would that require?

8 MR. MEYER: Yeah, Steve has that I believe.

9 MR. BANISTER: We have 17 applicants on the
10 waitlist right now between the two programs and
11 approximately \$41 million.

12 CHAIR HOCHSCHILD: So another 41 million. Okay.

13 MR. BANISTER: Yes.

14 CHAIR HOCHSCHILD: Okay, that's super helpful.
15 And then the final question was, I mean we have funded
16 approaching 1,000 projects like this. How many defaults
17 have we had?

18 MR. BANISTER: Two in the program history.

19 CHAIR HOCHSCHILD: Yeah, which is pretty good.

20 So again, just I really wanted to thank you guys
21 for an outstanding job running this program. I really want
22 to applaud the expansion in scope. I think including
23 tribes, tribal governments, including EV charging is
24 terrific. And, you know, to Commissioner Gallardo's point
25 if we can supercharge this there's a lot more. I'd love to

1 see in addition to nonprofits, and I'd love to see electric
2 heat pump technology and other things that we're doing to
3 support decarbonization become eligible. And I think we've
4 got a great, great foundation.

5 Were you going to say something, Chris?

6 MR. MEYER: Oh, yeah I just wanted to clarify
7 just to the credit of those who ran the program before I
8 got there. Those two defaults were only very partial
9 defaults of entities that went bankrupt before they could
10 finish paying off the loans. So out of over half a billion
11 we're looking at \$30-40,000 of default. I mean, it's just
12 almost statistically in the noise.

13 CHAIR HOCHSCHILD: Yeah, fantastic. So I'll just
14 observe one of the things before we wrap up, there is a
15 huge amount of work that we do at this agency that's
16 incredibly consequential that gets no attention. I mean, I
17 think the ECAA Program is known by there's probably only
18 like, you know, a couple 100 people in the state who even
19 know what that acronym means. And this is an amazing
20 achievement okay, guys. A thousand projects two defaults,
21 and they were even partial defaults.

22 I went back and forth with Commission McAllister
23 and the Efficiency team the last couple of days, I was just
24 asking for an update of how many square feet of Cool Roofs
25 we've added over the last 10 years as a consequence of our

1 Code. It's 2.8 billion. We're adding 310 million square
2 feet a year. These are like monumental accomplishments our
3 agency is doing and I've been here over 10 years and it
4 still astounds me. It still astounds me. And so this
5 stuff is happening, because you're doing amazing work.

6 And I just really want the staff who are working
7 on these programs, on ECAA especially, to really take that
8 to heart. And Commissioner McAllister, thank you for your
9 diligence in being Lead Commissioner on this incredible
10 program. It's a real jewel.

11 And I know Art Rosenfeld and Charlie Warren and
12 the others who helped launch the Energy Commission and
13 launch this program are really honored, are smiling down
14 from above. So thank you for all the good work,
15 appreciate it.

16 With that, we will go ahead and turn to Item 6,
17 the Small Power Plant Exemption for the Lafayette Backup
18 Generating Facility and I welcome Eric Knight to present.

19 MR. KNIGHT: Good morning, it's still morning,
20 right? Good morning, Chair, Vice Chair, and Commissioners.
21 My name is Eric Knight. I manage the Siting and
22 Environmental Branch in the Siting, Transmission, and
23 Environmental Protection Division, otherwise known as STEP.

24 I'm here on behalf of the Executive Director
25 regarding the Lafayette Backup Generating Facility's Small

1 Power Plant Exemption application. Staff is recommending
2 the Commission certify the Final Environmental Impact
3 Report, or EIR; prepare for the project, adopt the
4 Mitigation Monitoring and Reporting Program or the
5 associated MMRP as we call it; and grant the Small Power
6 Plant Exemption or SPPE for short. Next slide, please.

7 On May 20, 2020 Digital Realty filed an SPPE
8 application for the Lafayette Backup Generating Facility.
9 The generating facility would be part of the Lafayette Data
10 Center proposed in the City of Santa Clara and together
11 are one project under the California Environmental Quality
12 Act or CEQA, and collectively analyzed in the EIR.

13 As you know, the CEC has the exclusive permitting
14 authority for all thermal power plants 50 megawatts and
15 greater in California. Pursuant to Public Resources Code,
16 section 25541, the CEC may exempt a thermal power plant
17 that does not exceed 100 megawatts from its jurisdiction,
18 if the CEC finds that "no substantial adverse impact on the
19 environment or energy resources will result from the
20 construction or operation of the proposed facility." This
21 provision is known as the Small Power Plant Exemption.

22 If the exemption is granted, an applicant must
23 secure the appropriate licenses and permits from relevant
24 local, state, and federal agencies to construct and operate
25 the project. The City of Santa Clara and the Bay Area Air

1 Quality Management District, as responsible agencies for
2 this project under CEQA, will rely on the CEC's EIR for
3 their discretionary decisions to issue permits. Staff has
4 coordinated its review of the project with all relevant
5 agencies. Next slide, please.

6 The Lafayette Backup Generating Facility would
7 include the Lafayette Data Center and a new distribution
8 substation. The generating facility would consist of 44 3
9 megawatt diesel-fired backup generators and 1 0.8 megawatt
10 emergency generator to provide up to 99.8 megawatts of
11 uninterruptible power to the data center in the event
12 electricity cannot be supplied from Silicon Valley Power.

13 The generators would meet the strictest Tier 4
14 emissions standards and would use renewable diesel as a
15 primary fuel. In addition, the data center would use 100
16 percent carbon-free energy from the electricity provider.

17 The project is proposed on two parcels of land
18 about 15.45 acres in size, located at 2825 Lafayette Street
19 in the City of Santa Clara, and zoned for heavy industrial
20 land uses. Next slide, please.

21 Staff circulated a "Notice of Preparation of an
22 EIR" to the public and public agencies from August 4, 2021,
23 to September 6, 2021. Comment letters were received from
24 the Bay Area Air Quality Management District and the Native
25 American Heritage Commission. Staff considered all

1 comments received in our preparation of the Draft EIR,
2 which was filed in the SPPE docket and submitted to the
3 State Clearinghouse on April 6, 2023.

4 The Draft EIR was available for public comment
5 for 45 days, as required by CEQA. The public comment
6 period ended on May 22, 2023. A single comment letter was
7 received from the Santa Clara Valley Water District.

8 The Final EIR was filed in the SPPE docket on
9 October 13, 2023, and emailed to the one commentor on the
10 Draft EIR and responsible agencies.

11 The Final EIR contains responses to the comments
12 received, revisions as appropriate to the final EIR
13 content, revisions made to clarify or amplify the existing
14 analysis and information, and other insignificant
15 modifications. No significant new information has been
16 added that would require recirculation of the Final EIR.

17 The Final EIR demonstrates the project will not
18 have a substantial adverse impact on the environment or
19 energy resources with the implementation of the mitigation
20 measures contained in the Final EIR.

21 In addition, the Final EIR demonstrates that the
22 project's electrical generating capacity is 99.8 megawatts
23 and would not exceed 100 megawatts.

24 On October 13, 2023, staff filed the Executive
25 Director's recommendation in the SPPE docket, stating that

1 the project meets the exemption findings under Public
2 Resources Code section 25541. Also, on October 13, 2023,
3 staff filed a letter to the SPPE docket from the City of
4 Santa Clara stating their concurrence with the Final EIR
5 mitigation measures and their agreement to enforce them.

6 The following backup materials were posted to the
7 business meeting webpage: a memo identifying web links for
8 the final EIR, the Executive Director's recommendation
9 letter, a copy of the proposed adoption, and a copy of the
10 proposed adoption order.

11 In addition, today's business meeting agenda was
12 filed to the SPPE docket. Next slide, please.

13 In conclusion, the CEC staff recommends based on
14 the entire record, the Commission adopt the proposed order.
15 One, certifying that the Final EIR was prepared in
16 compliance with CEQA. Two, adopting the Mitigation
17 Monitoring and Reporting Program. Three, finding that the
18 requirements of Public Resources Code, section 25541 are
19 met. And finally, granting the Small Power Plant Exemption
20 for the Lafayette Backup Generating Facility.

21 I would like to close by acknowledging and
22 thanking Project Manager Lisa Worrall, Project Assistant
23 Marichka Haws, Staff Attorneys Jared Babula and Mariah
24 Ponce and the entire STEP technical team for all their hard
25 work on the EIR throughout the proceeding.

1 And I'd also like to thank Scott Galati, the
2 Applicant's Representative, and Steven Le with the City of
3 Santa Clara Community Development Department for their
4 cooperation and responsiveness to staff's questions and
5 information needs.

6 Staff is available to answer any questions you
7 may have. And on behalf of the Applicant, Scott Galati is
8 available to answer any project-related questions. And we
9 also have Steven Le, representing the City on the line if
10 you have any questions for the City. Thank you.

11 CHAIR HOCHSCHILD: Great. Thank you so much.

12 Thank you, Mr. Galati, for being here. We'll
13 turn now to public comment on Item 6.

14 MS. BADIE: Thank you. This is Mona Badie, the
15 Public Advisor for the California Energy Commission. The
16 Energy Commission welcomes public comment on Item 6. If
17 you're joining us in the room, please use the QR codes
18 posted in the room to notify us you'd like to make a
19 comment. We also have Dorothy Murimi from the Public
20 Advisor's Office available to assist with a QR code if
21 needed. We also accept raised hands in the room.

22 And if you're on Zoom online, please use the
23 raise hand feature on your screen. It looks like an open
24 palm to notify us. And if you're joining us by phone,
25 you'll press *9 to notify us you'd like to make a comment.

1 All right, I'm not seeing any raised hands in the
2 room or on Zoom. So back to you, Chair.

3 CHAIR HOCHSCHILD: Thank you. We'll turn now to
4 Commissioner discussion starting with Commissioner
5 Gallardo.

6 COMMISSIONER GALLARDO: Thank you, Chair.

7 So first, Eric, congratulations. I know aside
8 from leading this effort you're also leading multiple other
9 efforts including our opt-in permitting processes and other
10 things. So thank you for your tremendous leadership and
11 the entire team for being so diligent and thoughtful. I
12 really appreciate it.

13 So I support the adoption of the recommendation
14 for Lafayette Backup Generating Facility. The Final
15 Environmental Impact Report prepared by the staff, under
16 the direction of our Executive Director, provides
17 substantial evidence that the proposed Lafayette Backup
18 Generating Facility meets the criteria for a Small Power
19 Plant Exemption. There's no substantial adverse effects on
20 the environment and no substantial adverse effects on
21 energy resources. Generating capacity will not exceed 100
22 megawatts. And the backup generators will meet the highest
23 emission standards, which is Tier 4 for these types of
24 engines. The project will participate in the Silicon
25 Valley Power's large customer renewable energy program for

66

1 the project's electrical needs.

2 And the EIR also underwent all required public
3 review and comment periods. Staff considered all comments
4 received on the reports. The comments from the public were
5 very limited and nothing sensitive or controversial.

6 So for that reason, I support the recommendation
7 here.

8 CHAIR HOCHSCHILD: Great, any other Commissioner
9 discussion? Vice Chair Gunda.

10 VICE CHAIR GUNDA: Thank you, Eric.

11 Again, I want to uplift Commissioner Gallardo.
12 Thank you for all your tremendous work not just on this,
13 but a slew of Reliability work. And I think I just wanted
14 to note a couple of things and maybe have a discussion.

15 So one just the stakeholders, you know, Mr.
16 Galati and the Bay Area Quality, BAQMD, and Native American
17 Heritage Commission, thank you for their comments and
18 continued work, to the Executive Director and his guidance
19 and work on this.

20 I wanted to just think through a couple of pieces
21 in terms of connection. So we do have under the RREDI
22 Program, the money for DEBA. And it's specifically
23 earmarked for clean backup generators.

24 Two questions, I think one to Mr. Galati, maybe
25 and then one, Eric, to you. How best do we structure those

1 monies to be able to take advantage of the money to at
2 least provide incremental relief if the backup generators
3 have to be turned on. And also your outlook on what you
4 expect in California in terms of backup generation,
5 especially given the DAI. (phonetic)

6 MR. GALATI: I'll do my best. So first I think
7 that before when facilities in Silicon Valley were able to
8 turn on their generators voluntarily with the Governor's
9 Executive Order to be able to participate in helping reduce
10 demand the mechanism was done at the operational level. It
11 was done at a facility by facility, as opposed to a company
12 by company. So I think that reach has to be at a very
13 local level. And I was unaware that those funds could be
14 made more available. I certainly will let my clients know
15 about that, should they ever want to.

16 There is a real desire not to turn on those
17 generators, as they are an insurance policy. And that is
18 how my clients look at them. They are an insurance policy
19 for their tenants. And so over time, we have reduced the
20 amount of hours that we test them and that has gotten
21 better and better. And now, the clients are voluntarily
22 using renewable diesel to the extent that they can. In
23 fact, the only time they wouldn't is if it wasn't
24 available.

25 But I think with respect to what is happening, I

68

1 know that my clients are considering other energy sources.
2 But it's not necessarily for backup, because they may not
3 be so responsive or so quick. But they are to help.
4 There's quite a big demand for data centers. And there are
5 California's a little behind on getting electricity, the
6 transmission system to be able to put electricity in the
7 areas where the data centers are best served.

8 So for me, I've always said the best way to not
9 have those generators operate is to have the most robust
10 grid possible. And that is where I think would relieve the
11 ability of having to use those generators.

12 I do know that there's been some work on some
13 fuel cells. And I know that it's difficult for them to be
14 able to start up quickly. So any additional work in that
15 area to be able to get them to be as responsive as a liquid
16 fuel facility, I think we would really change hearts. No
17 one's wed to the diesel generators. What they're wed to is
18 the fact that they can have 24 to 48 hours of backup
19 capacity that sometimes can be refueled even during a very
20 significant emergency.

21 So it's that flexibility and reliable reliability
22 that we're looking for.

23 VICE CHAIR GUNDA: Thank you. Just Eric and
24 maybe Mr. Galati, if you could comment. With the renewable
25 diesel are the emissions any better with fossil diesel,

1 like for some operational characteristics.

2 MR. KNIGHT: We have Joseph Hughes with the Air
3 Quality Unit, who I think would probably be best to answer
4 that question. Okay.

5 MR. HUGHES: Sure. Sorry, could you repeat the
6 question now?

7 VICE CHAIR GUNDA: Yeah. So onsite combustion of
8 the day renewable Diesel versus conventional diesel, are
9 there any differences in air quality or it's the same
10 (indiscernible) benefits upstream.

11 MR. HUGHES: Yeah, I think that was included in
12 the air quality section. I think Brewster Burnsall or
13 Wenchen Chen's (phonetic) online, and they might have the
14 section in front of them and can explain the emission
15 factor differences. I think out of the tailpipe the
16 renewable diesel had slightly lower emissions, but overall,
17 they're essentially equivalent. The savings are on the
18 lifecycle the field when looking at GHG emissions.

19 VICE CHAIR GUNDA: Great, thank you.

20 And just Mr. Galati, on backup generators is
21 there openness for natural gas usage?

22 MR. GALATI: Yes, there is. There's just a
23 reluctance at the city level to use natural gas. In many
24 cities, for example, San Jose has banned it and you need an
25 exemption to be able to use natural gas as backup

1 generating facilities. And the exemption, as I know for
2 one of my facilities could expire in 2024. It's awful hard
3 to finance such a thing.

4 So there is no -- the other problem that we have
5 is it is unique to the site. So for example, one of the
6 projects that the Commission approved here for a small
7 powerplant exemption application had an option to be able
8 to build two connections to two separate gas infrastructure
9 where oftentimes you can't do that in the middle of a city.
10 So for example, I know PG&E will not allow two connections
11 to the same backbone and sometimes there are not two close
12 backbones. So in that particular case there were, so the
13 client took advantage of that. They had that redundancy in
14 fuel that would be from an earthquake, maybe. It's less
15 likely both of those facilities would go down.

16 And Commissioner Gunda, if I could just say one
17 other thing that's globally about the project that I just
18 need to make sure I get on the record is this project took
19 a long time to get done. And that was not staff's problem.
20 That was our problem. Staff worked diligently once we were
21 able to get the information to them.

22 And I just wanted -- you see a project that came
23 in in 2020 and is here in 2023. I didn't want that to
24 reflect on staff's work. As soon as they got the
25 information, it went quickly to the draft EIR and although

1 we had a hiccup where we had to go out and find something
2 and answer more questions between the draft and the final
3 they produced that very quickly. And I just wanted to make
4 sure that that was acknowledged.

5 VICE CHAIR GUNDA: Thank you so much for those
6 answers.

7 Thanks again for your presentation.

8 MR. KNIGHT: Thank you. Can I just add one
9 thing? The case that Mr. Galati was talking about was the
10 San Jose Data Center. It was 19-SPPE-04. And that was a
11 lot, it was a Microsoft Project. And it had redundant gas
12 lines and they are initially filed as a diesel fired backup
13 generating facility, but changed their project after they
14 filed to use natural gas engines.

15 CHAIR HOCHSCHILD: Are there any questions from
16 Commissioner Monahan or Commission McAllister? If not, I
17 would entertain a motion from Commissioner Gallardo and
18 Item 6.

19 COMMISSIONER GALLARDO: I move to approve Item 6.

20 CHAIR HOCHSCHILD: Is there a second from Vice
21 Chair Gunda?

22 VICE CHAIR GUNDA: I second Item 6.

23 CHAIR HOCHSCHILD: All in favor say aye.
24 Commissioner Gallardo?

25 COMMISSIONER GALLARDO: Aye.

1 CHAIR HOCHSCHILD: Vice Chair Gunda.

2 VICE CHAIR GUNDA: Aye.

3 CHAIR HOCHSCHILD: Commissioner Monahan.

4 COMMISSIONER MONAHAN: Aye.

5 CHAIR HOCHSCHILD: Commissioner McAllister.

6 COMMISSIONER MCALLISTER: Aye.

7 CHAIR HOCHSCHILD: And I vote aye as well. Item
8 6 passes unanimously.

9 We will turn now to Item 7, Small Power Plant
10 Exemption for Bowers Backup Generating Facility and I
11 welcome Eric Knight back.

12 MR. KNIGHT: Thank you. Eric Knight, again on
13 behalf of the Executive Director regarding the Bowers
14 Backup Generating Facility Small Power Plant Exemption
15 application. Once again staff is recommending the
16 Commission certify the Final EIR, prepare for the project,
17 adopt the Mitigation Monitoring Reporting Program and grant
18 the Small Power Plant Exemption. Next slide, please.

19 On August 31, 2022, GI Partners filed an SPPE
20 application for the Bowers Backup Generating Facility. The
21 generating facility would be part of the Bowers Data Center
22 proposed in the City of Santa Clara. And again together
23 are one project under CEQA and collectively analyzed in the
24 EIR.

25 As mentioned in my prior presentation for Item 6,

1 Public Resources Code section 25541 allows the CEC to
2 exempt a thermal power plant that does not exceed 100
3 megawatts from its jurisdiction. And proceeds to local
4 permitting, if the CEC finds that "no substantial adverse
5 impact on the environment or energy resources will result
6 from the construction or operation of the proposed
7 facility."

8 The City of Santa Clara and the Bay Area AQMD, as
9 responsible agencies for the Bowers project under CEQA,
10 will rely on the CEC's EIR for their discretionary
11 decisions to issue permits. Staff has coordinated its
12 review of the project with all relevant agencies. Next
13 slide, please.

14 The Bowers Backup Generating Facility would
15 include the Bowers Data Center, a utility substation,
16 utility pipeline connections, including an offsite recycled
17 water pipeline extension. The generating facility would
18 consist of 32 3 megawatt diesel-fired generators to provide
19 up to 72 megawatts of uninterruptible power to the data
20 center in the event of a loss of electricity.

21 The generators meet the strictest Tier 4 emission
22 standards and would use renewable diesel as a primary fuel.
23 In addition, the data center would use 100 percent carbon
24 free energy from the electricity provider.

25 The project is proposed on a parcel of land of

1 about five acres in size, located at 2805 Bowers Avenue in
2 the City of Santa Clara. And it's zoned for light
3 industrial land uses. Next slide, please.

4 Staff circulated a "Notice of Preparation of an
5 EIR" to the public and public agencies from February 9,
6 2023 to March 10, 2023. Comment letters were received from
7 the Bay Area AQMD, the Native American Heritage Commission,
8 and a member of the public.

9 Staff considered all comments received in our
10 preparation of the Draft EIR, which was filed in the SPPE
11 docket and submitted to the State Clearinghouse on August
12 10, 2023.

13 The Draft EIR was available for public comment
14 for 45 days, as required by CEQA. The comment period ended
15 on September 29, 2023. A single comment letter was
16 received from the City of San Jose Airport Department.

17 The Final EIR was filed in the SPPE docket on
18 October 20, 2023, and a copy was emailed to the San Jose
19 Airport Department and to the responsible agencies.

20 The EIR contains our responses to the comments
21 received, revisions as appropriate to the Final EIR
22 content, and those revisions were made to clarify or
23 amplify the existing analysis and information, and other
24 insignificant modifications. But no significant new
25 information has been added that would require recirculation

1 of the EIR.

2 The Final EIR demonstrates the project will not
3 have a substantial adverse impact on the environment or
4 energy resources with the implementation of the mitigation
5 measures contained in the Final EIR. In addition, the
6 Final EIR demonstrates the project's electrical generating
7 capacity is 72 megawatts. It would not exceed 100
8 megawatts.

9 On October 20, 2023, CEC staff filed the
10 Executive Director's recommendation in the SPPE docket,
11 stating that the project meets the exemption findings under
12 Public Resources Code section 25541.

13 Also, on October 20, 2023, staff filed a letter
14 to the SPPE proceeding's docket from the City of Santa
15 Clara stating their concurrence with the Final EIR
16 mitigation measures and their agreement to enforce them.

17 The following backup materials were posted to the
18 business meeting webpage: a memo identifying the weblinks
19 to the Final EIR, the Executive Director's recommendation
20 letter, and a copy of the proposed adoption order. In
21 addition, today's business meeting agenda was filed to the
22 SPPE docket. Next slide, please.

23 In conclusion, staff recommends based on the
24 entire record, the Commission adopted proposed order
25 certifying the Final EIR was prepared in compliance with

1 the California Environmental Quality Act, adopting the
2 Mitigation Monitoring Reporting Program, finding the
3 requirements of Public Resources Code section 25541 are
4 met. And finally granting the Small Powerplant Exemption
5 for the Bowers Backup Generating Facility.

6 Again, I would like to close in thanking Project
7 Managers Ann Crisp and Lisa Worrall, Project Assistant
8 Marichka Haws who works on everything, Staff Attorneys Kari
9 Anderson and Mariah Ponce, and again the entire STEP and
10 technical team for all their hard work on the proceeding.

11 And again, I'd also like to thank Scott Galati,
12 the Applicant's Representative. And this time on the line,
13 we have Nimisha Agrawal with the City of Santa Clara. I'd
14 like to thank them both for their cooperation and
15 responsiveness to our information needs.

16 So staff is available to answer any questions you
17 may have, and again Mr. Galati is here to answer any
18 questions you may have about the project. And as I said,
19 Ms. Agrawal is on the phone for the City.

20 CHAIR HOCHSCHILD: Great. Thank you so much,
21 Eric.

22 With that we'll go to public comment on Item 7.

23 MS. BADIE: Thank you. This is Mona Badie, the
24 Public Advisor. Before we begin public comment, I just
25 want to do a reminder to assist the court reporter if

1 you're speaking and you're not on the dais, please state
2 your name for the record before you begin your comments.
3 Thank you.

4 Okay, so now we'll take public comment in the
5 room. If you're joining us in the room you can use the QR
6 code to notify us you'd like to make a comment. You can
7 also raise your hand.

8 And I'm not seeing anyone in the room, so I'm
9 going to transition to Zoom. If you're joining us by Zoom,
10 please use the raise hand feature on your screen. It looks
11 like an open palm, to let us know you'd like to make a
12 comment. And if you're joining by phone, you can press *9
13 to let us know you'd like to make a comment.

14 I'm not seeing any raised hands for this item.
15 Back to you, Chair.

16 CHAIR HOCHSCHILD: Thank you with that we'll go
17 to Commissioner discussion starting with Commissioner
18 Gallardo.

19 COMMISSIONER GALLARDO: Thank you, Chair.

20 So this item is very similar to the prior Item 6.
21 I support this recommendation to approve the order to grant
22 a Small Power Plant Exemption for the Bowers Backup
23 Generating Facility.

24 As Eric explained to us the Final EIR prepared by
25 the staff under the direction of our Executive Director

1 provides substantial evidence that this proposed Bowers
2 facility meets the criteria for a Small Power Plant
3 Exemption. There's no substantial adverse effects on the
4 environment, no substantial adverse effects on energy
5 resources, generating capacity will not exceed 100
6 megawatts. The backup generators will meet the highest
7 emission standards, Tier 4. The project will participate
8 in Silicon Valley Power's large customer renewable energy
9 program or a comparable 100 percent carbon free electricity
10 program for the project's electrical needs.

11 And the EIR underwent all required public review,
12 comment periods, and staff considered all those comments.
13 Again, there weren't that many. Nothing controversial,
14 sensitive, so for that reason I support this. Thank you.

15 CHAIR HOCHSCHILD: Thank you.

16 Let's go to Vice Chair Gunda.

17 VICE CHAIR GUNDA: Thank you, Commissioner
18 Gallardo and thanks again, Eric. Nothing to add beyond
19 what we discussed previously. But I do have one
20 suggestion.

21 On the reliability work that we are going to
22 publish I think it's a plan for May, the California
23 Liability Outlook for the Next 15 Years. I really request
24 you to work with both RREDI and the Assessments Division on
25 both looking back on how we are using backup generators for

1 reliability over the last three years, but the opportunity
2 moving forward in terms of grid resiliency.

3 But also to Mr. Galati's comments on the growth
4 expected one of the things I took away implicitly was there
5 is interest in putting more back-up generation in
6 California. But because of the grid we want to understand
7 that element as well so suggesting that you would pull
8 together with the support of Mr. Galati, kind of a working
9 group discussion on just the state of play before we put
10 the report out in May.

11 CHAIR HOCHSCHILD: Any other comments,
12 Commissioner Monahan or Commissioner McAllister? (No
13 audible response.)

14 Okay, unless we have other questions would you
15 move the item or do you have additional?

16 COMMISSIONER GALLARDO: I'll move the item, but I
17 wanted to say thank you, Vice Chair Gunda, for those
18 comments. And that opportunity to be able to do something
19 different and better. So I just wanted to give you
20 gratitude for that.

21 So yes, I'll move to approve Item 7.

22 CHAIR HOCHSCHILD: Vice Chair, would you be
23 willing to second that.

24 VICE CHAIR GUNDA: I second Item 7.

25 CHAIR HOCHSCHILD: All right. All in favor say

1 aye. Commissioner Gallardo.

2 COMMISSIONER GALLARDO: Aye.

3 CHAIR HOCHSCHILD: Vice Chair Gunda.

4 VICE CHAIR GUNDA: Aye.

5 CHAIR HOCHSCHILD: Commissioner Monahan.

6 COMMISSIONER MONAHAN: Aye.

7 CHAIR HOCHSCHILD: Commissioner McAllister.

8 COMMISSIONER MCALLISTER: Aye.

9 CHAIR HOCHSCHILD: And I vote aye as well. Item
10 7 passes unanimously. Thank you, Eric. Thank you, Mr.
11 Galati.

12 Let's go to Item 8, which is Advanced,
13 Prefabricated Zero Carbon Homes. Welcome Jason Tancher.

14 MR. TANCHER: Good Morning Chair, Commissioners
15 and other attendees. My name is Jason Tancher and I have
16 an echo. There we go.

17 My name is Jason Tancher and I'm an Engineer in
18 the Building Decarbonization Unit of the Energy Research
19 and Development Division. I will be presenting the three
20 awards for approval resulting from GFO-22-305: Advanced
21 Pre-Fabricated Zero-Carbon Homes. Next slide, please.

22 This effort is to develop, test and demonstrate
23 zero-carbon or near-zero-carbon, cost-effective, modular
24 and manufactured homes that can be readily deployed.
25 Developing new technologies for prefabricated homes can

1 help Californians find much needed affordable housing.

2 Some of the benefits for these projects include
3 reducing heating and cooling loads, greenhouse gas
4 emissions, lower energy bills, improved occupant comfort,
5 increased energy resiliency, and increasing the
6 availability of affordable homes.

7 Each of these projects have a requirement to have
8 a lower 10-year cost of ownership compared to a baseline
9 home. Next slide.

10 This solicitation funds energy efficiency
11 research for the two groups listed totaling more than \$10
12 million.

13 Group 1, manufactured homes, are built on steel
14 chassis and transported to the site. They must meet the
15 U.S. Housing and Urban Development, HUD, efficiency
16 standards.

17 Group 2, modular homes, are created in sections
18 and then transported to the home site for construction.
19 And must meet California's Title 24 Building Energy
20 Efficiency Standards.

21 There is one proposed award for group 1 and two
22 proposed awards for group 2. An additional proposed award
23 for group 2 is currently in development for a future
24 business meeting. Next slide.

25 The first proposed agreement is with Institute of

1 Gas Technology to build two manufactured homes in Lemon
2 Grove and Ben Lomond. The homes will incorporate state-of-
3 the-art insulation and spray-applied air sealing
4 technologies to create a highly efficient envelope, with
5 claims of reducing from 10 to 1 air change per hour.

6 The advanced manufactured homes will meet the
7 2022 Title 24 standards and far exceed the HUD standards.

8 GTI will work with Dvele to develop the homes and
9 identify an optimized home that could be replicated for
10 affordable housing throughout California. Next slide,
11 please.

12 The second proposed agreement is with Lawrence
13 Berkley National Lab to build three modular homes in Bay
14 Point. The project will incorporate integrated 3D printed
15 wall panel manufactured offsite with improved panel thermal
16 performance.

17 LBNL will work with Mighty Buildings to develop
18 enhanced building techniques that will provide for a sealed
19 envelope that exceeds Title 24 compliance at an affordable
20 cost. This effort includes retooling their Oakland
21 facility to improve manufacturing efficiency and
22 performance. Next slide, please.

23 The third proposed agreement is with ReMo Homes
24 to build three modular homes in a Lake Havasu Tribal
25 Community. Vacuum insulated prefabricated panel technology

1 using a snap and seal design to exceed Title 24
2 requirements, shall increase manufacturability of fully
3 finished modular homes. Next slide, please.

4 Staff recommends adopting staff's determination
5 that these actions are exempt from CEQA and approval of
6 these three grant agreements.

7 Vamsi from ReMo Homes is onsite and would like to
8 make a comment. Thank you for your consideration and this
9 concludes my presentation.

10 CHAIR HOCHSCHILD: Thank you.

11 We'll go ahead and take public comment on Item 8.

12 MS. BADIE: Hello. Again, this is Mona Badie,
13 the Public Advisor. The Commission now welcomes public
14 comment on Item 8. We'll take public comment from folks in
15 the room and then we'll transition to our online and phone
16 attendees. If you're in the room, you can use the QR code
17 to notify us you'd like to make a comment and I'll also
18 take raised hands.

19 And we have Vamsi Kotla in the room. If you want
20 to approach the podium, Vamsi. And then please spell your
21 name for the record and we're asking for comments to be two
22 minutes or less. Thank you.

23 MR. KOTLA: Okay, V-A-V as in Victor, A as in
24 apple, M, S, I, first name. And last name Kotla, K-O-T-L-
25 A.

1 All right, for me? Hi, I'm Vamsi Kotla, Co-
2 Founder and CEO of ReMo Homes. Thank you CEC again for
3 allowing me to give public comments. We are a company that
4 develops and builds zero carbon cost effective modular
5 homes. I would like to thank the Commission for the
6 support.

7 As a small business with just 10 employees in the
8 Los Angeles area the grant would come at a pivotal time for
9 innovative modular housing, especially as the state tries
10 to reach the 2.5 million homes target by 2030. And about 6
11 million heat pumps at about the same date.

12 ReMo Homes looks forward to the partnership with
13 CEC to develop a significantly more energy efficient and
14 zero carbon modular home product to meet the state's
15 climate, housing, and equity goals. Which is vital to
16 ReMo, a minority and service disabled veteran-owned
17 business located in a low-income and disadvantaged area,
18 and comprised of accomplished executors from the
19 semiconductor, aerospace, and traditional construction
20 industries.

21 We anticipate a great outcome from this research
22 and development project, working to bring innovative,
23 resilient, and affordable housing to the Chimoaway
24 (phonetic) Tribe and the Eastern San Fernando Valley and
25 hopefully much more in the future.

1 And I also want to draw attention to our match of
2 more than 1 million for this grant. We have previously
3 received support from ENREL, Mitsubishi, SoCal Edison and
4 many others who we will continue to engage on a regular
5 basis. We recently signed an MOU with the Panasonic R&D
6 Division.

7 As part of community engagement, the Tribal
8 Entity and Pacoima Beautiful (phonetic) can gather input on
9 the best use for the demonstration homes (indiscernible)
10 built.

11 Thank you again, Chair and the Commissioners, for
12 your support. And ReMo Homes looks forward to an ongoing
13 and constructive relationship with the California Energy
14 Commission.

15 CHAIR HOCHSCHILD: Perfect, thank you.

16 Any further public comment onsite?

17 MS. BADIE: Thank you.

18 We'll transition to Zoom next. If you're joining
19 us by Zoom, please use the raise hand feature on your
20 screen to notify us we'd like to make a comment. And if
21 you're joining by phone, you'll press *9. And just giving
22 that a moment. All right, seeing no raised hands on Zoom
23 either, Chair, back to you.

24 CHAIR HOCHSCHILD: Okay, let's turn to
25 Commissioner discussion starting with Commissioner

1 McAllister.

2 COMMISSIONER MCALLISTER Well, great. Thanks so
3 much, Chair and Jason, for a great presentation and I'm
4 super excited about this. I don't have really much to add
5 substantively, but I think we're all aware, acutely aware
6 that we have a housing crisis. And that we need to find
7 ways to produce much more housing much more quickly, much
8 more affordably.

9 And that housing in the cases of these types of
10 housing, factory-built modular housing, they actually have
11 to comport, they have to comply with the California
12 Building Code Title 24. We do not have such jurisdiction
13 over manufactured housing in the sense that the Department
14 of Housing and Urban Development owns the building code for
15 that. So these types of housing and these innovations are
16 really important for us to meet multiple goals across the
17 state. And these technologies and these partners are just
18 great. So I've definitely been paying attention to this
19 and fully support this item.

20 I did want finally just to mention that there's
21 an exciting conversation going on across a few agencies.
22 Specifically with BCSH, Business Consumer Services and
23 Housing under Secretary Lourdes Castro and with the
24 Strategic Growth Council with Lynn von Koch. And Sasha
25 Kergan also for BCSH. And have been engaged with the

87

1 (indiscernible) Programs Office at DOE to try to bring some
2 financing to actual manufacturing facilities that will be
3 producing these types of housing. And so that's a great
4 opportunity. And there's some really interesting potential
5 investments that LPO will be looking at near going forward.
6 And I think that several housing and energy agencies
7 looking at this are very excited.

8 So not directly related to this particular GFO,
9 but I think it shows really good movement and trying to
10 solve all of these sort of related sticky problems. So
11 hopefully, you know, fingers crossed we can move forward to
12 produce some really highly energy efficient and affordable
13 housing.

14 So anyway, I support this item. And I do have to
15 drop out after our vote to go give a talk. So thanks for
16 that.

17 CHAIR HOCHSCHILD: Okay, thank you.

18 Other Commissioner discussion, Vice Chair Gunda.

19 VICE CHAIR GUNDA: Yes. Thank you, Chair. I
20 just wanted to make a quick comment.

21 Jason, thank you so much for the presentation. I
22 just commend the efforts overall to continue the innovation
23 on housing. I think we are more and more moving towards
24 that moving from just on site energy consumption to more of
25 a lifecycle improvements and opportunity in the way we

1 build. And then the way we move in California. So I think
2 development of advanced, all electric and solar PV equipped
3 modular homes and manufactured homes are really an
4 opportunity and a great benchmark for the industry.

5 So these projects represent the best and I'm
6 looking forward to supporting them. Thanks.

7 CHAIR HOCHSCHILD: Other comments? Commissioner
8 Gallardo.

9 COMMISSIONER GALLARDO: Yeah, just quickly I'm
10 excited about this effort here. And thank the team for
11 thinking through this and bringing it forward. And that's
12 it. I'm really excited about it.

13 CHAIR HOCHSCHILD: So I love this project. I
14 really wanted to say this meets many needs. It's clean
15 energy. It's innovation, obviously, rooftop solar on site
16 storage, all electric. But it's also a housing
17 affordability issue. And you know, we have a housing
18 crisis in the state and affordability crisis and this is
19 really a big part of the solution.

20 One observation I wanted to make having done some
21 visits to prefab home manufacturing sites, there's also
22 much, much, less waste, because everything is predesigned.
23 And so you just don't see waste of materials. And that is
24 itself a part of the reason why it's more affordable. It's
25 actually you're not overpaying for lumber you've got to cut

89

1 to shorter lengths, everything is preordered and
2 predesigned. And so watching these things get built, that
3 was one thing I was really struck by. And I think the one
4 I saw was at this facility in Mare Island some time ago, so
5 love to see this and thrilled to support.

6 Commissioner McAllister, it's just been a delight
7 to partner with you on the EPIC Program. We are on that
8 program together and this is really a great step forward.
9 So with that, I'd invite Commissioner McAllister to move
10 Item 8.

11 COMMISSIONER MCALLISTER Great and one
12 correction. Some of these actually are manufactured homes
13 under our jurisdiction, but they will be go beyond that to
14 comply with our code. So really pushing the envelope so to
15 speak figuratively and physically.

16 CHAIR HOCHSCHILD: Pushing the building envelope.
17 Yeah, okay.

18 COMMISSIONER MCALLISTER Yeah, exactly. So,
19 thanks for that and so I'll move Item 8.

20 CHAIR HOCHSCHILD: Is there a second,
21 Commissioner Monahan.

22 COMMISSIONER MONAHAN: I second.

23 CHAIR HOCHSCHILD: All in favor say aye.
24 Commissioner McAllister.

25 COMMISSIONER MCALLISTER: Aye.

1 CHAIR HOCHSCHILD: Commissioner Monahan.

2 COMMISSIONER MONAHAN: Aye.

3 CHAIR HOCHSCHILD: Vice Chair Gunda.

4 VICE CHAIR GUNDA: Aye.

5 CHAIR HOCHSCHILD: Commissioner Gallardo.

6 COMMISSIONER GALLARDO: Aye.

7 CHAIR HOCHSCHILD: And I vote aye as well. Item
8 8 passes unanimously. Thank you to everyone.

9 And we'll turn now to Item 9. (Overlapping
10 colloquy - multiple speakers, possible audio echo.) Item 9
11 is the minutes. Do we have any public comment on Item 9?

12 MS. BADIE: Thank you. This is Mona Badie, the
13 Public Advisor. The Commission welcomes public comment on
14 Item 9. If you're in the room use the QR code or raise
15 your hand. And if you're joining us by Zoom, please use
16 the raise hand feature or *9 by phone.

17 And we do not have any comments in the room or on
18 Zoom, so back to you, Chair.

19 CHAIR HOCHSCHILD: Unless there's any
20 Commissioner discussion, is there a motion from
21 Commissioner Monahan for Item 9?

22 COMMISSIONER MONAHAN: I move to approve Item 9.

23 CHAIR HOCHSCHILD: Is there a second from
24 Commissioner Gallardo?

25 COMMISSIONER GALLARDO: I second.

1 CHAIR HOCHSCHILD: All in favor say aye.

2 Commissioner Monahan.

3 COMMISSIONER MONAHAN: Aye.

4 CHAIR HOCHSCHILD: Commissioner Gallardo.

5 COMMISSIONER GALLARDO: Aye.

6 CHAIR HOCHSCHILD: Commissioner or Vice Chair
7 Gunda.

8 VICE CHAIR GUNDA: Aye.

9 CHAIR HOCHSCHILD: And I vote aye as well.

10 Commissure McAllister has stepped away. We'll
11 turn now to Item 10, Lead Commissioner or Presiding Member
12 Reports. Why don't we start with Commissioner Gallardo.

13 CHAIR HOCHSCHILD: (Brief pause.) Is your mic
14 on, Commissioner?

15 COMMISSIONER GALLARDO: Oh, sorry. I'm sharing
16 some images on what I was saying. There we go. So I'm
17 going to just review some of the activities I did that I
18 would have talked about at the last meeting, and then had a
19 couple more come up since then.

20 So I attended a conference with Mona Badie, our
21 Public Advisor, that we found out through NASEO. So they
22 had a roundtable with folks from the West, and talking
23 about equity considerations in electricity planning and
24 policy from that -- really focused on an equity lens. So
25 it was really interesting to be there to hear some of what

92

1 other states are doing.

2 And then Christine Hironaka, from the Governor's
3 Office joined us. We didn't know she was going to be
4 there, so that was a nice surprise. And then we had
5 someone from TURN, and someone from CPUC, so we had a good
6 California contingent.

7 But I think it is really helpful I'm highlighting
8 it, because I think it's helpful to talk to others about
9 what they're doing. Even though we are a bigger state, and
10 we are a leader, we can still learn from others. So we had
11 a fun time there and it was very educational. Just you
12 can't do it all in one -- in a few days. So we need more
13 of that.

14 And then I also wanted to highlight, September
15 22nd, it was California Native American Day at the
16 Sacramento Capitol. We had a team from CEC set up a booth.
17 And they did a craft area for kids where they decorated
18 light switch covers to remind them to turn off the lights
19 at home. So I thought that was just such a lovely way to
20 celebrate Native American Day. So I wanted to thank the
21 team who attended, including Jimmy Qaqundah from my office
22 who was there. And I don't know who led that effort, but
23 it was just such a bright idea, pun intended.

24 And then as Chair mentioned earlier, we are in
25 Native American Heritage Month, so we'll continue

1 celebrating.

2 I also wanted to highlight, I was asked by New
3 Energy Nexus to do a keynote for a youth innovation summit
4 called "YEA". And it is fun to say YEA, but it stands for
5 Youth Entrepreneurship Accelerators that are cultivating
6 that next generation of innovators. It reminded me a
7 little bit of CalSEED. So who knows we might see these
8 kids come through our programs here.

9 So on the photos here is me doing the keynote.
10 There's also the electric vehicle there with an Energy
11 Commission logo. This is the car that was donated. I
12 don't know all the intricacies behind the scenes. But
13 basically Energy Commission was helpful on getting an EV
14 for a high school out in Calexico that one of our Hall of
15 Fame winners, Keith Fisher, is using to teach kids in at
16 that high school about electric vehicles and how to operate
17 them, maintain them, all the intricacies. So it was really
18 exciting to see him, and he was so excited to show me the
19 car here.

20 And then there's a group of our students at the
21 bottom, all women, they are participating in the robotics
22 team. And they had robots roaming around this area, so it
23 was really cool. Those were robots that they created. And
24 so it's just really exciting. They also had here at the
25 event folks from Tesla, from ElectricFish. There's

1 somebody there in the corner, and different companies to
2 talk to kids about what it's actually like to be in a
3 career like that and engaging them. And hopefully
4 connecting them to the pipeline and where they could get
5 maybe internships or other types of opportunities to learn.

6 And then I also wanted to highlight that the
7 Energy Commission sponsored the WRISE Leadership Forum this
8 year. It's Women of Renewable Industries and Sustainable
9 Energy. I was a Co-Chair of this leadership forum. And I
10 think it's a really great opportunity for us again to
11 connect with folks from throughout the country. And they
12 also provide leadership development, mentorship, coaching,
13 all kinds of opportunities. Mona Badie, our Public
14 Advisor, also attended.

15 And it's good for us to attend these types of
16 events, because they go into policy, they go into technical
17 stuff. They talked a lot about offshore wind. People are
18 really excited about those opportunities including a woman
19 here who has her own company that works in the wind
20 industry. And is interested to come out to California to
21 get more opportunities. So I wanted to inform people about
22 that.

23 And also, I'm helping start out the Sacramento
24 Chapter of WRISE. So if there's anyone interested on staff
25 who would like to join me in that effort, I'd appreciate

1 it. And we'll make it fun, educational, and stimulating.

2 And then also, I wanted to highlight I also
3 attended the Greenlining's Just Future Summit. It was an
4 excellent event, over 1,000 people. We had a good
5 representation from the Energy Commission. I have some
6 pictures here of Energy Commission folks who were with us.
7 Also our DACAG Chair was there, Roman Partida-Lopez. I
8 have a picture in the right hand corner of that.

9 So I wanted to mention that they talked about
10 Lithium Valley, the challenges and opportunities there.
11 They talked a lot about climate change, energy resiliency,
12 so a lot of the efforts that we're engaging in they were
13 also focused on. So another great opportunity there.

14 Oh and I also want to mention -- she might speak
15 about this -- but there were great speakers. Dolores
16 Huerta was there. Camelle Bell, our very own Commissioner
17 Monahan, USEPA District Director Martha Guzman, and a bunch
18 of others. So this, I'll inform people about the
19 opportunity for next year in case anyone's interested.

20 And then I also wanted to highlight, I mentioned
21 it earlier, I went to the visit that Secretary Granholm
22 made in San Jose to talk about the program, that \$50
23 million dollar grant program for nonprofits. This was at
24 Martha's Kitchen there, they give hot meals to folks. And
25 she was really excited about this program, so I got to tour

1 the site with her.

2 And then met this family and mother and her three
3 daughters. They eat meals there and they also volunteer,
4 so they were really excited about this opportunity coming
5 up. So we talked to the little girls and their mom only
6 spoke Spanish. So I talked to her too about what it means
7 in terms of like energy savings, and they were really
8 focused on what it means to them for their environment and
9 their community and participating in that.

10 And then I also wanted to highlight Comite
11 Civico's 12th Annual Environmental Health Leadership
12 Summit. Again, there was a big focus on Lithium Valley and
13 community benefits agreements and other types of efforts
14 that we're working on. So it's helpful to get that
15 additional perspective from the community on those things
16 that we're working on.

17 And there was -- I was happy to see a couple of
18 members from the Fuels and Transportation Division there.
19 Taylor Marvin, who was doing a talk on EVs, and then he was
20 on the panel. And then Corey Permann as well who's in the
21 San Diego area. So I got to connect with them. And one of
22 my heroes was there, Yana Garcia, who's the CalEPA
23 Secretary. So I got to take a photo with her and just talk
24 about some of the things that we can do to better support
25 each other. And she's going to attend our Hall of Fame.

1 She's really excited. She participated last year and
2 wanted to do it again this year.

3 And I think that's the last one I have. Oh, no,
4 no, two more. So real quick, so this is my wonderful
5 staff. So Jimmy Qaqundah played drums at the CEC picnic.
6 I didn't get to go to that picnic, because I was at the
7 NASEO event, but I heard he did a tremendous job along with
8 the other performers. And so I wanted to highlight him.
9 He's been wonderful in my office, I really appreciate his
10 contributions, both for my office and musically too for the
11 Energy Commission and all the other wonderful things he
12 does.

13 And then Erik Stokes, who's my Chief of Staff
14 attended a forest biofuels tour that was put on by the
15 Department of Conservation. And we are really, really
16 excited about that opportunity, because we have heard from
17 DACAG and other environmental justice advocates that they
18 have a lot of concerns about biomass, and the impacts that
19 that makes on their local communities.

20 But here during this tour, we learned about the
21 forest biofuels effort and how that helps reduce wildfires
22 and could be a benefit. So we think it could be a good
23 educational opportunity for us to inform the DACAG, EJ
24 advocates and others. And so trying to inform ourselves
25 first about what's going on here, so really appreciated

1 that invite from them.

2 Okay and finally, I lied, the Hall of Fame. Just
3 a reminder to please attend, December 7th. It starts at
4 3:00 p.m. with a reception, food and drink to follow, and
5 it'll be fun. And here's -- I'll leave with this, the
6 wonderful six winners we have: Cliff Rechtschaffen, our
7 Lifetime Achievement Awardee; Ava Acevedo, our Youth Game-
8 Changer Awardee, Linnea Jackson from the Hoopa Valley Tribe
9 who's our Tribal Champion; Keith Fisher, Calexico High
10 School teacher who's our Clean Energy Champion; Reverend
11 Frank Jackson, who's another Clean Energy Champion who's
12 doing work to connect energy and the faith-based community;
13 and David Kaneda, who's working on housing who's our other
14 Clean Energy Champion. It's a wonderful group of folks
15 (indiscernible).

16 CHAIR HOCHSCHILD: (Overlapping colloquy.) Yeah.
17 Thank you again for all your leadership on this wonderful
18 event. And I just also want to recognize Lindsay's
19 terrific graphics team for creating that wonderful logo.
20 Really, really terrific.

21 Let's go to you, Vice Chair.

22 VICE CHAIR GUNDA: Thank you, Chair. So we've --
23 the last time we reported from the Commissioners was, I
24 think the September 13th business meeting. I think I'll
25 try to summarize them quickly, just for the benefit of all

1 of you. So I think most of what our office was involved in
2 has been traveling a lot, trying to tell the California
3 Energy Transition story. But also kind of our reliability
4 challenges and the opportunity for demand flexibility that
5 has been a constant theme of most of our conversations.
6 And also how do we ensure equity during the transition,
7 given the reliability stressors we have.

8 So some key elements to highlight are Germany.
9 We were in Germany Bahn, (phonetic) Germany for Arena
10 event, which was a precursor for the COP 28. But really
11 kind of talking about the holistic innovation that's
12 required, including the process innovation. I think
13 there's a common recognition across European members and
14 states in the US that a lot of the technologies that are
15 needed for the necessary transition are here. But it's
16 really the process is hanging up the rapid deployment of
17 solutions.

18 The second important tip that I want to notice,
19 we went to Denmark on a Green Hydrogen Study Tour. One
20 point that I would like to just share. Denmark is able to
21 produce green hydrogen for \$4 a kilogram right now. And
22 the unique conditions that they have is the investment in
23 offshore wind since 1991 that they have negative pricing in
24 the middle of the day. And also the capacity factor for
25 offshore wind is over 70 percent. So the combination of

1 the negative pricing and the high capacity factors are
2 really helping them develop the green hydrogen economy.

3 One of the things, particularly Commissioner
4 Monahan for you, is the electrolyzers that they're using
5 are primarily alkaline. And they can go from 6 megawatts
6 full operational load to 1.5 in about 40 seconds. And then
7 can go to a hot standby in another minute, which is 200
8 kilowatts, so really negligible. So I think the question
9 that we had on the rampability and dispatchability of
10 electrolyzers is really happening. Just a flag for you.

11 A couple of other elements, much of our work in
12 this last six weeks has been petroleum. So I just want to
13 elevate in both gratitude and thanks to Drew Bohan, our
14 Executive Director, for leading much of that effort along
15 with Lindsey Buckley from our Comms team. And the
16 Assessments Division, Aleecia Gutierrez and her team.

17 A lot of workshops are happening right now, we
18 are beginning to get the preliminary data. Just as a
19 reminder we have, broadly four things we need to do. One
20 is gather the information on oil industry better, and
21 sunshine in that information. So much of the work has been
22 around how do we gather well, and how do we put that out,
23 and what more needs to be done.

24 Second, we have an assessment in place that
25 really is talking about the future of gasoline demand in

1 California. And the challenges that it might pose in terms
2 of a reliable supply, and potentially affordability. So
3 that's kind of in play right now. I think we have a
4 workshop coming up in a couple of weeks here that we are
5 going to put out potentially for the assessment if it's
6 ready, a draft assessment. So we'd love for you to track
7 that. I think that's an important policy work.

8 Third, the conversation on a refinery margin, a
9 gross refinery margin. Again this goes to SB X1-2. One of
10 the asks from the Legislature and in the law is if the
11 Energy Commission were to choose that there needs to be set
12 a maximum refinery margin and then a penalty. It's really
13 important work. It could be pretty controversial. I think
14 depending on how we do this, it will raise a lot of
15 questions and we would really request your participation in
16 both getting briefings from staff, but to the extent that
17 you're able to attend workshops.

18 And finally, the transition plan that we're going
19 to be working with CARB on. And the transition plan also
20 could have a lot of elements in it, especially on equity.
21 I think as we try to retire refineries, which is of high
22 importance for communities, and fenceline communities, the
23 rapid transition and potential affordability issues could
24 also impact the same people. So it's really important to
25 think about equity from the workforce affordability, but

1 also health impacts. So along those lines, I just want to
2 thank APEN, CB, and CEJA for hosting us on a toxic tour a
3 few weeks ago to really visit the fenceline communities and
4 refineries.

5 And the last element of our work has been around
6 resource transition. So we are -- we have been doing a lot
7 of workshops in SB 100. Really kind of moving forward with
8 the scoping of what the SB 100 report is going to be, but
9 also how are we going to do the modeling and the input. So
10 to the extent that you could get a briefing on that would
11 definitely raise that to you.

12 A couple of high-level questions on there is to
13 think about non energy benefits and how do we really
14 structure that conversation and the conversation around
15 bulk level development versus distribution level
16 development. So I think I know, Commission Gallardo, those
17 are important for you, if you want to have further
18 discussion on that.

19 The second element of the resource transition
20 work is around the recent coordination on the electric
21 grid. Just a reminder, in June President Reynolds and
22 myself signed a letter along with a number of colleagues in
23 the West starting this pathway initiative to potentially
24 launch a new nonprofit entity that could provide
25 independent governance of both EIM and EDM (phonetic) long

1 term.

2 It has been a lot of work, at least four to five
3 meetings a week, an hour to 90 minutes with the Western
4 stakeholders. I want to report that since we put the idea
5 on the table one of the first things we needed to do was
6 have a launch committee that is pulled together from the
7 West, that will take the idea from an upfront paper to a
8 little bit more structured before the nonprofit could be
9 launched, right? So we are calling it Phase Zero.

10 So the ideation was put on the table by
11 California, New Mexico, Oregon, Washington, and Arizona.
12 And since then we are we are working to move that idea into
13 a place where it could potentially be a nonprofit. And the
14 work is being done by 28 volunteers from across the West.
15 That includes state representatives, it includes industry,
16 public advocates, and so on. So it's I would imagine the
17 next two months will be very critical for that work on how
18 we shape the conversation, how we even have labor on the
19 conversation. So happy to have our team brief you on that.
20 I think that's a that's probably a monumental shift in the
21 way we do regional work depending on where that goes.

22 So finally acknowledging Liz Gill, for those of
23 you that -- she's Chief of Staff. She has transitioned
24 back to the Division. I am incredibly happy for her, but
25 also for the Division that she's going to take all that

1 knowledge in guiding the SB 100 work. So her scope doesn't
2 change, it's just where she is. And Jane Park, who's
3 another Advisor in our office has stepped in as the Interim
4 Chief of Staff. Thank you.

5 CHAIR HOCHSCHILD: Thank you, Vice Chair. Let's
6 go to Commissioner Monahan.

7 COMMISSIONER MONAHAN: My brain is exploding from
8 all the things that the Vice Chair is doing. (Laughter.)

9 Well, first off because we haven't met in a
10 while, I just want to say as a state we're doing great when
11 it comes to zero emission vehicle commercialization. We
12 reached Of course, our 1.5 million ZEVs on the road goal
13 two years early. And then we also got to celebrate, I got
14 to celebrate reaching our 10,000 DC fast charging goal,
15 also two years early. So just it was great to be able to
16 celebrate with Chair Randolph, Cathy Zoi who is the lead
17 for EVgo. GoBiz was there. So it was just a really great
18 celebratory moment. We do have to stop and celebrate these
19 moments.

20 To go from where we were in 2019 in terms of EV
21 sales, even within the last year. So we just announced our
22 Q4 sales, 27 percent. I mean, Q3, sorry. And this time
23 last year, Q3 of last year, we were only at 18 percent. So
24 it's just this crazy upward trajectory. And I think it
25 highlights, for me, the critical necessity of building out

1 refueling infrastructure for zero emission vehicles.

2 I want to say the team is firing on all
3 cylinders. I mean, FTD is really working hard to make sure
4 we can deploy chargers swiftly and equitably. And there's
5 a number of different products that they have released.

6 CHAIR HOCHSCHILD: (Overlapping colloquy.)
7 (Indiscernible) need like a charging, charging on all
8 batteries (indiscernible).

9 COMMISSIONER MONAHAN: (Indiscernible)
10 capitalizing on that low inventory? I don't know, yeah
11 what is it?

12 So there's a number of reports that are out on
13 the streets in draft form, AB 2127, which is our analysis
14 of charger needs through 2030 and 2035. SB 643 which is
15 the first ever report on hydrogen infrastructure needs for
16 medium and heavy-duty vehicles. Our draft IEPR is going to
17 be on the streets, so thanks for everybody and the Vice
18 Chair for helping me and the team with that. So that's
19 going to be released either today or tomorrow. So there's
20 a lot of reports on the street.

21 There's also draft reliability standards for EV
22 chargers, that we're proposing to collect more data. To be
23 able to better understand not just the reliability of
24 chargers we fund, but the reliability of chargers writ
25 large across the state. And that's of keen interest to the

1 Legislature and to us. So we've held a workshop on that
2 topic.

3 Also a workshop the team has held that I
4 participated in on improving the customer experience at
5 hydrogen stations as well. I think this is not just an
6 issue with chargers, but with hydrogen stations that we
7 need to improve the customer experience writ large. And so
8 that's something that we, in collaboration with CARB and
9 GoBiz are increasingly focused on.

10 I don't know if you guys are able to participate
11 in the ZEV virtual tour that my Advisor Patricia Carlos put
12 on, but the Chair was a big reason why we - a big
13 motivator, I would say, for doing that. And it was the
14 first time we've ever done something like this cross-agency
15 virtual tour. So it took a lot of work on Patricia's part,
16 but I think we got good participation. We learned some
17 lessons about what works and what doesn't work. And we'll
18 keep doing that again in the future, so if you have ideas
19 for --

20 CHAIR HOCHSCHILD: How many people? I was
21 unfortunately I think on a plane, and how many people
22 joined?

23 COMMISSIONER MONAHAN: It was over 100. I'm not
24 sure what the total?

25 CHAIR HOCHSCHILD: Wow, fantastic.

1 COMMISSIONER MONAHAN: Yeah. And it was some
2 legislative offices joined, the Governor's Office. Yeah,
3 we had broad participation across different agencies.

4 COMMISSIONER GALLARDO: I had that same question.
5 I was also curious, was it interactive or was it mostly --

6 COMMISSIONER MONAHAN: Yeah, no. People could
7 ask questions, and then they would ask them of the virtual
8 participants in the tour. Yeah, so it was very
9 interactive.

10 COMMISSIONER GALLARDO: Well, I liked the
11 creativity on it. So I was wondering, you know, maybe we
12 could use that as well as another option aside from just
13 the workshops. On other things, though.

14 COMMISSIONER MONAHAN: Yeah, I mean it was nice
15 to have a dynamic interplay with questions and answers.
16 And yeah, it was fun. I think we learned though, an hour,
17 just do an hour. Because it's hard to sit on Zoom for more
18 than that.

19 I don't want to -- I did a lot of speaking
20 events. I'm not going to go into all of those. But I
21 would say there's been a fair amount of work with ports
22 recently. The Chair and I, of course when we were in
23 Japan, there was an MOU signed, so an implementation of
24 some of that MOU. There was a Japan California Ports
25 Symposium.

1 I was a participant in the select committee
2 hearing at the Port of Los Angeles around I think the
3 Legislature wanted to learn more about what requirements
4 the state was imposing on ports. And also what were the
5 some of the incentives to help ports decarbonize or cut
6 down on air pollution.

7 And then there's an intersection with offshore
8 wind, which has been really interesting working with the
9 Chair and others on. And ports are going to play such a
10 critical role and just making sure they have the support of
11 the state to be able to basically redesign some of their
12 ports to accommodate offshore wind. And especially the big
13 pieces of equipment that are going to come into the ports.
14 So it's been really interesting and I'm excited to help
15 ports think broadly about their role in a decarbonized
16 California future.

17 And just one last thing. I wanted to build on
18 something you said, Commissioner Gallardo, about visiting
19 Comite Civico. And we've been also. I, with my Chief of
20 Staff Sarah Lim, we went to visit that region. And
21 learning about some of the challenges and opportunities, I
22 would say with the smaller, rural disadvantaged communities
23 with publicly owned utilities in there. That are kind of
24 struggling, I would say, with the changes that have to be
25 made to accommodate transportation electrification. I

1 think electrification writ large, so it's a lot of good
2 food for thought. And I think a lot of follow-up
3 opportunity between you and me with the DACAG honestly,
4 around so what can we do? What more should we do to
5 support community organizations, faith-based organizations
6 who are really trying to support their communities?
7 Thoughts can be much higher in this transition. We're
8 balancing the need to rapidly deploy infrastructure with
9 the need to support communities like these. And I think
10 there are really good questions we should wrestle with
11 around what more can we do to support smaller community
12 organizations who are really trying to do the right thing
13 here?

14 COMMISSIONER GALLARDO: Yeah, I'd just make one
15 comment on that Commissioner Monahan.

16 I think too in some of those communities they
17 feel desperate. They really want to do more on clean
18 energy. They want to improve their environments. They
19 want to reduce emissions. They want to save money. And
20 they're really excited about electric vehicles I think, in
21 particular in the charging infrastructure. But I think
22 they feel like they're not going to get that developer
23 interest there. Or there's not going to be enough folks in
24 the know who will come in and help them or do it there. So
25 I think they start feeling like they have to do it

1 themselves.

2 So I agree with you like trying to figure out
3 some opportunities where we can better support if that is
4 the case it would be phenomenal. So I'm happy to work with
5 you on that. And the DACAG. I think the DACAG has a lot
6 of experts who can help us figure out some ideas for this.
7 So thank you for being so thoughtful too on this front.

8 COMMISSIONER MONAHAN: I'm done.

9 CHAIR HOCHSCHILD: Great. Well, thank you,
10 Commissioner for those updates. Just building on one thing
11 you said on ports.

12 We did have a really fruitful workshop on Friday.
13 I want to commend Eli Harland, Elizabeth Huber and everyone
14 else who has been supporting the effort there as we plan
15 our deployment of this \$45 million in funds to support port
16 upgrades for offshore wind. It was really a comprehensive
17 tour through the various ports in California and the
18 opportunities we have to ramp up and upgrade our
19 infrastructure to support the success of offshore wind. I
20 was really encouraged by the presentations and the breadth
21 and depth of the interest, and excited for that work.

22 And it has been a lot of time for me on offshore
23 wind lately. I joined a public hearing convened by
24 Congressman Carver Hall (phonetic) and Senator Laird,
25 Assemblywoman Addis, down on the Central Coast. The room

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1 is overflowing, a full turnout on offshore wind. we went
2 late into the night on all the issues, updates and
3 feedback, great dialogue.

4 And Vice Chair Gunda and I are heading up after
5 this meeting to a tribal consultation in the North Coast
6 where we'll be for the weekend. And really looking forward
7 to the continued dialogue on that.

8 I do want to make one point, which I've shared at
9 these other forums, that's really important. We had a big
10 event happen in New Jersey (indiscernible) canceled their
11 project. And I think it is just really important to stress
12 that when we are leaning in on offshore wind, we're taking
13 a long-term view, okay. So over the last 30 to 40 years
14 with clean energy technologies including offshore wind, the
15 price trend is downward for all these technologies marked
16 by periodic departures from that. Upward trends in prices,
17 which we've seen due to supply chain or due to a change in
18 tariff, or due to in this case war driving up steel prices
19 combined with inflation. And that's part of the cycle.

20 But the long-term trend is still the same. And
21 our commitment is a long-term commitment. And so we're
22 mindful of the different dynamics here. But the planning
23 that we're doing is really keeping in mind with the long-
24 term trend. We're going to drive costs down both through
25 scale and through innovation. And when you look at the

1 money we're deploying on offshore wind now, and what we can
2 get from that: synthetic mooring lines, larger turbines
3 been deployed in the turbine size. Just since I have been
4 working on this issue of the Energy Commission, turbine
5 size has increased from 6 megawatts to 18 megawatts, okay?
6 So there's more to come.

7 And so I think, I guess my point on that is like
8 the news of the times is more important than the news of
9 the day on these issues. And certainly with our thinking
10 at the Energy Commission, and all of our sister agencies as
11 we lean into this, it's been a colossal amount of work. I
12 really want to thank Coastal Commission, Lands Commission,
13 Ocean Protection Council, Vision Wildlife, the CNRA
14 (phonetic) deputies working on equity, and tribal and
15 energy, and BOEM and PUC, CAISO and all the rest.

16 It's a heavy lift with many agencies, but that
17 effort is worth it. Because really, we are on track for I
18 think offshore wind to meet a significant portion of our
19 supply. Again, Europe is building 300 gigawatts of
20 offshore wind. The UK is already at about 15 gigs today.
21 They'll be at 50 by 2030. They're going to get the
22 majority of their electricity from offshore wind. So we're
23 not deterred by what happened to in New Jersey. That is an
24 event we're monitoring closely, but we're definitely taking
25 a long-term view. And I want to just stress that.

1 I also just want to say a few words about the
2 Governor's trip to China. This was a climate-focused
3 delegation. And worked hard along with Secretary Crowfoot,
4 Liane Randolph and others to support that. I am really
5 thrilled to see the engagement. I think it's essential
6 that California engage with China, and the US engage with
7 China, on climate solutions, and collaborate where we're
8 able to. So I think that was a really significant and
9 successful trip. And I just want to thank all those from
10 the Governor's team who were involved in that.

11 And then in closing I just want to share a really
12 great site visit I did yesterday, which involves coffee.
13 So one of the cool projects that we have funded through our
14 food production program is around converting natural gas-
15 fired coffee roasting to electric. And this innovation is
16 working. And so what they're finding is they're basically
17 -- this is a project in an industrial area of East Oakland
18 called Heirloom. They're basically like refrigerator-sized
19 machines where they roast coffee beans with an electric
20 roaster. And they're finding it is cheaper, cleaner,
21 better to operate. And actually, you get a better coffee,
22 because you can control the temperature much, much more
23 precisely.

24 And what's interesting about this is that for
25 coffee growers, for the farmers who are growing this, they

1 lose a lot of their margin because it gets sent to an
2 intermediate facility right, which does the roasting. And
3 the size of these machines that are being built, ultimately
4 they can basically go to coffee shops. And so the farmers
5 can actually sell directly to the coffee shops. And
6 actually the roasting happens at the coffee shop. And it
7 means greater revenues for the farmer. There's not so much
8 a middleman. And it's just kind of cool that our
9 innovation is the innovation we're supporting, which was
10 essential to get this launched, is going. And for the
11 people working these it's also a lot quieter.

12 So we got to see the legacy natural gas machine,
13 and then the new electric. And so it was a great tour and
14 just my thanks again to the staff who are working on those
15 projects.

16 And you know, this is hard stuff. We have tried
17 and failed on some. We tried with Sun-Maid Raisins to do a
18 conversion from natural gas to electric, couldn't make
19 (indiscernible). And so this is a really challenging area
20 of our work: industrial decarbonization, these process
21 innovations. But this is definitely a bright spot in that.

22 So I'll close with that. And why don't we go to
23 what do we have next? Executive Director's Report.

24 MR. BOHAN: Thank you, Chair, Commissioners. No
25 report today.

1 CHAIR HOCHSCHILD: And Public Advisor's Report.

2 MS. BADIE: No report, thank you.

3 CHAIR HOCHSCHILD: And Chief Counsel's Report.

4 MS. BARRERA: No report today. Thank you.

5 CHAIR HOCHSCHILD: All right, we're adjourned.

6 Thanks, everyone.

7 (The Business Meeting adjourned at 12:35 p.m.)

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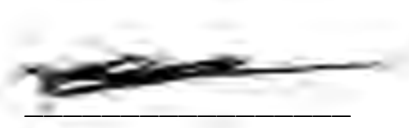
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