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CALIFORNIA ENERGY COMMISSION

In the matter of:

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

WEDNESDAY, FEBRUARY 12, 2025

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

CALIFORNIA NATURAL RESOURCES AGENCY BUILDING
 FIRST FLOOR AUDITORIUM
 715 P STREET
 SACRAMENTA, CALIFORNIA 95814

IN-PERSON AT:

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

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

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Reported by:
 Martha Nelson

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Siva Gunda, Vice Chair

Andrew McAllister, Commissioner

Noemi Gallardo, Commissioner

Nancy Skinner, Commissioner

STAFF

Drew Bohan, Executive Director

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PUBLIC ADVISOR

Mona Badie

PUBLIC COMMENT

Alex Piper, EnergyTag

Katharine Larson, Sacramento Municipal Utility District

Elisabeth de Jong, SCPPA

Josh Harmon, PG&E

Sarah Taylor, Western State Petroleum Association

David Avina, Association for Energy Affordability

Violet Sage Walker, Northern Chumash Tribal Council

Belinda Faustinos, Fernandeno Tataviam Band of Mission Indians

James Sarmento, Shingle Springs Band of Miwok Indians

Adam Jorge, Sonoma Clean Power

Kate Unger, California Solar and Storage Association

APPEARANCESPUBLIC COMMENT (cont'd)

Caton Mande, UC Davis Western Cooling Efficiency Center

Agatha Kazdan, Electric Power Research Institute

Siari Sosa, SoCalGas

Nina Audino

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P R O C E E D I N G S

10:04 a.m.

WEDNESDAY, FEBRUARY 12, 2025

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

CHAIR HOCHSCHILD: Good morning and welcome,
friends. I'm David Hochschild, Chair of the California
Energy Commission. Today is February 12th. I call this
meeting to order.

Joining me are Vice Chair Gunda, Commissioner
McAllister, Commissioner Gallardo, and Commissioner
Skinner. We have a quorum.

Let's please stand for the Pledge of Allegiance.

(The Pledge of Allegiance is recited in unison.)

CHAIR HOCHSCHILD: Thank you.

Before we begin, I just want to acknowledge, you
know, we're going through many, many challenges in our
state right now, from fire to potential floods to any
number of other you know, very significant actions
happening. And it's just really important that in tough
times we come together and be kind to one another and
recognize, you know, the people around you may be going
through some struggles and just show empathy and support.
Be the best teammate, colleague, friend that you can be. I
think that's what the times are asking of us all now.

1 So with that, let's go ahead and begin with
2 agency announcements.

3 Madam Public Advisor, do we have any? Oh, let's
4 do public comment first, then to agency. Do we have any
5 public comment? Thank you, Chair. Good morning, everyone,
6 and welcome. My

7 MS. BADIE: name is Mona Badie. I'm the Public
8 Advisor for the Energy Commission. The Commission welcomes
9 public comment at its business meetings. We're here to
10 serve all Californians and all are welcome here.

11 There's going to be multiple opportunities to
12 comment today. This first open public comment period is
13 for any item on the agenda, including informational items.
14 For voting items, there will be dedicated public comment
15 periods, and we ask that comments for voting items be
16 reserved for those dedicated public comment periods.

17 We have a couple of ways to let us know you'd
18 like to comment. If you're in the room with us, we're
19 asking folks to use the QR code. They're posted in the
20 back of the room. We'll also take a look for raised hands.
21 And if you're joining on Zoom, you'll use the raise-hand
22 feature on your screen. It looks like an open palm. And
23 if you're joining by the phone, you'll press star nine.
24 That will raise your hand on Zoom by phone.

25 And so just giving that a moment. All right, we

1 don't have anyone in the room, so I'm going to transition
2 to Zoom.

3 Alex Piper, I'm going to open your line. If you
4 could please state and spell your name for the record.
5 We're asking for comments to be two minutes or less. There
6 will be a timer on your screen.

7 MR. PIPER: My name is Alex Piper. I just want
8 to confirm, my comment is on the rulemaking adopting
9 amended Power Source Disclosure regulations. Is this the
10 correct time to comment?

11 MS. BADIE: I'm so sorry, Alex. It's very hard
12 to hear you.

13 CHAIR HOCHSCHILD: I did hear that, and no --

14 MS. BADIE: Okay.

15 CHAIR HOCHSCHILD: -- it's not the right time.
16 You want to wait until that item comes up in the agenda.

17 MR. PIPER: Understood. Sorry.

18 CHAIR HOCHSCHILD: Yeah, that's okay.

19 MS. BADIE: All right, and that's all the raised
20 hands for this comment period.

21 Back to you, Chair.

22 CHAIR HOCHSCHILD: Okay, any agency announcements
23 from my colleagues to share out?

24 Yeah, Commissioner McAllister.

25 COMMISSIONER MCALLISTER: I just want to take

1 this, I think, final opportunity at a business meeting to
2 remind people of our Electrification Summit happening March
3 11th and 12th. And it's going to the agenda is really
4 shaping up. It's going to be terrific, and following up on
5 the first one we had in October of 2023.

6 So, you know, lots of kind of -- you know, as the
7 Chair, you know, mentioned, there's a lot going on in sort
8 of the energy space right now between sort of the tussle
9 between state and federal policy and funding and the like
10 and sort of the responding to various challenges here in
11 the state. And so, you know, we're trying to balance
12 between being topical and helpful in the context we're in
13 now but also make sure we're keeping track of the long-term
14 vision.

15 So I really think it's going to be a very rich
16 conversation, set of conversations, a lot of really
17 knowledgeable people coming that have a lot of ideas and
18 solutions to help us develop this pathway forward to
19 decarbonize our buildings and industry. So really looking
20 forward to that convening and just invite everyone to come.
21 That's in joint with EPRI, the Electric Power Research
22 Institute. And it's a great partnership that we're
23 developing with them. So looking forward to that and look
24 forward to seeing all you there.

25 CHAIR HOCHSCHILD: Great.

1 Yeah, Commissioner Garrido?

2 COMMISSIONER GALLARDO: Buenos dias. Good
3 morning, everyone.

4 So this is a reminder about the Clean Energy Hall
5 of Fame Awards. We do have this annual event. This year's
6 event is happening December 4th, 2025. It's an opportunity
7 for everyone to participate. And right now we have the
8 nomination period open. So if you know of a leader that is
9 advancing clean energy in California and you think they
10 merit some recognition, this is a great opportunity for you
11 to nominate that person. The nomination process is very
12 easy and you have until April 4th to submit the nomination.

13 So we're looking forward to having a lot of
14 nominations. So please feel free to step up if you have
15 any questions. Aretha in my office would be able to answer
16 those questions. And we'll put that email address in the
17 chat for those who are on Zoom to be able to look at.

18 Thank you.

19 CHAIR HOCHSCHILD: That's great.

20 And I just want to we have our big Ports and
21 Offshore Wind Symposium in Long Beach, February 21st. And
22 we're going to be pushing out almost \$550 million in grants
23 to support upgrades to ports and support the offshore wind
24 program here in the state. So please plan to join that if
25 that's a topic of interest.

1 I also want to highlight that February is Black
2 History Month. And here in our mothership agency, the
3 California Natural Resources Agency, there will be a bunch
4 of events celebrating achievements of African Americans to
5 our country and our society. So I encourage everyone to
6 participate in those.

7 And at today's meeting, we're going to be seeking
8 approval for over \$61 million of grants and investments
9 contributing to California's economic brutality.

10 And with that, unless there are other comments or
11 announcements from my colleagues, we will turn next to item
12 three, the consent calendar.

13 MS. BADIE: Hello again. The Commission welcomes
14 public comment on item three at this time. If you're in
15 the room with us, please use the QR code or raise your
16 hand. And if you're on Zoom, you'll use the raise-hand
17 feature on your screen or star nine if joining by phone.

18 One moment, please. All right, I'm not -- oh,
19 I'm seeing one hand for item three. Becky Strumbuner
20 (phonetic), I'm going to open your line. If you could
21 please spell your name for the record. We're asking for
22 comments to be two minutes or less. You'll need to unmute
23 on your end and then you can begin. Becky, we're not
24 getting any audio on our end. If there's anything that you
25 can use to troubleshoot, please do so now.

1 All right, Becky, we're not able to get any
2 audio. If you'd like to email comments in, I can submit
3 those to the docket on your behalf.

4 All right, Chair, that's the only raised hand.
5 So back to you.

6 CHAIR HOCHSCHILD: Okay. Unless there's any
7 Commissioner discussion on item three, I'd welcome a motion
8 from Commissioner Gallardo on item three.

9 COMMISSIONER GALLARDO: I move to approve item
10 three.

11 CHAIR HOCHSCHILD: Is there a second from
12 Commissioner Skinner?

13 COMMISSIONER SKINNER: (Off mic.) Second.

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

16 COMMISSIONER GALLARDO: Aye.

17 CHAIR HOCHSCHILD: Commissioner Skinner?

18 COMMISSIONER SKINNER: (Off mic.) Aye.

19 CHAIR HOCHSCHILD: Vice Chair Gunda?

20 VICE CHAIR GUNDA: Aye.

21 CHAIR HOCHSCHILD: Commissioner McAllister?

22 COMMISSIONER MCALLISTER: Aye.

23 CHAIR HOCHSCHILD: And I vote aye as well. Item
24 three passes unanimously.

25 We'll turn now to item four, which is an

1 information item update on the Justice, Access, Equity,
2 Diversity and Inclusion informational proceeding.

3 Welcome to Aretha.

4 MS. WELCH: Good morning, Chair, Vice Chair, and
5 Commissioners. I'm Aretha Welch, an Advisor in
6 Commissioner Gallardo's office. Today, I will update you
7 on the Energy Commission's framework and informational
8 proceeding focused on Justice, Access, Equity, Diversity
9 and Inclusion, also known as JAEDI.

10 Next slide, please.

11 In 2019, aligning with Governor Newsom's
12 California for All mantra, the Commission launched the
13 JAEDI initiative employing a dual approach, JAEDI-In and
14 JAEDI-Out. JAEDI-In focuses internally to support
15 workforce diversity and an inclusive workplace, and JAEDI-
16 Out focuses outward to embed these principles into the
17 Commission's programmatic and policy work. Overall, the
18 JAEDI initiative advanced the Commission's 2015 diversity
19 commitment by helping foster a culture of belonging that
20 helps employees thrive and inspires them to advance
21 equitable policy outcomes.

22 With the momentum of the JAEDI initiative in
23 2022, under the leadership of Vice Chair Gunda, the
24 Integrated Energy Policy Report, aka the IEPR, focused on
25 equity and environmental justice. It was perfectly timed

1 for the Commission to abide by Governor Newsom's Executive
2 Order N-16-22 directing state entities to take additional
3 action to embed equity into their policies and practices.
4 The 2022 IEPR made multiple recommendations, including
5 implementing the JAEDI-Informational proceeding and
6 developing the JAEDI framework. Let's talk about these two
7 items further.

8 Next slide, please.

9 First, the JAEDI framework. This is a mechanism
10 establishing a common understanding and approach for the
11 Commission to advance the JAEDI principles through our
12 programs and policies. We envision finalizing the
13 framework this year and then updating it every few years.
14 The framework provides definitions for key equity related
15 terms, such as standardizing the use of California Native
16 American tribes and justice communities to refer to our
17 primary beneficiaries of our programs. It also has guiding
18 principles and best practices for staff and metrics for
19 staff to consider for ensuring meaningful policy and
20 programmatic outcomes.

21 Throughout this year, we will continue engaging
22 and educating staff about the JAEDI framework. For
23 example, we are forming a working group composed of
24 liaisons from each division and small office, which will
25 collaborate to implement and improve the framework. We are

1 also engaging division directors to understand how they can
2 leverage the framework as a tool and what we can do to
3 support them. I thank the staff and directors for all
4 their participation and contributions.

5 Additionally, we will incorporate a
6 communications campaign using blogs, videos, and social
7 media.

8 We will also seek input about the framework from
9 external partners, such as the Disadvantaged Communities
10 Advisory Group at the upcoming meeting.

11 Next slide, please.

12 Launched in January 2024, the JAEDI Informational
13 proceeding has two main objectives, to gather input on the
14 JAEDI framework to finalize it for adoption, and to lay the
15 foundation for the development of an action plan, which
16 will make our equity work consistent, measurable, and
17 sustainable. Our first workshop was well attended, so we
18 think there's a lot of interest in this effort. Noaki
19 Schwartz, Deputy Secretary for Equity and Environmental
20 Justice at CNRA, and CPUC Commissioner Darcie Houck
21 attended that workshop and will join us throughout the
22 proceeding.

23 There are four workshops planned for 2025. I
24 invite you to join when you're able. The first focuses on
25 enhancing the ways we include and gather public input. The

1 second workshop will focus on tools for inclusive policy
2 and program implementation. The third focuses on tracking
3 and sharing policy success. And the final workshop is
4 about advancing supplier diversity and workforce
5 development.

6 Next slide, please.

7 I'll end with a quote by Governor Garvin Newsom
8 that he shared when he signed the executive order to
9 advance equity. He said,

10 "In California, we recognize that our incredible
11 diversity is the foundation for our state's strength,
12 growth, and success, and that confronting inequality
13 is not just a moral imperative, but an economic one."

14 This type of leadership is what makes me proud to
15 be a Californian, and I'm grateful I can serve at the
16 Commission where I can answer the governor's call to
17 advance equity and justice.

18 Thank you, and we will now take questions.

19 CHAIR HOCHSCHILD: Great. Thank you so much, Aretha.
20 Let's go to Commissioner discussion, starting with
21 Commissioner Gallardo.

22 COMMISSIONER GALLARDO: All right, thank you.

23 So I do want to start with gratitude, first of
24 all, to Aretha for the wonderful and thorough presentation.
25 She's stepped up to lead this JAEDI effort, the

1 informational proceeding, and implementing the JAEDI
2 framework.

3 I also want to express gratitude to Vice Chair
4 Gunda for his vision and leadership, as Aretha was talking
5 about, in the 2022 IEPR, centering a lot of that on equity
6 and environmental justice and these principles that we're
7 talking about in JAEDI. And so he enabled us to be able to
8 work on this framework through the IEPR, and I think that
9 was a major milestone. I think it was the first time that
10 we had prioritized equity and environmental justice through
11 an IEPR, so I still am grateful for him doing that.

12 I also want to thank MPCO, our media team, HOUNG
13 (phonetic) in particular, who created that beautiful logo
14 that you saw in one of those slides. That was a creation
15 that MPCO developed, and really grateful to them for doing
16 that.

17 I also want to thank our Executive Office, Drew
18 and Jen, and our directors and staff for participating and
19 engaging in all of these efforts and showing how important
20 all of this is.

21 And then a special thank you to Mona and PAO
22 Plus, and also Carousel Gore for supporting these efforts.

23 So lots of gratitude there, and by that, I want
24 to show, too, that it's a team effort. It takes all of us
25 to move this forward. And I also think this is a great

1 opportunity to emphasize that the Energy Commission is
2 committing -- is committed, I should say, to advancing
3 JAEDI, justice, access, equity, diversity, inclusion. So
4 despite the flurry of potential changes that are happening
5 at the federal level, we are staying resolute here at the
6 Energy Commission, following Governor Newsom's leadership
7 in supporting JAEDI. So others may refer to it as DEI. We
8 refer to it as JAEDI.

9 And then I also want to express a commitment to
10 each of our employees at the Energy Commission that you all
11 are all welcome here at the Energy Commission, and we want
12 you to know that you are valued and that we want you to
13 bring your whole self to work. So that's part of the
14 JAEDI, part of the JAEDI framework that we're emphasizing.
15 So we want you to know that we appreciate you, regardless
16 of your race, your ethnicity, your gender, sexual
17 orientation, religion. We want you here. We want you to
18 feel that you can bring your whole self to be able to work,
19 and that diversity matters.

20 So I'll leave it there in case there are any
21 comments or questions.

22 CHAIR HOCHSCHILD: Great.

23 Yeah, Vice Chair?

24 VICE CHAIR GUNDA: Thank you, Chair. And I want
25 to associate completely with what Commissioner Gallardo

1 mentioned, except one thing. I don't think I was really
2 the lead for 2021 IEPR. You know, when we did the equity,
3 it's really you. You know, you were serving in the, you
4 know, Public Advisor's Office and you made a call to all
5 the Commissioners to help frame equity as an important
6 part, and then it was an opportune time. So I just want to
7 commend you and express my gratitude to, I think, not only
8 your commitment and heart, but just your desire to
9 implement; right? I mean, we can have a vision, but
10 implementing takes a lot of time.

11 So I just want to say to you, I mean, it's, you
12 know, talking about these things at a 30,000-foot level in
13 a vague manner is easy, but to operationalize them is
14 really, really hard, and much of that work is not visible
15 to people, and the good impacts of that is not visible.

16 So I just want to say, you know, congratulations
17 on all the good work. You know, you have absolute
18 commitment from me, and I would imagine all the
19 Commissioners here, to fully embrace our ability
20 collectively as a team to bring our values fully to the
21 table, bring our competence fully, and as Commissioner
22 Gallardo mentioned, your whole self is your best self.
23 And, you know, if we can bring all of our best selves to
24 the table, I think we are so much more set up to serve the
25 public in California and all the different diverse points

1 of view that are there in California. So I'm incredibly
2 thankful.

3 And I just want to note for the record that
4 there's a lot of different work that we started. So we
5 have this. We have the equity indicators that Commissioner
6 Gallardo is leading. We have the non-energy impacts
7 workshops, and those are opening. So I think this is a way
8 to bring all of them together and drive a cohesive policy
9 story.

10 And I think I want to just end with a couple of
11 pieces. You know, I don't want to, you know, make
12 political statements. This is not the space. We have
13 bureaucracy, and our job is to serve the public and then be
14 truthful and faithful to the laws that we're asked to do.
15 But I think it's important as an agency to not feel fear.
16 And, you know, fear kind of gets us into inaction or makes
17 us choose strong, you know, options. And I think it's
18 important for us to feel strength in our value and strength
19 in our commitment to what's good and being wholly a part of
20 that and finding strength in each other. So I think it's a
21 wonderful time when you're tested to do better, and I think
22 we have an opportunity to do better.

23 Thanks.

24 CHAIR HOCHSCHILD: Thank you.

25 Commissioner McAllister?

1 COMMISSIONER MCALLISTER: I would just, you know,
2 elevate both of your comments, Commissioner Gallardo and
3 Vice Chair Gunda, and I'll talk about this later probably
4 in our Commissioner sort of report outs at the end of the
5 meeting, but, you know, there's this weird hostility to
6 these ideas, you know, in the new administration.

7 But I was just coming back from D.C., I was there
8 most of last week and interacting with state energy
9 officials from all across the country, and they feel the
10 same way we do. You know, there's this appreciation,
11 understanding that diversity is a strength and not a
12 weakness, and that creating, you know, creating a space
13 where people feel like they can contribute, you know,
14 wholly ends up with better decisions. It improves our
15 process. It's just, it makes us stronger, you know. And
16 so it's mystifying why, you know, this sort of has become
17 political, but I think I just have a palpable sense of how
18 important California's leadership is on this right now,
19 just more than ever.

20 And so I just really want to thank, you know,
21 both of you, Vice Chair Gunda and Commissioner Gallardo,
22 for your leadership. And I felt, you know, our being
23 public about this commitment, it is so appreciated. And
24 the fact that, you know, really have this palpable sense
25 that kind of, ironically, this is a moment where California

1 really needs to double down and lead, and there's just a
2 huge -- there's huge good that can come out.

3 So I just really appreciate your leadership and
4 all your collaboration with the other agencies and trying
5 to keep sort of a whole-of-government approach to this. I
6 really am thankful to be here doing this work with all of
7 you, and so thanks.

8 And then, Aretha, great job. Really appreciate
9 it.

10 CHAIR HOCHSCHILD: Commissioner Skinner?

11 COMMISSIONER SKINNER: Thank you, Chair.
12 Appreciate the update, and not only the verbal, but we have
13 some -- a document, so really do appreciate it.

14 And Commissioner Gallardo, I wanted to thank you
15 specifically for your comments to our staff. This is a
16 time of a lot of change. There's a lot of -- you know, we
17 see potential uncertainty around certain of our funding.
18 We see a lot of uncertainty around different rules that
19 might affect our business, so those, of course, impact our
20 morale and our employee morale. And of course, then
21 there's much other what I more call in the ether that can
22 affect each of our morale.

23 And I just greatly appreciate your comments
24 because it's a real clear message to our staff that, no,
25 you're valued, and, yes, these are times that feel like a

1 lot of too much being thrown at us, but we can be steady in
2 doing our work.

3 And then the other comment I would make is that,
4 you know, while all Californians might not use these terms,
5 this is our population, California is an extraordinarily
6 diverse state. Again, whether we use the term or not, just
7 look at what the population of California is. So I view
8 our focus on this type of initiative as just being
9 reflective of the very population that we serve, and so I
10 appreciate your comments.

11 Thank you.

12 CHAIR HOCHSCHILD: Great. Well, I wanted to
13 begin, Aretha, thank you for the presentation.

14 And, Commissioner Gallardo, thank you for being
15 our champion on this issue, both in your current role and
16 in your previous role as Public Advisor. You really
17 uplifted this beautifully.

18 And I wanted to just share, you know, when I
19 started as Chair of the Energy Commission, which is about
20 six years ago now, the first day I went around, I just
21 personally met every single Energy Commission employee,
22 just visited, so it took about two days to do all that, and
23 I counted, we have employees from about 40 countries
24 working here. And I am so grateful for that, and both in
25 very material ways, where when we have a delegation,

1 climate delegation coming from China, we have a Chinese
2 national here, or from India or from Norway, the ways that
3 that informs our work and our ability to collaborate and
4 coordinate and communicate and helps us is very material,
5 and then in much softer but very important ways of just
6 enriching our agency.

7 And just to share with those of you who are
8 joining by Zoom or here in person who aren't working for
9 the Energy Commission, we do an event here every year
10 called Unity Day, and it's led by Commissioner Gallardo,
11 and we have food from all over the world. We select, it's
12 usually five or six, Energy Commission employees who tell
13 their stories, how their families came to the United
14 States, what their origin story is, and it's so enriching,
15 and it's beautiful.

16 And I love working at the Energy Commission. And
17 the diversity and the celebration of the different breadth
18 of everyone's experience and stories coming together is a
19 huge part of the reason why. And so I believe diverse
20 organizations are stronger, make better decisions, are more
21 successful, and that's true of diverse states as well. I
22 think California is a stronger and better state because of
23 our diversity.

24 And so just really want to thank you for the
25 incredible leadership, Vice Chair, as well, and everyone

1 who's worked on this, Aretha. So we're going to maintain
2 that commitment to have an agency that looks like the
3 state, to have programs that reflect the beauty and
4 diversity of our state in every way that we can, so thank
5 you.

6 With that, we'll turn now to item five, which is
7 rulemaking adopting Amended Power Source Disclosure
8 Regulations, and I welcome Logan to present.

9 MR. CLENDENING: Great, Commissioners, thank you.
10 My name is Logan Clendening, and I'm here as a staff member
11 of the Power Source Disclosure Program to present, excuse
12 me, draft regulations for your consideration. Our staff
13 attorney, Renee Webster-Hawkins, is also here, and our
14 technical lead, Jordan Scavo, is calling into the meeting,
15 and together we can help answer any questions you might
16 have.

17 Power Source Disclosure is a consumer
18 transparency program. We collect data from California's
19 retail electricity suppliers so that they can provide a
20 Power Content label to their customers each year. The
21 label is similar to a Nutrition Facts label, but for
22 energy, and it displays the power sources and greenhouse
23 gas intensity of each retail portfolio offered by the
24 retail supplier, as well as statewide figures for
25 comparison.

1 Next slide.

2 The proposed regulations implement a new hourly
3 resource accounting methodology as required by Senate Bill
4 1158 and update annual accounting to include new
5 information on the Power Content label, and these changes
6 will result in two key benefits.

7 First, the comparison of electricity procurements
8 to load on an hourly basis will reveal reliance on fossil
9 fuels that aren't visible at the annual scale, and will
10 provide data for researchers and policymakers to consider
11 24-7 decarbonization strategies in California.

12 Second, the proposed updates to annual accounting
13 will make the Power Content label more informative for
14 consumers by providing insight into the generation serving
15 unspecified power, and by displaying all resources
16 supporting retail electric service on the label rather than
17 just the resources allocated to retail sales.

18 Next slide.

19 The passage of SB 1158 means the Power Source
20 Disclosure will soon collect two data sets with distinct
21 methodologies. The Power Content label will continue to
22 use annual data, and the amendments to our annual
23 accounting rules apply to all regulated entities and will
24 make the label more accurate and comprehensive. I'll cover
25 the changes to the label in a separate slide.

1 SB 1158's hourly accounting rules will require
2 retail suppliers to provide data matching their electricity
3 procurements to their hourly load, including their line
4 losses, starting in 2028. Small public utilities and rural
5 cooperatives are exempt from these hourly accounting rules.
6 Medium-sized retail suppliers may report estimated hourly
7 procurement data. And then large retail suppliers will be
8 required to report their actual hourly electricity
9 procurements.

10 Next slide.

11 In the past two years, staff has engaged with
12 stakeholders through information solicitations, staff
13 papers, workshops, public comments, and direct meetings.
14 We've striven to ensure impacted parties feel they've been
15 heard and considered fairly, and we've worked closely with
16 stakeholders to fine-tune the details before determining
17 that express terms are ready to be considered for adoption.

18 Next slide.

19 So, this slide highlights the changes that we're
20 proposing to the Power Content label. Starting in 2026,
21 the label will include a new design and important new
22 pieces of information. Visually, the updated label uses
23 color coding to distinguish renewable and zero-carbon
24 resources from fossil fuels. Pie charts also provide
25 consumers a clear visual of the amount of renewable and

1 zero-carbon resources meeting each load, and all this helps
2 gear the label towards the SB100 framework.

3 As I mentioned, previous versions of the label
4 limited disclosures to electricity and emissions associated
5 with retail sales to customers, but the blue arrow near the
6 top shows a new column that will display the retail
7 supplier's total inventory of electricity resources,
8 including not only its retail sales, but also its line
9 losses, self-consumption, and other end uses supporting
10 electric service. This total category will then be
11 compared to a statewide utility average.

12 In addition, the updated Power Content label
13 includes more detailed information about the previously
14 opaque category of unspecified power. The yellow arrow on
15 the left indicates the disclosure of the primary fuel group
16 serving unspecified power as a percentage, either fossil
17 fuels or renewable and zero-carbon resources, with
18 additional information displayed in a footnote.

19 The resulting Power Content label provides
20 consumers a more comprehensive view of the retail
21 supplier's power sources and emissions in an easier to
22 understand format.

23 Next slide.

24 Staff's recommendations are for the Commissioners
25 to approve the proposed Power Source Disclosure amendments,

1 adopt staff's determination that this rulemaking is exempt
2 from CEQA, and delegate to the Executive Director further
3 actions to submit the rulemaking package to the Office of
4 Administrative Law and Secretary of State.

5 Thank you for your time, Commissioners, and we'd
6 be happy to answer any questions.

7 CHAIR HOCHSCHILD: Thank you so much.

8 Let's go to public comment.

9 MS. BADIE: Thank you, Chair. The Commission
10 welcomes public comment on item 5 at this time. If you're
11 in the room with us, we're asking folks to use the QR code.
12 We've got a few folks in our QR code queue. And then if
13 you're on Zoom, please use the raise-hand feature on your
14 screen or star nine if joining by phone. And we're going
15 to start with folks in the room.

16 Katharine Larson, if you could please approach
17 the podium? When you're making your comments, if you could
18 please state and spell your name for the record, as well?
19 And then we're asking for comments to be two minutes or
20 less. There will be a time on the screen. Thank you.

21 MS. LARSON: Good morning, Chair Hochschild, Vice
22 Chair Gunda, and Commissioners. My name is Katherine
23 Larson, and I'm with the Sacramento Municipal Utility
24 District, and it's Katherine, K-A-T-H-A-R-I-N-E, Larson,
25 L-A-R-S-O-N.

1 So SMUD appreciates staff's efforts and
2 consideration of stakeholder feedback throughout this
3 process, and we support adoption of the proposed
4 regulations today. The new hourly greenhouse gas reporting
5 and accounting requirements established by Senate Bill 1158
6 are admittedly complex, but we believe the proposed
7 implementation is reasonable and consistent with the
8 statutory intent.

9 We also greatly appreciate the inclusion of a new
10 emerging technologies category on the Power Content label,
11 as that will allow retail suppliers to accurately report
12 procurement from these, from new generation technologies,
13 even if there hasn't yet been a rulemaking to amend the PSD
14 regulations to specifically address them.

15 As with any highly complex regulation, and
16 particularly one with a significant public-facing
17 component, there remains a risk of confusion. So the SMUD
18 team is looking forward to working very closely with CEC
19 staff on the rollout of the new requirements, the updated
20 disclosures and summary information, and especially on the
21 reporting spreadsheets to ensure that we can accurately and
22 appropriately report large volumes of data from a large
23 number of resources and ensure that customers are getting
24 the accurate, simple, and reliable information that's at
25 the heart of the Power Source Disclosure program.

1 And finally, we do have one requested
2 clarification for the final Statement of Reasons, which is
3 to expressly clarify the initial reporting year for the new
4 hourly reporting requirements.

5 Thanks very much for the time.

6 MS. BADIE: Thank you.

7 Next, we'll hear from --

8 CHAIR HOCHSCHILD: I'm sorry. I believe
9 Commissioner Gallardo had a question.

10 COMMISSIONER GALLARDO: Hi, Katharine. If you
11 can come back to the podium real quick?

12 First, thank you so much for joining us today.
13 It's really helpful to hear from our partners like SMUD. I
14 was just curious if you could be more specific about the
15 confusion. You said that there's some confusion. Is there
16 something in particular?

17 MS. LARSON: No, just that it's highly complex.
18 And so as we're actually implementing those requirements,
19 we want to make sure we're closely coordinating with staff.
20 So not any one particular issue now, just it's complicated.

21 COMMISSIONER GALLARDO: Got it. Okay. Thank you
22 so much. Appreciate it.

23 MS. BADIE: Thank you.

24 Next, we're going to hear from Elisabeth de Jong.
25 If you could please approach the podium? And just a

1 reminder, please spell your name for our court reporter.
2 And we're asking for comments to be two minutes or less.

3 MS. DE JONG: All right. Thank you very much.
4 My name is Elizabeth de Jong, E-L-I-S-A-B-E-T-H, de Jong,
5 D-E space J-O-N-G. I'm the Regulatory Affairs Manager with
6 SCPPA or the Southern California Public Power Authority.

7 So thank you for the opportunity to provide
8 comments today on the Power Source Disclosure Program
9 rulemaking. My comments are very narrowly focused on one
10 aspect of this rulemaking.

11 So very early in the process, SCPPA advocated for
12 a change on that Power Content label. As a result, the CEC
13 included a clear and concise footnote to the Power Content
14 label that explains the GHG intensity figures do not
15 include those from geothermal resources, and that's similar
16 to how biogenic resources are treated and have been treated
17 previously.

18 SCPPA engaged heavily with Power Source
19 Disclosure Program staff and Vice Chair Gunda's office
20 early in this rulemaking as we worked to address that Power
21 Content label change. The resulting changes that staff
22 made helped to ensure the Power Content label avoids
23 customer confusion about the utility's clean and renewable
24 energy procurement versus fossil fuel mix, which is
25 established, of course, by the utilities and the state

1 levels. The Power Content label now aligns also better
2 with other reporting requirements, including how emissions
3 are reported to the Air Resources Board in MRR.

4 So this is just to say that we greatly appreciate
5 the time that the CEC spent working with us and are happy
6 with the outcome. I would like to specifically thank the
7 Power Source Disclosure Program staff and Vice Chair Gunda
8 and his team and for taking that time to meet with us and
9 understand our concerns.

10 Thank you.

11 MS. BADIE: Thank you.

12 We also have Josh Martin [sic] in the room with
13 us.

14 Josh, if you could please approach the podium?
15 And then just a reminder to spell your name for our court
16 reporter record. And also we're asking for comments to be
17 two minutes or less.

18 MR. HARMON: Good morning, Commissioners. My
19 name is Josh Harmon, J-O-S-H H-A-R-M-O-N, here on behalf of
20 PG&E.

21 I wasn't sure if I was going to comment on this
22 item, but then watching the presentation reminded me of all
23 the emails I got from Jordan Scavo over the last year-plus
24 on this topic and how much really genuine collaboration
25 there had been on this issue. And I know that our team is

1 sincerely grateful for the CEC's collaboration in this
2 space, and we felt like we and other stakeholders were able
3 to be truly heard. We think these regulations are stronger
4 as a result, and there will be more clarity for consumers
5 as well.

6 The only thing that I'd like to agree with our
7 colleague from SMUD, and I think LADWP submitted a comment
8 letter, as well, asking the CEC to clarify the timing for
9 the start of the Power Source Disclosure reporting of loss-
10 adjusted load and hourly data. For instance, does the
11 loss-adjusted load begin with the 2025 reporting year to be
12 submitted on June 1, 2026, or does it begin with the 2026
13 reporting year to be submitted on June 1, 2027?

14 So very in the weeds. And to be clear, we don't
15 think that there needs to be any changes in the proposed
16 regulations. We think a guidance document would be more
17 sufficient, but just looking for a little clarity there.

18 With that, I'll just say thank you again.

19 MS. BADIE: Thank you.

20 And I'm going to transition over to Zoom now.
21 Alex Piper, I'm going to open your line. If you could
22 please spell your name for the record? We're asking for
23 comments to be two minutes or less. There will be a timer
24 on your screen.

25 MR. PIPER: Hello. My name is Alex Piper, that's

1 A-L-E-X P-I-P-E-R. I'm the head of U.S. Policy and Markets
2 for EnergyTag. EnergyTag is a global non-profit focused on
3 driving cost-effective grid decarbonization by improving
4 and expanding the use of granular electricity accounting
5 through development of voluntary standards, policy
6 advocacy, and market engagement.

7 My comment is in support of adopting the amended
8 Power Source Disclosure regulations. Granular accounting
9 and hourly matching will play a fundamental role in fully
10 decarbonizing our electricity sector. Understanding
11 exactly when and where clean electricity is providing
12 power, and just as importantly, where it is not, will
13 enable energy users to make credible claims about their
14 electricity-based emissions, and will support investments
15 in the cleaning firm and storage technologies needed to
16 decarbonize the hours of the day currently being supported
17 by fossil generators. These proposed regulations support
18 this path forward.

19 We also hope tools like the EnergyTag Granular
20 Certificate scheme standard will further support
21 standardizing practices for issuing, tracking, and retiring
22 hourly certificates to further incentivize voluntary
23 electricity procurements and impact. For example, our
24 novel work on storage can ensure it is optimally integrated
25 into renewable energy markets, which is not always the case

1 today.

2 The final rules for this program are an important
3 first step, and we are hopeful the program will continue to
4 evolve in a way that supports market demand for hourly
5 matched clean electricity products and standardization for
6 how claims can be made using granular certificates. More
7 accuracy, not less, is critical to efficiently achieving
8 climate targets and driving new investment in clean energy
9 technologies. That is what this program update represents.

10 EnergyTag supports the final rule, and thank you
11 for your continued leadership. I appreciate the chance to
12 speak today.

13 MS. BADIE: Thank you for your comment.

14 And that concludes public comment. Back to you,
15 Chair.

16 CHAIR HOCHSCHILD: Thank you.

17 Let's go to the Vice Chair.

18 VICE CHAIR GUNDA: Thank you, Chair.

19 First of all, thank you, Logan, for the
20 presentation. I think there was a couple of kind of
21 questions on the timing of the hourly, if you want to just
22 comment?

23 MR. CLENDENING: I can address these in the final
24 Statement of Reasons, as well, but the inclusion of loss
25 adjusted load, inclusion of losses on the Power Content

1 label will begin in 2026, so that will be data reported to
2 us June 1st, 2026, for 2025 procurement and losses. And
3 then the hourly reporting requirements will begin June 1st,
4 2028, for 2027's data. But again, we will clarify that
5 further and address any questions in the final Statement of
6 Reasons.

7 VICE CHAIR GUNDA: Yeah, thanks, Logan.

8 Yeah, I just wanted to thank the commenters,
9 Alex, Elisabeth, Josh, and Katharine. Thank you for not
10 only your comments, but the incredible coordination over
11 the last year.

12 I think I just want to elevate a couple of pieces
13 from a policy standpoint here. I think the Energy
14 Commission is looked to as a trusted voice in gathering
15 information and putting that information that can provide
16 insights into how we are doing as a state, but continue
17 that progress. So some of the conversations we had, you
18 know, that were touched upon during the comments is really
19 around how do we make sure as we disclose the information
20 on such public-facing documents that we don't inadvertently
21 either confuse the public or provide a narrative that's not
22 supportive or helpful in continuing our clean energy
23 progress?

24 And so we've heard that loud and clear. And, you
25 know, I really appreciate the -- and especially the public

1 power over the last year kind of engaging with us to kind
2 of help us understand that. And, you know, to Logan, to
3 you and the entire staff, an incredible gratitude for
4 taking the time to kind of walk through but balancing the
5 different needs that we have and making sure we got to a
6 creative solution.

7 So I just wanted to take a minute to acknowledge
8 beyond Logan, Jordan Scavo, Lindsay Buckley, somebody in
9 the meeting yesterday that we were in said RIP CEC because
10 we lost Lindsay to ARB. But Lindsay Buckley, who was our
11 media director before, a huge thanks to her, Gina Barclay,
12 Lisa DeCarlo, and the CCO has been a significant part of
13 this, Renee Webster-Hawkins, and Malachi. Just incredible
14 gratitude for thinking creatively on how we can come up
15 with all the solutions.

16 And I think I want to reiterate the importance of
17 CEC in creating the trusted public as to be a venue that
18 people trust to be heard. And, you know, to me, that is
19 the biggest success of all these processes.

20 So, again, to you, Logan, and a special thanks to
21 Jordan for making that happen.

22 Jordan, if you're listening or if you will listen
23 later, thank you for the amazing briefings and kind of
24 coming up with creative solutions.

25 I also want to put it on the record, you know,

1 just a big thanks for the collaborative inputs from CMUA,
2 SCPPA that we heard from today, SMUD, SFPUC, LADWP,
3 Peninsula Clean Energy, CalCCA, PacifiCorp, PG&E, and many
4 other stakeholders. So, thank you for your time in helping
5 us make things better.

6 So, with that, I'm looking forward to getting
7 this adopted. Thank you.]

8 CHAIR HOCHSCHILD: Commissioner McAllister?

9 Is there a motion from the Vice Chair?

10 VICE CHAIR GUNDA: Yeah, I'll move the item

11 CHAIR HOCHSCHILD: Is there a second from
12 Commissioner McAllister?

13 COMMISSIONER MCALLISTER: Second.

14 CHAIR HOCHSCHILD: Okay. All in favor say, aye.
15 Vice Chair Gunda?

16 VICE CHAIR GUNDA: Aye.

17 CHAIR HOCHSCHILD: Commissioner McAllister?

18 COMMISSIONER MCALLISTER: Aye.

19 CHAIR HOCHSCHILD: Commissioner Gallardo?

20 COMMISSIONER GALLARDO: Aye.

21 CHAIR HOCHSCHILD: Commissioner Skinner?

22 COMMISSIONER SKINNER: Aye.

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

25 We'll turn now to item six, emergency rulemaking

1 implementing refiner and marketer three-month projection
2 regulations.

3 Welcome, Jeremy.

4 MR. SMITH: Good morning, Chair and
5 Commissioners. My name is Jeremy Smith. I'm a Deputy
6 Director in the Energy Assessments Division. I am
7 presenting for your consideration and approval the
8 petroleum refiner and major marketer three-month projection
9 regulations that were developed under the SB X1-2 emergency
10 rulemaking.

11 By statute, California oil refineries and major
12 marketers are already required to submit three-month
13 projections to the CEC. These data regulations would
14 clarify those reporting requirements to ensure we collect
15 accurate and consistent information.

16 Next slide, please.

17 Senate Bill X1-2 was enacted in 2023, tasking the
18 CEC with collecting data to understand the underlying
19 causes of recent gasoline price spikes and designing
20 policies to protect consumers at the pump during the
21 state's transition away from petroleum fuels. The
22 legislature provided the CEC with emergency rulemaking
23 authority, which enables an expedited process to adopt
24 regulations, ensuring we collect the information necessary
25 to fulfill our responsibilities.

1 The reporting requirements presented for you
2 today, if adopted, will provide greater transparency into
3 the California transportation fuels market, gather data to
4 better analyze market behavior, particularly near-term
5 supply and demand conditions, and inform policy decisions
6 to reduce the risk of gasoline price spikes and ensure a
7 safe, reliable, affordable, and equitable supply of
8 transportation fuels for all Californians.

9 Next slide.

10 Californians experienced unprecedented gasoline
11 prices in recent years, exceeding \$6.00 per gallon in late
12 summers 2022 and 2023. This chart shows the trend in
13 retail gasoline prices since 2019. The California average
14 price is the green line, the U.S. average is the red line,
15 and the difference between the two is shown in blue.

16 There are several times throughout the six-year
17 span when gasoline prices increased rapidly compared to the
18 U.S. average, like those in the shaded boxes, meaning
19 prices were elevated due to factors within the California
20 market. We have observed that price spikes isolated to
21 California are not due to taxes and fees, which remain
22 constant. The increase is seen first in the wholesale
23 price of gasoline when supply in the market tightens, and
24 that price increase is then passed on to consumers at the
25 pump. For every 10-cent increase in the statewide average

1 price, Californians collectively pay an additional \$4
2 million per day at the pump.

3 Next slide, please.

4 Last year, we developed a statistical model to
5 establish the risk of price spikes based on the total
6 gasoline supply in the market. Each week, CEC staff assess
7 California's total gasoline supply, which is the sum of
8 gasoline inventories, production at the local refineries,
9 and marine imports. By adding up the total available
10 supply of gasoline and dividing it by the daily demand, we
11 can assess market liquidity by a metric called days of
12 supply.

13 Days of supply is shown along the bottom of this
14 chart with values ranging from 11 to 20 days. For example,
15 if days of supply is 14, that means the currently available
16 supply of gasoline is enough to meet two weeks of demand.
17 The left side of the chart shows the California spot market
18 price relative to the New York Mercantile Exchange. If
19 this price differential increases, the retail price that
20 consumers pay at the pump will soon increase for reasons
21 specific to the California market. We have observed that
22 as days of supply falls, the spot price spread increases.

23 While this model has improved our understanding
24 of historical price spikes, we can further enhance our
25 understanding and forward visibility by collecting supply

1 projections from industry participants.

2 Next slide, please.

3 As I mentioned previously, California oil
4 refineries and major marketers are required by statute to
5 submit three-month supply projections to the CEC. Industry
6 participants already develop supply and demand projections
7 as a normal part of their business operations. These plans
8 are used to optimize purchases of crude oil and feedstocks,
9 refinery production of various petroleum products, and
10 imports of finished fuels and blending components to meet
11 their contractual obligations.

12 Staff met with industry participants back in
13 October to discuss these reporting requirements and hosted
14 a pre-rulemaking workshop in November to present the draft
15 rules, forms, and instructions.

16 The data regulations presented for you today
17 clarify the reporting requirements and define terms to
18 facilitate accurate reporting. These data will provide the
19 CEC with expanded visibility into future market supply
20 conditions and help identify the potential for market
21 tightness that may lead to price spikes.

22 Next slide.

23 By statute, these data regulations are not a
24 under CEQA and staff recommend that you approve the refiner
25 and major marketer three-month projection reporting

1 requirements. If approved, the package will be submitted
2 to the Office of Administrative Law for review tomorrow.
3 For those wanting to submit comments to the docket, I would
4 like to direct their attention to the notice of proposed
5 emergency action for guidance because there are specific
6 instructions. The docket is 23-OIR-03.

7 SB X1-2 requires the Office of Administrative Law
8 to review these regulations as an emergency, which means
9 that OAL has 10 days to review after receiving them. OAL
10 and the CEC will accept public comment for the first five
11 days of that 10-day period. Based on this timeline, we
12 expect the regulations would take effect on February 24th.

13 I do want to note that there was a minor
14 typographical error in the express terms that were
15 published on January 31st of 2025, which referenced an
16 incorrect section number. This error has been resolved in
17 a revised version published yesterday with the correct
18 section reference.

19 That concludes my presentation. Chad Oliver from
20 our Chief Counsel's Office and I are available to respond
21 to your questions. But before we do that, we have a brief
22 comment from the Division of Petroleum Market Oversight, so
23 I'll turn it over to Varsha Sarveshwar.

24 Thank you.

25 MS. SARVESHWAR: Thank you, Jeremy, and good

1 morning, Chair, Vice Chair, and Commissioners. My name is
2 Varsha Sarveshwar, and I am Senior Policy Advisor with the
3 Division of Petroleum Market Oversight. Our team has been
4 working with Jeremy and the Energy Assessments Division
5 staff on the three-month projections rulemaking item, and
6 we encourage you to adopt it today.

7 The rulemaking provides consistency and clarity
8 for reporting entities, including the major marketers who,
9 in addition to our in-state refiners, play a critical role
10 in our transportation fuel supply chain. The resulting
11 data will provide us critical insight into forward gasoline
12 supply, which, in turn, informs the policy options that the
13 Commission and DPMO are considering to stabilize gas
14 prices.

15 Finally, I want to end on a note of appreciation
16 for Jeremy and the EAD team. Jeremy has, in the past,
17 referred to the countless staff time that has been put into
18 collecting, reviewing, tabulating, and following up on
19 industry submissions. We at DPMO have witnessed that hard
20 work firsthand. But Jeremy and his staff have also been
21 incredibly collaborative with us and our team, and on this
22 item have spent a lot of time together to make these forms
23 as strong as possible. So we're really grateful for that
24 collaboration and partnership.

25 With that, I'll hand it back to Jeremy and Chad

1 in case there are any questions.

2 CHAIR HOCHSCHILD: Thank you. Appreciate that,
3 Varsha.

4 Let's go to Commissioner discussions.

5 MS. BADIE: Oh, sorry, Chair.

6 CHAIR HOCHSCHILD: Oh, is there public comment
7 first?

8 MS. BADIE: Let me take a look on --

9 CHAIR HOCHSCHILD: Thank you. Let's go to public
10 comment first.

11 MS. BADIE: Thank you.

12 The Commission welcomes public comment on item
13 six at this time. If you're in the room with us, please
14 use the QR code or raise your hand. And if you're on Zoom,
15 you're going to use the raise-hand feature on your screen
16 or star nine if joining by phone.

17 And in the room with us, we have Sarah Taylor.
18 If you'd like to approach the podium, please. And just
19 another reminder, please spell your name for our record.
20 And we're asking for comments to be two minutes or less.
21 There will be a time on the screen.

22 MS. TAYLOR: Thank you. Good morning, Chair,
23 Vice Chair, Commissioners. My name is Sarah Taylor,
24 S-A-R-A-H T-A-Y-L-O-R. I am in-house counsel for Western
25 States Petroleum Association.

1 WSPA remains concerned about the continued use of
2 emergency rulemakings in this matter. There is no
3 emergency as the CEC has gathered information from industry
4 for decades and has had years to consider new information
5 gathering rules with proper public notice. This rushed
6 process frustrates the public's right to full review and
7 prevents the CEC from making full consideration of these
8 rules.

9 SB X1-2 prohibits the disclosure of confidential
10 business and/or competitively sensitive information where
11 such public disclosure would result in an unfair
12 competitive disadvantage to the entity supplying the
13 information.

14 While we appreciate that the CEC has taken an
15 important step to include major petroleum products
16 marketers in the forecast as they are an important and
17 material portion of the fuels market, we again highlight
18 that product projections are amongst the most competitively
19 sensitive information government can mandate from
20 businesses. These can be easily misused -- excuse me -- by
21 unscrupulous traders seeking to manipulate the fuels
22 market, force increased speculation, artificially increase
23 supply chain costs, and ultimately harm consumers.

24 Such projections are inherently complex,
25 involving numerous assumptions and uncertainties. There

1 are significant constraints in any one company's ability to
2 forecast any globally traded commodity. And because one
3 company's guess can be radically different than another
4 company's guess, such prognostications are of little
5 usefulness in guiding policy.

6 CEC staff have represented to us that projection
7 data is for internal use by CEC only. We appreciate this
8 but urge the CEC to memorialize that commitment in the
9 record to prevent any harm to consumers. We also stress
10 that any future decision not to maintain this data as
11 strictly confidential would require a formal rulemaking
12 process.

13 CEC claims that there is no possibility of the
14 regulations causing negative impacts, but the truth is that
15 the regulations very well could harm the environment, the
16 market, California industry, and Californians themselves.
17 Those are conclusions made to shortcut CEQA and other laws
18 requiring a full review of all regulatory impacts.

19 While WSPA members will make every effort to
20 comply, we remain concerned that data based on guesses can
21 lead to incorrect interpretations, flawed or inaccurate
22 perceptions about the fuels industry, purposeful misuse to
23 manipulate the market, and ultimately bad policy that hurts
24 Californians.

25 Thank you, guys. We appreciate the opportunity

1 to comment.

2 MS. BADIE: Thank you.

3 And we do not have anyone else in the room or on
4 Zoom with us, so back to you, Chair.

5 CHAIR HOCHSCHILD: Okay. Thank you so much.

6 We'll go to discussion, starting with the Vice
7 Chair.

8 VICE CHAIR GUNDA: Thank you, Chair.

9 Thank you, Jeremy, for the excellent
10 presentation.

11 And thank you, Varsha, for sharing perspectives
12 of DPMO, and also want to just make sure that it's on the
13 record for the incredible work that DPMO is doing in both
14 using the competence and skill set that you have to bring
15 to the table, but also helping coordinate with EAD and then
16 the CEC staff to make all the products better. So I want
17 to thank you that.

18 Thank you, Sarah, for your comment. You know,
19 always appreciate the continued engagement from the
20 industry and, you know, putting on notice what you see are
21 considerations that we should take into account as we move
22 forward. So I appreciate your comments.

23 Chad, maybe if I can just ask you quickly on the
24 PIRA confidentiality, our ability to keep this data
25 confidential, and how we plan to use it? I think it'll be

1 helpful to just start on the record.

2 MR. OLIVER: Yeah, absolutely. Thanks, Vice
3 Chair. And, yeah, I think as Sarah from WSPA noted, the
4 CEC is required by statute to keep all information
5 collected under the Petroleum Information Industry
6 Information Reporting Act confidential if it would cause
7 adverse impacts to market competition or competitively
8 disadvantage the entity supplying the information.

9 There is a very narrow process in statute to
10 explore disclosing information, but CEC has not used that
11 provision to my knowledge, and it would require kind of a
12 back and forth with the industry to discuss and justify the
13 assertion of confidentiality.

14 The CEC does publish aggregated and anonymized
15 information on its website regarding the petroleum
16 industry, and CEC is very careful to review all data
17 disclosures to ensure that it will not have adverse market
18 impacts or competitively disadvantage the entity supplying
19 information.

20 VICE CHAIR GUNDA: Thank you, Chad.

21 Did you have a question you wanted to ask?

22 COMMISSIONER MCALLISTER: I just wanted to
23 express confidence in the team. I mean, I really
24 appreciate the briefings and paying close attention to
25 this, you know, understanding the sensitivities. And I

1 just want to express confidence that the Commission staff,
2 legal, you know, the Division are really doing a great job
3 on this and taking it in a rigorous way and just really
4 responsible. And, you know, I think it's going to produce
5 good work and transparency and the sort of public benefit
6 that was intended by the legislation, and I just really
7 appreciate the team taking all that very seriously.

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

10 I just kind of -- maybe, Jeremy, if you could
11 just kind of share a little bit for the record on, I think
12 you already covered that in your presentation, and again,
13 going to what Commissioner McAllister said, a significant
14 part of the effort from SB X1-2 that CEC has continued to
15 implement is around shedding light on, you know, what we
16 don't understand and how to make sure we have a full
17 understanding of the variables as we develop the policies.

18 So could you comment on, you know, one of the
19 comments that Sarah made is, you know, just potential for
20 misuse and misinterpretation of the data or, you know,
21 inadvertent disclosure? Can you just talk about current
22 practices that you, as the lead on the data side, take and
23 then you continue to put them forward?

24 MR. SMITH: Yeah, absolutely. I mean, in terms
25 of keeping all the data confidential, it's a very rigorous

1 process that the entire team takes very seriously. and all
2 the information is, you know, collected, and the only
3 people that ever see it or use it are on a need-to-know
4 basis, and, you know, the products that those support are
5 very clearly laid out.

6 I mean, in some of those cases, as Chad
7 mentioned, there are reports that we're required to do in
8 terms of aggregating and anonymizing some of the data that
9 we collect under PIRA on some of our websites, but
10 otherwise, all that information is kept confidential. We
11 don't share that with other industry participants or any
12 other agencies or anyone without, you know, the authority
13 to do so.

14 So that's something, yeah, we take very, very
15 seriously and do not see this being any different in
16 causing any sort of threat of being disclosed in any way
17 that would be harmful.

18 VICE CHAIR GUNDA: Thanks, Jeremy.

19 So I just wanted to, again, thank you for your
20 presentation, but also the entire staff. I know you're
21 representing, you know, a massive team in EAD, but also a
22 lot of contributions from DPMO. So thank you for the
23 incredible work that the entire team is doing.

24 I also want to uplift Aria Berliner from our
25 office who has been on this for the last 18 months, and I

1 don't think she volunteered for this work, but thanks to
2 Aria for being in this work.

3 And also just the CCO who have been incredible,
4 you know, very diligent, very proactive in supporting the
5 work that we needed to do. But the other tangential teams
6 that people don't see, you know, like Sarah from the Leg
7 Team or Comms, they all are working together, and the
8 Executive Office, just an incredible gratitude for Drew for
9 all the work that he does.

10 Also want to say, it is a lot of collaboration
11 with the industry. You know, there's a lot of calls that
12 happen with the industry. And I would just say, you know,
13 thanks to the industry and the marketeers for the
14 collaborative calls that we've had. Again, this is
15 not -- there's always going to be the tension between what
16 the Energy Commission as a state agency with the mandate of
17 public interest needs to do and, you know, the potential
18 fear of what that information could be used for and that
19 ability to, you know, secure and keep that confidential. I
20 understand that, but I think it's an important element of
21 SB X1-2 is to make sure that we fully understand what the
22 market -- how the market functions to be able to develop
23 the policies better in the future.

24 And I think I would offer this, you know, to
25 colleagues in the industry and the market and other

1 stakeholders who are worried about this data, we are better
2 equipped to do better policy with data. I think we --
3 coming up with rules and ideas in the vacuum of data is
4 more problematic. So, I appreciate, you know, the constant
5 tug of ideas. You know, without the tug of ideas, I don't
6 think we'll do a good job. And I think I'm grateful to the
7 staff for making sure it's not overly burdensome. I think
8 that's something we need to recognize. We don't want to
9 keep hitting with a bunch of different requests that are
10 constantly changing.

11 So, anything we can do to streamline our asks,
12 make it very clear, you know, have more meetings, whatever
13 it takes to make sure the burden is not too much, I think
14 it's always appreciated by our stakeholders and our broader
15 ecosystem.

16 I think at a 30,000-foot level, right, the 90-day
17 forecasts will allow us to gain a better insight. And I
18 think that is critical, critical moving forward, whether we
19 think about production, outages, changes, so it's really
20 important for us to understand. So thank you for this.

21 I think in closing, it's just another piece of
22 the puzzle. We have thousands, tens of thousands, I know,
23 tens of thousands of hours that went into staff work that,
24 you know, got us to this point over the last 18 months. So
25 thanks for everybody and looking forward to supporting.

1 Thanks, Jeremy.

2 CHAIR HOCHSCHILD: Commissioner Gallardo?

3 COMMISSIONER GALLARDO: Thank you, also, to the
4 team. I know this is very complex work and I appreciate
5 the emphasis on the data that Vice Chair Gunda was making.
6 I think that's really important as well for us to be able
7 to get the data we need to be able to move forward.

8 I do have a question. I think this might be more
9 for Chad. I was curious about the confidentiality piece.
10 Because it is already in statute, it is basically
11 memorialized, right, is what I'm thinking. And we adhere
12 very stringently to statute. So, I think that
13 confidentiality is basically addressed and taken care of
14 because of that, but I want to verify.

15 And then I'm wondering, are there any situations
16 where we would do an extra type of documentation
17 memorialization if it's already in statute?

18 MR. OLIVER: Absolutely. Thank you for the
19 question, Commissioner Gallardo. And yeah, you're
20 absolutely right. The Commission, the CEC, is bound by
21 law, by statute to keep this information confidential. And
22 I think as Jeremy and the Vice Chair addressed really well,
23 CEC staff at all levels take that very seriously.

24 And it's also memorialized in each of the
25 existing data collection processes. So every form that

1 industry reporting entities submit to the CEC, submit
2 through a secure data portal or other secure data
3 submission process. And there's, you know, confidentiality
4 protections built in throughout from kind of data
5 submission all the way through the internal ecosystem and
6 how the CEC utilizes the data and less access to it.

7 COMMISSIONER GALLARDO: Excellent. Thank you for
8 making that clarification.

9 I just want to highlight, Sarah, I appreciate you
10 representing WSPA here joining us to give us your comments.
11 And the confidentiality is very important, so I just wanted
12 to make sure that was clear for everyone.

13 Thank you, Chad.

14 CHAIR HOCHSCHILD: Unless there's other comments,
15 I just want to say thank you, Chad, Varsha, Jeremy, Aria,
16 the whole team.

17 And just to observe, you know, Vice Chair, your
18 work on this has made an incredible difference, okay? I
19 know how hard you've worked. And you didn't have quite as
20 much gray hair a year ago.

21 But I just want to observe, you know, we did not
22 have a gasoline price spike this fall. And I really
23 believe the combination of new authorities granted to the
24 Energy Commission and the visibility we have today that we
25 didn't previously have, and your hard work and coordination

1 and communication with the industry has made a difference.
2 And I would observe, also, you don't have to agree on
3 everything to be able to communicate and work together with
4 the refineries which we have.

5 And so the goal is to protect the public from
6 these unexpected sudden price spikes which we've seen in
7 three out of the last six years. And so, that happened
8 this fall. I really believe your work and your team's work
9 and everyone together leaning in has made a positive
10 impact. So I just want to thank you again for all your
11 work on that.

12 So, unless there are any other comments, Vice
13 Chair, did you want to make a motion?

14 VICE CHAIR GUNDA: Yeah. I'll move item six.

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

17 COMMISSIONER GALLARDO: I second item six.
18 All in favor say aye.

19 CHAIR HOCHSCHILD: Vice Chair Gunda?

20 VICE CHAIR GUNDA: Aye.

21 CHAIR HOCHSCHILD: Commissioner Gallardo?

22 COMMISSIONER GALLARDO: Aye.

23 CHAIR HOCHSCHILD: Commissioner Skinner?

24 COMMISSIONER SKINNER: Aye.

25 CHAIR HOCHSCHILD: Commissioner McAllister?

1 COMMISSIONER MCALLISTER: Aye.

2 CHAIR HOCHSCHILD: And I vote aye as well. Item
3 six passes unanimously.

4 We'll turn now to item seven, thank you, which is
5 building initiative for Low-Emissions Development Program.
6 And while we're waiting for Camille, I'll just telegraph
7 what we're going to do is work through about 12:10 or so
8 and then break for an hour for lunch, so we got a little
9 less than an hour to go.

10 Okay, over to you.

11 MS. OBAD: All right, thank you. Hello,
12 Commissioners. Thank you for this opportunity to present
13 staff's recommendations for the building initiative for low
14 develop for Low-Emissions Development, or the BUILD,
15 Program Guidelines, Second Edition. My name is Camille
16 Remy Obad. I am the supervisor for the BUILD Program in
17 the Reliability, Renewable Energy & Decarbonization
18 Incentives Branch, or RREDI.

19 Next slide, please.

20 So, BUILD is an incentive program that supports
21 new all-electric affordable housing, both multifamily and
22 single-family. These projects support essential new
23 housing in California, reduce greenhouse gas emissions,
24 improve indoor air quality, and create green jobs.

25 Next slide, please.

1 For an overview of BUILD, before highlighting the
2 modifications before the Commission today for
3 consideration, I would also like to provide an overview of
4 the program and its impacts to date.

5 The BUILD Program is designed to address market
6 barriers. Its governing authority, SB 1477 and the
7 accompanying CPUC decision, mandate that any projects
8 receiving BUILD incentives do not result in higher utility
9 bills for the occupants. Eligible projects must be deed-
10 restricted affordable residential housing located in low-
11 income or disadvantaged communities or within California
12 Native American tribes.

13 During program development, staff recognized that
14 affordable housing developers face numerous challenges,
15 including a complicated and lengthy development process
16 with competitive funding sources and complex regulatory
17 requirements. In the early stages of developing the
18 program, staff found that affordable housing developers and
19 their teams had limited experience with building
20 electrification due in part to the perceived risks of
21 constructing all-electric homes and the market barrier of
22 just trying something new.

23 To address these challenges, the initial BUILD
24 Program Guidelines were drafted to provide each affordable
25 housing developer with a patient application period and up

1 to 300 hours of free technical assistance. Each developer
2 can earn up to \$2 million of all-electric incentive funds
3 over several projects, which is calculated based on the
4 greenhouse gases avoided compared to a dual fuel building.
5 The program also offers a new adopter award to mitigate
6 early upfront costs and to address these perceived risks.

7 Next slide, please.

8 This slide shows an overview of the BUILD Program
9 funds. As a pilot program, BUILD was allotted \$80 million,
10 of which \$60 million is budgeted for incentives. The
11 incentive funding is allocated based on gas territories
12 across the state.

13 Next slide, please.

14 So while the timetable for affordable deed
15 restricted housing is lengthy, the BUILD Program has been
16 very busy. In total, BUILD has 92 approved applications
17 and approximately \$40 million of the \$60 million incentive
18 budget has been reserved.

19 A noteworthy metric for the BUILD Program is the
20 total metric tons of greenhouse gas avoided, which is
21 currently estimated at just over 5,000 metric tons. These
22 savings are equivalent to preventing the consumption of
23 over 570,000 gallons of gas, or approximately 1.8 tons of
24 waste recycled instead of landfill.

25 Next slide, please.

1 BUILD projects span across the state and add over
2 7,700 new clean energy housing units to the state's housing
3 stock. Developers for BUILD reservations include the
4 Habitat for Humanity, Eden, and Mutual Housing, and
5 projects include both traditional and supportive housing.

6 Next slide, please.

7 So moving on to the modifications to the BUILD
8 Program Guidelines.

9 Our first recommendation is aimed at increasing
10 participation. Although many newly formed affordable
11 housing firms include individuals with significant
12 collective experience, they were ineligible due to the
13 program's initial requirement of five years of developer
14 firm experience. To accommodate the different forms of
15 legal partnerships, BUILD staff proposes to make the five-
16 year developer experience requirement a collective total
17 years of experience.

18 Next is a modification to provide flexibility in
19 addressing the program's statutory requirement to require
20 BUILD savings in comparison to a dual-fuel building. To
21 allow projects located in a jurisdiction without a virtual
22 net-energy metering program, staff proposed an alternative
23 approach to submit a rental lease agreement addendum that
24 provides the required utility bill savings to tenants.

25 Our third proposed change ensures that

1 incentive -- ensures incentive calculation accuracy by
2 requiring applicants to use the program's custom path tool
3 calculator, which provides precise incentive calculations
4 based on the project's exact specifications. When the
5 program was first launched, it also provided a simpler
6 estimating tool, which was not as accurate and created
7 confusion for participants during various stages of project
8 development.

9 The last change recommended is for equipment
10 requirements proposed to conform with energy -- with
11 industry and Energy Code standards to expand equipment
12 options, and to improve efficiencies and greenhouse gas
13 reductions with stricter minimum requirements.

14 Next slide, please.

15 The public process for this, staff worked with
16 the BUILD Program's technical assistance provider, the
17 Association for Energy Affordability, AEA, to gather
18 feedback on program issues and held a workshop in November
19 on the proposed Guideline modifications, along with public
20 comment periods. The proposed BUILD Program Guidelines
21 second edition before you today are the result of these
22 efforts.

23 Next slide, please.

24 With this summary, we thank you for your
25 consideration and staff now requests approval of the

1 proposed BUILD Program Guidelines, Second Edition, and the
2 CEQA exemption determination.

3 Thank you.

4 CHAIR HOCHSCHILD: Thank you so much. Let's go
5 to public comment on item seven.

6 MS. BADIE: Thank you, Chair.

7 The Commission welcomes public comment on item
8 seven at this time. If you're in the room with us, please
9 raise your hand or use the QR code. And if you're on Zoom,
10 you'll use the raise-hand feature on your screen or star
11 nine if joining by phone.

12 And we don't have anyone in the room with us, so
13 I'm going to transition over to Zoom. All right, I have
14 one raised hand from David Avina.

15 David, your line is open. If you could please
16 spell your name for the record? We're asking for comments
17 to be two minutes or less. There will be a timer on the
18 screen.

19 MR. AVINA: Great. Thank you. David Avina,
20 D-A-V-I-D A-V-I-N-A. Thank you. So on behalf of the
21 Association for Energy Affordability --

22 CHAIR HOCHSCHILD: I'm sorry, sir, it's really
23 difficult to hear you. Are you able to either speak up or
24 change to a different mic?

25 MR. AVINA: Just give me one second.

1 CHAIR HOCHSCHILD: Okay. Can you try again, sir?

2 MR. AVINA: Yeah.

3 CHAIR HOCHSCHILD: That's a little better. Thank
4 you.

5 MR. AVINA: Okay. Let me project.

6 I'm from the Association for Energy
7 Affordability. I'd like to share our support for the
8 resolution to approve the BUILD Guidelines new edition. I
9 wanted to share some insights on the BUILD Program for
10 consideration.

11 BUILD creates the infrastructure to support
12 affordable residential property owners in achieving high-
13 performing all-electric buildings appropriately. In a
14 dynamic housing market, navigating from mixed fuel to a new
15 standard of high-efficiency all-electric construction, the
16 BUILD Program has been able to assist developers and their
17 teams transition to electrification as a standard process.

18 BUILD technical assistance services gives
19 developers the tools to communicate with their teams about
20 all-electric best practices and has supported developers
21 with a range of experience, including 55 projects who are
22 new adopters of all-electric building practices. Uptake of
23 technical assistance has successfully supported over 300
24 projects served and over 5,000 technical assistance hours
25 since the program launched, including fuel switching and

1 hard-to-reach projects, as well as owners that are new
2 adopters and small developers, demonstrating the ability of
3 the program to reach diverse participation.

4 As we look to achieving state goals, expanding
5 (indiscernible), the BUILD Program helps advance these
6 goals by building capacity within the multifamily design
7 and construction community to build benefits -- to bring
8 benefits of high-efficiency, healthy, cost-effective all-
9 electric homes to residents across California.

10 Thank you.

11 MS. BADIE: Thank you.

12 And that is only raised hand for this item. Back
13 to you, Chair.

14 CHAIR HOCHSCHILD: Thank you so much.

15 Let's go to Commissioner discussions, starting
16 with Commissioner McAllister.

17 Well, Camille, thanks very much. Really
18 appreciate just the competence that you and the staff have
19 shown all along with BUILD and just a competent leadership
20 in the Division. You know, Deanna and Jen and the whole
21 team has just done an amazing job with the BUILD Program.

22 And when we first adopted the original Guidelines
23 and got this program stood up, I think we projected, as we
24 often do, that, you know, nobody's perfect and we'll have
25 to, you know, keep ears to the ground and figure out, you

1 know, what improvements we can make. And I think the
2 workshop and all the input we got and the experience of AEA
3 and just the broad team and participants have helped us
4 improve the program. And that's what these Guidelines
5 reflect. So I just, I think this is kind of a no-brainer,
6 good government stuff.

7 And, you know, the program has a lot of traction.
8 I thank the commenter. Thanks very much. The technical
9 assistance has been really key. We've had a lot of
10 interesting discussions with builders and allies,
11 participants over, you know, the last couple of years. And
12 I think they've encountered barriers in the marketplace.
13 They've, you know, had sort of growing pains in this market
14 transition over to electric new construction. And where
15 those have appeared, we've dealt with them and I think
16 found reasonable solutions.

17 And so it's just good to have this Guideline
18 update to keep that program running smoothly. Really
19 appreciate it. And thanks for the presentation.

20 CHAIR HOCHSCHILD: Thank you.

21 Vice Chair?

22 VICE CHAIR GUNDA: Thank you, Chair.

23 First of all, Commissioner McAllister. Thanks
24 for your leadership in not just the codes and standards,
25 but these programs, and I think your ability to truly set

1 the table for having multiple perspectives. And I always
2 hear from you and I let the process play out and then it
3 will always guide you to the best outcome. So just want to
4 thank you for your leadership on different aspects of
5 buildings, but also harmonizing them together into the
6 broader policy world. So just want to give you a big, big
7 gratitude and thanks.

8 Camille, thank you for the presentation. That
9 was excellent. And also thanks to Jen and Deanna. So we
10 have -- I want to ask this question from trying to figure
11 out how we harmonize our state goals. So one of the things
12 we've heard from the governor recently is the jobs
13 initiative, right, Jobs First initiative and kind of the
14 focus regionally and trying to really articulate the state
15 geography in those 13 regions.

16 Two pieces. One, you know, are there discussions
17 on harmonizing kind of our data, like, you know, as we
18 think about the number of jobs created into that? And also
19 anything from you on what else needs to be done to better
20 be placed with the data so?

21 MS. OBAD: Thank you. I think I agree with you
22 that there is an opportunity to look at some of the
23 harmonizing when it comes to green jobs. So that is
24 something that staff can definitely look at and see if
25 there's an opportunity with that. I do think that is

1 important.

2 And I'm sorry, the second question that you were
3 also asking?

4 VICE CHAIR GUNDA: Yeah, just any gaps that you
5 see in terms of bridging the data; right? So what we're
6 trying to do is, as we think about the standards work or we
7 think about the demand forecasting work, we all look at
8 different ways of, you know, breaking the state into, you
9 know, different areas.

10 So, you know, from a programmatic perspective,
11 what additional data points would we need to gather or, you
12 know, we struggle with that can help us stitch that uniform
13 story around, if we look at one region, like, for example,
14 Central Valley, here's how the demand is going to grow.
15 Here's kind of our vantage point on understanding the
16 building stock, here's how we are putting in money to push
17 job growth in this area, so how do we align the different
18 data sets we have into being able to fully have to have a
19 full view? So like what do you see from the building site
20 that we can gather?

21 MS. OBAD: Sure. Well, one thing I will say is
22 that BUILD has a very robust GIS program that we also put
23 all of our data in. So we are able to do analysis based
24 on, you know, in terms of our supply based on a lot of
25 different metrics. So that is one thing I think that we

1 could align with, but also if there's, you know,
2 (indiscernible).

3 MS. CARRILLO: Thanks, Camille.

4 MS. OBAD: Yeah.

5 MS. CARRILLO: Thank you for the question, Vice
6 Chair. I think you bring up a really good point on some of
7 the swim lanes or buckets of data and statutory
8 requirements, and also the unique definitions that we have
9 for each funding source or initiative at the state level.

10 Overall, the Division is looking at its overall
11 portfolio. And we're actually going through a little bit
12 of a slow process right now about developing a standardized
13 data dictionary so we can actually help tell the story and
14 translate better. But it is a broader effort that could
15 use more time and investment as we focus on kind of our
16 immediate statutory role, so, you know, understanding that
17 we're taking small steps in the right direction.

18 VICE CHAIR GUNDA: Yeah, Deanna, I just want to
19 say, I commend your leadership. You know, I've seen
20 firsthand through the reliability work that you have been
21 shepherding, you know, the creativeness that you bring to
22 the table. I think I, you know, just as a view that's
23 really forming and my view has been developing on this, I
24 think much of our work happens county up; right, you know?
25 And it's important for the counties to have the information

1 exchange point with the state.

2 So what is that right hand-off point where we are
3 planning statewide and then thinking about how do we, you
4 know, allocate programs in different areas and how do we
5 meet them at county level or a aggregation of a region
6 level that allows for the conversation to create the best
7 conditions possible for a win-win; right?

8 Like the, you know, counties or the collection of
9 counties or the regions are completely ready to embrace
10 what is coming and they can coordinate themselves to come
11 to us in a meaningful way. So I think that's where my data
12 question is coming from.

13 So I look forward to working with you, but also
14 OGA and the data team overall to kind of bring that
15 conversation together. Thanks.

16 Thank you, Chair.

17 CHAIR HOCHSCHILD: Any other? Yeah.

18 Commissioner Gallardo?

19 COMMISSIONER GALLARDO: So I also wanted to thank
20 the team for the wonderful presentation. Really appreciate
21 the briefing as well. And congratulations on the progress.
22 If I was paying attention correctly, it's over 7,700 homes,
23 new clean homes, which is phenomenal. And I really
24 appreciated that map you had showing where the homes are
25 and actually some areas that I found surprising. So I'm

1 trying to also understand the question about how we
2 coordinate better, how we can collaborate better at that
3 local level, regional level. I think that would be an
4 exciting opportunity to look into.

5 I also wanted to point out on the workforce
6 front, I think potentially there's a lot of opportunity
7 here. And we do have now a dedicated person at the Energy
8 Commission who focuses on workforce. So hopefully you are
9 engaging with her to see if there are any ideas on that.

10 I also wanted to point out the variety of housing
11 types is also fantastic. I know you mentioned Urban
12 Habitat, which is a program near and dear to my heart. And
13 I'm so glad that they're participating. So wonderful all
14 around.

15 I do have a question, which is, is there a
16 schedule for updating the Guidelines? Is it every so often
17 or is it just something that we're going to be doing
18 depending on the need or the input you're hearing from
19 industry? I'm really curious about that.

20 MS. OBAD: Yes, there isn't a specific schedule
21 for updating the Guidelines. We do have a schedule for
22 updating some of our tools. We do that at least every two
23 years for doing our greenhouse gas calculations and bill
24 savings calculations. But, no, the Guidelines themselves,
25 we do that on an as-needed basis. Those updates are on an

1 as-needed basis.

2 COMMISSIONER GALLARDO: Okay. And is there
3 particular criteria you're looking at to determine when
4 it's needed?

5 MS. OBAD: I think it just, it depends on if
6 there's been policy call changes or if we get feedback
7 that, you know, certain developer types are experiencing
8 difficulty. You know, it might be new equipment
9 regulations, things like that. Then we'll -- staff looks
10 at that and sees if there's some flexibility in the
11 Guidelines to be able to address it or if we need to make
12 some changes.

13 COMMISSIONER MCALLISTER: May I also chime in
14 quickly?

15 There was actually, you know, a supply chain
16 issue with some of the electric appliances that the
17 builders were trying to get a hold of. And, you know, they
18 had some delays and needed a little bit of flexibility for
19 a time. And so, you know, we worked with them to sort of,
20 you know, create that flexibility for them without, you
21 know, without taking the foot off the accelerator in terms
22 of the program's goals, but just showing some flexibility
23 that is much appreciated.

24 So that builds trust. It really builds sort of a
25 team mentality. And I think staff has done a really great

1 job navigating those, you know, those difficulties when
2 they come up because there are solutions.

3 One thing I wanted to also suggest, I don't know
4 if Commissioner, you were finished with your question.

5 COMMISSIONER GALLARDO: That was it, yeah. And I
6 appreciate that flexibility as well. And, you know,
7 building that trust, I think is important in order to get
8 that information, so that's excellent. Thank you.

9 COMMISSIONER MCALLISTER: I really, really
10 appreciate those questions.

11 I guess, you know, have you -- you know, it would
12 be great to sort of, you know, get back to Senator Stern if
13 you're -- you know, I'm sure he would appreciate a
14 briefing, so work with, you know, with Sarah Brady and the
15 team and OJA to see if that's of interest, I think, because
16 that bill, I think, is a really important bill for setting
17 a tone in the long term.

18 Thanks.

19 CHAIR HOCHSCHILD: Thank you.

20 All right, with that, I would welcome a motion
21 from Commissioner McAllister.

22 COMMISSIONER MCALLISTER: Let's see, we are on --
23 I move on to item seven.

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

1 COMMISSIONER GALLARDO: I second item seven.

2 CHAIR HOCHSCHILD: All in favor say aye.

3 Commissioner McAllister?

4 COMMISSIONER MCALLISTER: Aye.

5 CHAIR HOCHSCHILD: Commissioner Gallardo?

6 COMMISSIONER GALLARDO: Aye.

7 CHAIR HOCHSCHILD: Vice Chair Gunda?

8 VICE CHAIR GUNDA: Aye.

9 CHAIR HOCHSCHILD: Commissioner Skinner?

10 COMMISSIONER SKINNER: (Off mic.) Aye.

11 CHAIR HOCHSCHILD: And I vote aye as well. Item

12 seven passes unanimously. Thanks, Camille. And my
13 gratitude, as well, to Senator Stern for authoring the
14 legislation that created this program. Been a long time
15 coming, so happy to see the progress.

16 We'll turn now to item eight, California's
17 fifth Climate Change Assessment Tribal Research Grant
18 Program.

19 MS. JONES: Good morning, Chair, Vice Chair, and
20 Commissioners. My name is Myung Ae Jones from the Siting,
21 Transmission, and Environmental Protection Division.
22 Today, I am here to request for consideration and approval
23 of ten tribal research grants.

24 Next, please.

25 These projects will help California Native

1 American tribes to build the capacities to assess and
2 respond to climate change and contribute to trust and
3 relationship building between tribes and the state, record
4 and preserve natural and cultural heritages, and train next
5 generation of environmental leaders.

6 Also, the study of indigenous land stewardship
7 methods, such as cultural burning has the potential of
8 wider adoption, leading to better land management and the
9 reduced scale and instance of wildfires.

10 Next, please.

11 Since 2006, the state has been conducting climate
12 change assessments as part of the larger strategy of action
13 based on cutting edge climate research. The first
14 assessment for the first time included consideration of the
15 impacts on the tribal and indigenous communities and
16 published a report recommending that tribal research be
17 incorporated in the fifth assessment.

18 Next, please.

19 The report recognized that climate change impacts
20 the tribes and the underlying socioeconomic conditions that
21 compounded them. The report characterized the tribal
22 research as a mutual invitation between tribes and the
23 state to share learning.

24 Next, please.

25 In 2021, \$3.6 million were allocated in grant

1 funds for the Energy Commission to administer this grant
2 program to fund the tribes, tribal organizations, and
3 tribal serving organizations, and to address climate
4 change-related tribal needs and the priorities, and to fund
5 tribally-led projects that have an indigenous knowledge
6 focus as well as Western science approaches and the
7 collaboration of the two knowledge systems.

8 Next, please.

9 A Tribal Research Grant Program first released a
10 solicitation in September 2023, and all eight applications
11 were awarded for a total of \$1.8 million. A second round
12 of a solicitation was released in May 2024 for the
13 remaining funds. Ten projects out of 11 applications were
14 awarded for the entire remaining funds. If these 10
15 projects were approved today, the program will have 18
16 projects in total.

17 Next, please.

18 These are logos for the recipient tribes and
19 tribal serving organizations, not in any particular order.

20 Next, please.

21 The projects are distributed throughout the
22 state, all the way to the Yurok Tribe on the northern
23 border and the Pala Band in the south. In between, several
24 projects are located along the coastal line, and two
25 projects in the Los Angeles region, and one in the desert

1 area. The next slides will introduce each recipient tribe
2 and a brief summary of their projects.

3 Next, please.

4 Fernandeño Tataviam Band of Mission Indians.

5 This project will develop a tribal-wide cloud-based
6 geospatial portal to serve as an accessible hub of climate
7 and environmental hazards. The portal will also include
8 culturally relevant environmental data, intellectual maps,
9 dashboards, and a collaborative analytical tool set within
10 the tribal boundary. This project will strengthen the
11 tribe's capabilities to leverage climate hazard data with
12 the traditional ecological knowledge to address extreme
13 heat, drought and flooding, wildfires, and energy
14 resilience and other environmental effects.

15 Next, please.

16 Northern Chumash Tribal Council. This project
17 will create a climate change school curriculum combining
18 traditional ecological knowledge with the modern
19 technologies to reduce wildfire fuel loads, enhance native
20 ecosystems, promote soil health, mitigate invasive plant
21 species, educate sustainable land management practices.

22 Next, please.

23 Shingle Springs Band of Miwok Indians. Tribes
24 often encounter legal barriers, regulations that impede
25 rather than assist, miscommunications, and bad habits

1 causing communication breakdowns despite the state's
2 resources mandate, intent, and the goodwill to promote
3 better dialogues and better outcomes.

4 Worse, lack of communication can threaten long-
5 term government-to-government relationships and trust.
6 These communications issues affect tribal responses to
7 challenges of climate change. This project will tackle
8 these issues through tribal-led workshops and the
9 discussions to create inclusive and culturally aware guides
10 for state government consultation with the tribes to
11 promote more effective government-to-government
12 communication.

13 Next, please.

14 Pala Band of Mission Indians. Given the
15 geographic location, extreme heat is an important public
16 health challenge for this tribe. This is a continuation of
17 the Round 1 project currently working on dynamically
18 mapping critical heat impacts and sensitive populations.
19 Round 2 will enhance this module by developing customizable
20 report feature for creating tailored reports and enable
21 tribes to efficiently develop climate assessment and
22 adaptation plans. This project will also offer free
23 training to tribes on the report feature to develop their
24 adaptation plans.

25 Next, please.

1 Santa Ynez Band of Chumash Indians. This project
2 will conduct an in-depth assessment of the severity and
3 range of coastal hazard exposures in the south central
4 coast. The proposed project will build on a prior study of
5 sea level rise and the coastal hazards near 33 Chumash
6 village areas and create a matrix of adaptive measures
7 recommended by the Chumash community.

8 The photo shows a demonstration site of a
9 historic Chumash village settlement. This project will
10 identify and document such cultural keystone places for
11 protection and preservation.

12 Next, please.

13 Tamien Nation. This is another continuous
14 project from Round 1 on the same project site. This
15 project seeks to revitalize indigenous cultural stewardship
16 practices to strengthen climate and wildlife -- wildfire
17 resilience on ancestral lands at Henry Coe State Park in
18 Santa Clara County by providing professional hands-on
19 training to the cultural fire and land stewardship crew.
20 This project will also document and protect cultural
21 resources, enhance fire protection and long-term
22 sustainability, and conduct community education on climate
23 change impacts.

24 Next, please.

25 Torres Martinez Desert Cahuilla Indians. This

1 project will conduct a climate change impact assessment via
2 data collection, drone-aided GIS maps, invasive species
3 remover, and the reintroduction of a culturally important
4 native plant species to preserve and increase traditional
5 food sources. The photo shows the former tribal council
6 chairman and a conservation crew member planting the honey
7 mesquite that is native to the area after eradication of
8 the invasive tamarisk trees at the location.

9 Next, please.

10 Picayune Rancheria of The Chukchansi Indians.

11 This project will develop a climate change assessment plan
12 to identify basic policies, requirements, responsibilities,
13 and duties that apply to the tribe's natural resources,
14 such as traditional food plants and trees being impacted by
15 climate change through consultation with the tribal elders
16 and the field data gathering in Madera County.

17 The photo shows elderberry used for food, such as
18 making cookies and jams, and their branches are being used
19 for ceremonial sticks.

20 Next, please.

21 Tzicatl Community Development Corporation. This
22 project will establish an indigenous youth climate
23 resilience core on a tribal site in Los Angeles with a
24 hands-on experiential learning program teaching indigenous
25 land stewardship practices. This project will engage

1 native experts, provide a no-cost vocational training to
2 tribal youth, and leverage community partnerships and
3 collaborations to spread information on cultivation of
4 native plants and (indiscernible) and cultural burns.

5 Next, please.

6 Yurok Tribe. This project will use cultural
7 burning as a nature-based solution for climate adaptation
8 and integrate traditional ecological knowledge with the
9 Western scientific methods and create culturally informed
10 land treatment protocols. Findings of this project will
11 contribute to enhancing the quality and the quantity of
12 traditional foods and reducing catastrophic wildfire fuel
13 and improving forest health as part of the tribe's ongoing
14 traditional foods restoration initiative.

15 Next, please.

16 Staff recommends the adoption of STEP's
17 recommendation that this action is exempt from CEQA and
18 approve staff's request to fund 10 tribal research grants.

19 This concludes my presentation. I'm
20 available for your questions and comments. And I also have
21 a backup, Gabriel Rhodes (phonetic), who has been leading
22 this initiative from the inception. Thank you.

23 CHAIR HOCHSCHILD: Great. Thank you.

24 Gabriel, is there anything you'd like to add?

25 Okay. Great.

1 Thank you. Great presentation.

2 Let's go to public comment on item eight.

3 MS. BADIE: Thank you.

4 The Commission welcomes public comment on item
5 eight at this time. If you're in the room with us, you can
6 just raise your hand or use the QR code. And if you're on
7 Zoom, you'll use the raise-hand feature on your screen or
8 star nine if you're joining us by phone. That will let us
9 know you'd like to comment.

10 And we don't have anyone in the room with us.
11 I'm going to transition to Zoom. And I also have some
12 comments that I will read after our Zoom attendees comment.

13 So first, I'm going to open the line of Violet
14 Sage Walker.

15 Chairwoman Walker, I'm going to open your line.
16 If you could please unmute on your end? And you may begin.

17 MS. WAKER: Haku, haku. My name is Violet Sage
18 Walker, V-I-O-L-E-T S-A-G-E W-A-L-K-E-R.

19 I'd like to thank the Chair Hochschild and Vice
20 Chair Gunda, thank the Commissioners for this opportunity
21 to express our support for item eight on the agenda in
22 full, and to thank the Commission for its commitment to
23 ensuring tribes contribute to the California Energy
24 Commission's climate change partnerships.

25 The Northern Chumash Tribal Council is a state-

1 recognized tribe and a woman-led, tribal-serving nonprofit
2 organization focused on empowering historically
3 marginalized communities. And we are actively pursuing
4 this grant to establish a climate change educational
5 facility in Lompoc. This institution will be dedicated to
6 serving tribal members and prioritizing vulnerable
7 populations, offering a comprehensive framework for
8 healing, health, and education through environmental
9 preservation.

10 Our initiative seeks to develop curriculum that
11 addresses ecological sustainability while benefiting
12 indigenous communities, explicitly emphasizing and
13 enhancing carbon sequestration capabilities on tribal
14 rangelands. These projects encapsulate critical principles
15 contributing to ecological preservation.

16 I thank you for this opportunity to participate
17 in a good way.

18 MS. BADIE: Thank you.

19 Next, we'll hear from Belinda Faustinos. I'm
20 going to open your line, Belinda. Belinda, if you can
21 please unmute on your end, you may begin.

22 MS. FAUSTINOS: Sorry about that. I did not
23 realize the unmute button came up. So, my name is Belinda
24 Faustinos. That's spelled B, as in Boy, -E-L-I-N-D-A, last
25 name Faustinos, spelled F, as in Frank, -A-U-S-T-I-N-O-S as

1 in Sam. And I am with the Fernandefio Tataviam Band of
2 Mission Indians and serve as the manager of the Tribal
3 Historic and Cultural Preservation Department. My comments
4 will be brief.

5 First of all, we want to thank the Commission for
6 your leadership in establishing this program to support the
7 critically important work of the Fifth Climate Assessment
8 and the focus on ensuring that tribal nations can
9 effectively participate in this program.

10 Our tribe is poised to leverage work we initiated
11 with our Climate Resiliency Plan adopted in 2024. Our next
12 steps are to develop a cloud-based data tool that will
13 enable us to address the complex issues impacting our
14 tribal territory, which includes the general areas of the
15 San Fernando and Antelope Valleys, as well as Santa
16 Clarita. These grant funds will enable our tribe to use
17 science-based data sets in conjunction with tribal
18 traditional ecological knowledge and cultural preservation
19 of important sites to our tribe to better prepare for
20 prioritizing projects and programs.

21 We urge you to approve the grant application and
22 thank you for this opportunity to address the Commission.

23 MS. BADIE: Thank you so much.

24 Next, we're going to hear from James Sarmiento.
25 I'm going to open your line, James.

1 MR. SARMENTO: Can you hear me?

2 MS. BADIE: Yes.

3 MR. SARMENTO: Perfect. Thank you so much.
4 James Sarmento, J-A-M-E-S, Sarmento, S-A-R-M-E-N-T-O. I'm
5 the Executive Director of the Cultural Resources Division
6 with Shingle Springs Band of Miwok Indians. So happy to be
7 here today.

8 The Shingle Springs Band of Miwok Indians is a
9 federally-recognized tribe and is traditionally from the
10 Sacramento area before being moved to its current location
11 in El Dorado County. The tribe is just excited about the
12 grant opportunity and is truly looking forward to working
13 with the California Energy Commission. The hope is that
14 the grant will benefit tribes, state agencies, and general
15 public.

16 The tribe is just, again, sort of incredibly
17 excited about this opportunity and strengthening the
18 relationship with all agencies and the CEC. We also urge
19 to accept it.

20 So thank you very much for your time and your
21 day.

22 MS. BADIE: Thank you.

23 And I have a comment that I'd like to read into
24 the record. This comes from Samuel Cohen.

25 "The Santa Ynez Band of Chumash Indians make the

1 following statement in support of its CEC proposed
2 award.

3 "Sea level rise continues to erode significant coastal
4 and sacred sites of the Santa Ynez Band of Chumash
5 Indians. Regrettably, non-tribal sea level rise
6 studies often fail to analyze tribal coastal and
7 sacred sites.

8 "The CEC grant will allow the Chumash to work with
9 their coastal neighbors to collectively protect
10 coastal and sacred sites from sea level rise."

11 And that concludes public comment. Back to you,
12 Chair.

13 CHAIR HOCHSCHILD: Thank you so much, and thank
14 you to those of you who provided public comments.

15 We'll go to Commissioner discussion now, starting
16 with Commissioner Gallardo.

17 COMMISSIONER GALLARDO: I'll start by expressing
18 gratitude, also on behalf of the Energy Commission, to all
19 of the tribes who participated in this grant program, and
20 then specifically to Chairwoman Violet Sage Walker of the
21 Northern Chumash Tribal Council, Manager Belinda Faustinos
22 of the Fernandeño Tataviam Band of Mission Indians,
23 Director James Sarmiento of the Shingle Springs Band of
24 Miwok Indians, who joined us to speak and share some of
25 your insight. And I didn't catch the name of the tribal

1 representative who submitted the comments in writing, but
2 we really appreciate you all taking that extra step. It's
3 very helpful to hear from you.

4 And thank you to the team of Myoung-Ae, Gabriel,
5 Brett for the presentation, for doing all the hard work.
6 It's a big lift, but this is a very important one, and I'm
7 grateful to you for being so thoughtful.

8 I also want to acknowledge Commissioner Skinner
9 for authoring SB 170 back in 2021. I didn't know that, so
10 it's a nice surprise to, you know, have her here, so credit
11 to her for doing that.

12 The Fifth Climate Assessments Tribal Research
13 Grant Program is just another example of California Native
14 American tribes being vital partners to us in the fight
15 against climate change and being leaders in expanding
16 California's understanding of the effects of climate change
17 and helping us mitigate them.

18 So I want to elevate a few items that stood out
19 to me.

20 First, several of the grant agreements concern
21 cultural burning and other forms of vegetation management,
22 which is timely given the backdrop that we're in with the
23 devastating wildfires happening in California, and we need
24 all the tools possible to prevent fires like this. So this
25 will add much value.

1 Second, it's exciting to see the merge of
2 traditional ecological knowledge of the tribes from time
3 immemorial with Western science working together towards a
4 holistic climate change solution.

5 And finally, the way that the tribes are passing
6 this very important information from elders to youth, from
7 tribes to tribes, makes these dollars go even further,
8 showing what a wise investment we're making in California
9 with these grants.

10 I'll stop there.

11 CHAIR HOCHSCHILD: Other Commissioners wishing to
12 make a comment?

13 Vice Chair.

14 CHAIR HOCHSCHILD: Thank you, Chair.

15 First, Myoung-Ae, to thank you for the
16 presentation. I also wanted to kind of thank the STEP
17 Division and the entire leadership in STEP, but also want
18 to give kudos to, you know, Sierra Graves for all the
19 tribal work that she has been leading in terms of being a
20 good-faith partner to the tribes on bridging the gap
21 between our agency and the broader tribal needs and
22 preferences.

23 I also want to thank, you know, Commissioner
24 Skinner. I think we are implementing two of your bills
25 today, including petroleum and this. So thank you for all

1 your incredible work when you were in the Senate.

2 And I thank you, Commissioner Gallardo and the
3 Chair, for your unwavering commitment to tribes. And it
4 has been incredible to watch the journey of our agency in
5 thinking through how do we include the perspectives, but
6 also really improve on our engagement and our ability to
7 incorporate the lessons that we are learning and the
8 commitments we are making. So just wanted to thank you
9 both for your commitment and helping the whole agency move
10 in a very productive step forward.

11 I think, you know, the data that can come out of
12 this would really help with a lot of our planning
13 activities and further incorporate the knowledge into our
14 planning activities. So I'm looking forward to successful
15 completion of these projects and learning from them.

16 And again, thanks, big thanks to STEP and all the
17 leadership.

18 CHAIR HOCHSCHILD: Any other comments from
19 colleagues?

20 With that, let me just say my thanks to the team,
21 Myoung, Gabriel, and Sierra, and everyone else who worked
22 on this, and to all the tribes and those who were able to
23 join and speak.

24 There's a straight line from this vote today to
25 the Governor's apology to the tribes, which he did in his

1 first year in June after becoming Governor. And it was a
2 very significant moment for our state to formally make that
3 apology, long overdue. And we subsequently followed suit
4 several years later with doing the Tribal Energy
5 Sovereignty Resolution, which was, I think, another big
6 moment for our agency to sort of affirm the vision of
7 supporting tribal energy sovereignty. And we've now funded
8 in excess of \$100 million for roughly 10 tribal energy
9 projects across the state.

10 Today's vote is not the biggest amount of money
11 we've awarded in a single award, but it is, to the best of
12 my knowledge and memory, the most broad. We're doing 10
13 tribes today. That's extraordinary. And it takes a lot of
14 diligence from staff to help work with the tribes to put
15 these together, and I just want to acknowledge that.

16 And, you know, you could say, well, what does
17 \$200,000 or \$180,000 really do? Many of these tribes, you
18 know, have 100, 200, 300 enrolled members. That's a
19 meaningful amount of money. You can do a lot of with that.
20 And this matters.

21 So I just really want to uplift this whole
22 portfolio. It looks terrific to me. Very much looking
23 forward to learning what comes out of it. And please, you
24 know, keep us posted as we go forward.

25 And sorry, we had another comment from

1 Commissioner McAllister, please.

2 COMMISSIONER MCALLISTER: Really, really
3 appreciate your comments. And just to echo what
4 Commissioner Gallardo and Vice Chair Gunda said.

5 And, you know, we've done -- there's an
6 incredible need for planning resources in smaller
7 jurisdictions across the state. And so we've done these
8 challenge grants where we've gotten small cities and
9 things, you know, money to really do planning that has huge
10 leverage value; right? And flexible funds for them to
11 really do the sort of digging and planning that they need
12 to. And, you know, these, we've focused on kind of --
13 we've done tribal challenge, you know, in the past as well.

14 But I think, you know, the tribal element, just
15 echoing your point about how important this is, I think,
16 you know, adapting to the cadence of the tribes and the
17 type of decisions, the type of work they need to do to
18 develop their direction going forward, you know, not only
19 needs resources, but it really needs sort of an
20 understanding of the difference in the process and the sort
21 of timeframe and just the processes that they need to
22 decide, you know, to kick off with themselves.

23 And I just, I really appreciate the engagement
24 with the tribes and really letting them lead the
25 conversation. And I know that that's the attitude of

1 Sierra and she really sets a great tone. And again, the
2 small, seemingly small grants I think can really have an
3 incredible multiplying value to create partnership and
4 build bridges and let the tribes lead their conversations
5 as they see fit. And, you know, I really appreciate that
6 we're in a moment where we have the vision to be able to do
7 that because it just has never -- it's never been that way
8 before, really, I mean, in the history.

9 So, you know, hopefully we can keep that up and
10 keep bringing resources to the tribes that they can use and
11 maintain the dialogue so that we can actually help them
12 implement whatever they decide in a way that does enhance
13 not only their direction, but also the whole state. So I
14 really appreciate that.

15 And anyway, thanks for letting me chime in here
16 at the end.

17 CHAIR HOCHSCHILD: Yeah, just one final point I
18 want to make, which is this is part of an administration-
19 wide effort. And, you know, we're here in our mothership
20 agency, the California Natural Resources Agency. Part of
21 that is parks, for example. When Governor Newsom took
22 office six years ago, there were zero parks in our system
23 that were operating under a co-management agreement with
24 tribes. Now it's 55 percent of all state parks.

25 And, you know, I don't want to sugarcoat at all

1 how much more work we have to do in relation with the
2 tribe. We have a long way to go. But I do want to just
3 mark directionally the progress. These are significant
4 milestones. And I'm really pleased with the direction that
5 we're able to take today in partnership with the tribes.

6 And I especially wanted to thank our wonderful
7 tribal liaison, Sierra Graves, who's been just phenomenal
8 in the role. And, Sierra, very, very grateful for all you
9 do with the tribes and for the Energy Commission on these
10 issues.

11 So with that, I'd welcome a motion from the Vice
12 Chair on this item.

13 VICE CHAIR GUNDA: I move item eight.

14 CHAIR HOCHSCHILD: Is there a second from
15 Commissioner Gallardo?

16 COMMISSIONER GALLARDO: I second item eight.

17 CHAIR HOCHSCHILD: All in favor say aye.

18 Vice Chair Gunda?

19 VICE CHAIR GUNDA: Aye.

20 CHAIR HOCHSCHILD: Commissioner Gallardo?

21 COMMISSIONER GALLARDO: Aye.

22 CHAIR HOCHSCHILD: Commissioner Skinner?

23 COMMISSIONER SKINNER: Aye.

24 CHAIR HOCHSCHILD: Commissioner McAllister?

25 COMMISSIONER MCALLISTER: Aye.

1 CHAIR HOCHSCHILD: And I vote aye as well. Item
2 eight passes unanimously. Thank you.

3 Yes. Yeah, so I think that's a good point. So
4 at this point, what we'll do is break for lunch. Given the
5 meeting schedule, why don't we plan to convene back here at
6 1:15, so a little bit over an hour. Okay. That work?
7 Okay. We're adjourned for lunch.

8 (Off the record at 12:04 p.m.)

9 (On the record at 1:21 p.m.)

10 CHAIR HOCHSCHILD: Welcome back from lunch,
11 everyone. We will resume where we were in the agenda with
12 item nine, virtual power plant approaches to [sic] demand
13 flexibility.

14 And I welcome Dustin Davis.

15 MR. DAVIS: Good afternoon, Chair, Vice Chair,
16 and Commissioners. My name is Dustin Davis and I'm with
17 the Energy Research and Development Division. So today
18 I'll be presenting on five items from the virtual power
19 plant approaches for demand flexibility solicitation.

20 Next slide, please.

21 So a VPP, or virtual power plant, utilizes
22 hundreds or even thousands of distributed energy resources
23 or DERs such as smart thermostats, EV chargers, and battery
24 systems in homes and businesses to increase demand
25 flexibility and support the grid. These devices, when

1 bundled and coordinated, can help balance energy supply and
2 demand like a traditional power plant and offer additional
3 benefits to the power system, consumers, and the
4 environment.

5 The purpose of this solicitation is to fund
6 demonstration projects that increase demand flexibility to
7 help the state achieve energy policy goals, such as 7,000
8 megawatts of load shift by 2030, and support grid
9 reliability.

10 Projects must fall within one of the following
11 project groups. So you have Group 1, Community Virtual
12 Power Plant Approaches for Demand Flexibility, and Group 2,
13 Interoperable Energy Management Systems for Commercial
14 Buildings.

15 So we have five projects totaling about \$16
16 million with about 5.1 million in match.

17 Next slide, please.

18 Projects aim to unlock cleaner, more affordable,
19 and reliable energy by shifting or shedding electric demand
20 away from times when electricity is expensive, polluting,
21 and scarce, resulting in improved grid reliability,
22 reduction in customers' energy costs, and carbon emissions
23 to help meet California's demand flexibility and carbon
24 reduction goals.

25 The residential and commercial building sectors

1 have significant potential for VPPs and demand flexibility,
2 but barriers exist to realizing the potential. So the
3 recommended research projects will address existing
4 barriers by exploring new programs and approaches to
5 increase customer awareness and enrollment and provide
6 support to ensure ongoing participation, reduce the cost of
7 implementation to lower the financial risks associated with
8 more emerging technologies and business models, expand
9 deployment of DERs such as smart thermostats and water
10 heaters and energy management systems and platforms that
11 really prioritize automation, interoperability, and open
12 standards to maximize their ability to control a wide range
13 of building systems to enable deeper demand flexibility and
14 streamline operations that are more responsive to the grid
15 and occupants' needs.

16 Next slide, please.

17 So the first project here with EPRI will
18 demonstrate an interoperable energy management system, or
19 EMS, in schools that enables seamless data exchange and
20 automated demand flexibility. So EPRI has partnered with
21 ITO Energy to demonstrate their technology in two schools
22 located in the city of Maywood targeting HVAC lighting and
23 EV charging. So ITO's technology utilizes several open
24 standards such as BACnet and OpenADR and is built for
25 scalability so can be integrated with multiple end uses and

1 systems.

2 One of the key aspects that is being studied and
3 improved in this project is for the EMS to include control
4 of EV charging infrastructure through integration with EV
5 Connect, which is a subsidiary of Schneider Electric, which
6 serves customers across 41 states.

7 So EPRI will work with ITO Energy to
8 commercialize the augmented technology as part of ITO's EMS
9 solution offering to further automated demand flexibility.

10 Next slide, please.

11 So this next project here with UC Davis will
12 develop and demonstrate the feasibility of a virtual power
13 plant in Yolo County, including West Sacramento, Woodland,
14 and Davis, for cooling demand management that can be used
15 as a model and scale to similar communities throughout
16 California. This project plans to build on an existing
17 one-way communication platform to include two-way
18 communication that can share equipment level information
19 about VPP assets to improve decision making.

20 This platform called SPARCDR, or Scalable
21 Predictive Automated Real-Time Control for Demand Response,
22 will be used to develop a controls framework that can
23 better incorporate models that represent the system in
24 response to external inputs such as occupancy preferences,
25 electricity pricing, GHG emissions, and weather forecasts

1 to optimize HVAC settings.

2 The project will manage cooling demand at the
3 community level, including a central chiller plant at UC
4 Davis and more than 200 HVAC rooftop units to reduce peak
5 demand by 2.8 megawatts. So cooling demand management is
6 of increasing importance as we continue to experience more
7 severe heat waves in California.

8 The project includes Olivine, who is a leader in
9 DER management and integrating behind-the-meter resources
10 into the California wholesale energy market. This project
11 is designed to serve as a VPP model for other local
12 governments, highlighting its scalability, cost-
13 effectiveness, and potential for widespread deployment.

14 Next slide, please.

15 So this next project with UC Berkeley will
16 develop and demonstrate a grid-responsive supervisory
17 control system for commercial buildings and EV charging,
18 incorporating demand flexibility capability and
19 coordination across multiple buildings.

20 This project leverages an existing leading
21 building automation system, Tridium Niagara (phonetic),
22 which includes a standards-based supervisory control design
23 to facilitate interoperability between various systems such
24 as HVAC lighting and other equipment through protocols such
25 as ASHRAE BACnet Standard 135. An open analytics platform

1 will be utilized that collects data through open protocols
2 and provides trend data for fault detection and diagnostics
3 and efficiency improvements.

4 This project will add price signal capture such
5 as through MIDAS and demand flexibility functionality and
6 then demonstrate the system in multiple buildings to yield
7 a market-ready technology. Demonstrations will occur in
8 several buildings located in America Honda Motor Company in
9 Torrance and UC Irvine integrated with different HVAC
10 systems, lighting controls, and EV chargers to evaluate
11 load shift and shed over different durations and seasons
12 and cost effectiveness.

13 To accelerate market adoption, the team will work
14 with leaders in systems integration, Commissioning, and
15 data analytics, such as Altura (phonetic), to include
16 developed solutions into their product offerings. The team
17 will also conduct training such as hosting workshops at
18 utility training centers to create awareness and the
19 required job skills for future deployments, engage with
20 codes and standards bodies such as ASHRAE to standardize
21 and help streamline implementation across the state based
22 on project efforts.

23 Next slide, please.

24 So this next project here with Sonoma Clean Power
25 will enhance dispatch capability and broaden participation

1 in Sonoma Clean Power's existing Demand Flexibility
2 Program, GridSavvy, with a specific focus on reducing
3 technology adoption barriers and increasing access to DERs
4 for low-income and disadvantaged communities.

5 The project aims to reduce peak demand by 4
6 megawatts by consolidating various DERs such as batteries,
7 smart panels, and EV chargers into a unified platform to
8 simplify and centralize demand flexibility for customers in
9 Sonoma and Mendocino counties. This approach will allow
10 multiple DERs under one platform, as well as multiple
11 resources to participate from a single customer. A key
12 aspect of this project includes installing smart panels and
13 modular plug-in batteries in multi-family buildings located
14 in disadvantaged communities to test a new use case for
15 increasing demand flexibility and resilience.

16 The project intends to connect and integrate a
17 total of over 7,500 DERs to function as a VPP and plan to
18 engage and provide education to at least 7,500 residents in
19 low-income and disadvantaged communities. This project
20 aims to serve as a framework for statewide programs by
21 identifying the most advantageous strategies to support
22 demand flexibility in underserved communities.

23 Next slide, please.

24 This project with Lawrence Berkeley Lab will
25 develop and demonstrate interoperable control sequences,

1 workflows, and tools to expand and streamline
2 implementation of demand flexibility in large commercial
3 buildings utilizing multiple end uses such as HVAC lighting
4 and water heating.

5 This project explores a more simplified approach
6 to automating building systems while increasing demand
7 flexibility through standardization of control sequences,
8 new workflows, and associated tools such as software
9 libraries and guidelines to deploy them cost-effectively at
10 scale. These control sequences will be integrated into
11 multiple commercial building energy management platforms,
12 such as Carrier Automated Logic and facile.ai, and
13 demonstrated in up to nine buildings located at three CSU
14 campuses, including San Diego, Dominguez Hills, and San
15 Marcos and Contra Costa Community College in San Pablo.

16 The key element of the project is to demonstrate
17 multiple pathways for implementing the developed demand
18 flexibility control specifications across various energy
19 management vendor platforms. This will encourage broad
20 industry adoption and increase the scalability of these
21 solutions. The project includes active engagement with
22 ASHRAE committees to potentially include project best
23 practices into standards or guidelines to facilitate
24 widespread adoption of demand flexibility in large
25 commercial buildings.

1 Next slide, please.

2 So the benefits of virtual power plants and
3 demand flexibility are massive. According to a report
4 released by Brattle in 2024, California's 2035 VPP market
5 potential is over 7,500 megawatts, representing more than
6 15 percent of system peak demand. If realized, this would
7 avoid over \$750 million per year in traditional power
8 system costs and could create consumer savings of \$550
9 million per year in California.

10 Next slide, please.

11 Staff recommends approval of these five grant
12 agreements and adoption of staff's determination that these
13 projects are exempt from CEQA.

14 With that I'll conclude and glad they answer any
15 questions. Thank you for your consideration.

16 CHAIR HOCHSCHILD: Thanks.

17 We'll go to public comment.

18 MS. BADIE: Thank you.

19 The Commission welcomes public comment on item
20 nine at this time. We'll start with folks in the room.
21 We're asking folks to raise your hand or use the QR code.
22 And then, if you're on Zoom you can raise your hand at this
23 time. There's a symbol on your screen that looks like an
24 open palm. And if you're joining by phone, you'll press
25 star nine. That will let us know you'd like to comment.

1 So starting in the room we have Adam Jorge, if
2 you'd like to approach the podium? And just a reminder to
3 please spell your name for the record. And we're asking
4 for comments to be two minutes or less.

5 MR. JORGE: Great. Thank you everyone. Good
6 afternoon Chair, Vice Chair, Commissioners, and CEC staff.
7 I'm Adam Jorge, it's A-D-A-M J-O-R-G-E, and I'm with Sonoma
8 Clean Power, here today representing an exceptional
9 programs team.

10 I wanted to start by just offering gratitude for
11 the Energy Commission for putting forward this opportunity.
12 And through the VPP Flex Grant, Sonoma Clean Power aims to
13 augment its existing community-based virtual power plant
14 grid savvy rewards.

15 So this project will deploy automated smart
16 devices in low-income and disadvantaged communities at a
17 large scale, creating savings for customers and reducing
18 energy burden while enhancing grid reliability. And while
19 participation in the behavioral component of our grid savvy
20 program right now is significant, in fact more than 20
21 percent of participants were CARE and FERA in previous
22 years, however participation through our cost-saving smart
23 device options remain limited in low-income and
24 disadvantaged communities. So this is largely due to
25 factors like lower program awareness, time, money, and

1 empowerment to make those decisions, which is especially
2 true amongst renters.

3 So through this grant, Sonoma Clean Power really
4 aims to load shift to achieve a total load shift of 4
5 megawatts through strategic deployment and optimization of
6 distributed energy resource installations and empower low-
7 income and disadvantaged communities by providing access to
8 DER and reducing barriers to adoption.

9 So with all of that, Sonoma Clean Power is just
10 once again excited to partner with the CEC and lead
11 innovation from the public sector. So thank you all very
12 much.

13 MS. BADIE: Thank you.

14 We're going to transition to Zoom. Kate Unger,
15 I'm going to open your line. If you could please open your
16 line on your end? And we're asking for comments to be two
17 minutes or less. And please spell your name for the
18 record. as well.

19 Thank you so much.

20 MS. UNGER: Hi. This is Kate Unger, K-A-T-E
21 U-N-G-E-R. I'm with the California Solar and Storage
22 Association.

23 I just wanted to make a brief comment to say we
24 greatly support the CEC's work on projects that prove out
25 the capabilities and values of virtual power plants.

1 Better enabling customer-sided energy resources to serve as
2 grid assets is really key to an efficient and sustainable
3 future energy system and unlocking the potential of VPPs is
4 central to accomplishing that goal.

5 Our members focus on VPPs that tap the great
6 potential of customer batteries. Battery systems are among
7 the most flexible and powerful DERs. They can not only
8 flex demand but also provide energy beyond the customer
9 meter and support the energy system both from the local
10 distribution level all the way to the statewide supply
11 level, and they provide services to the grid from emergency
12 reliability needs to daily load shifting and flexibility.

13 So just going back to virtual power plants are
14 such an important thing for us to be focusing on. It's
15 great to see this initiative and we support it, as well as
16 all the CEC's other work in this area.

17 Thank you so much.

18 MS. BADIE: Thank you.

19 And next we're going to hear from Caton Mande.
20 Excuse me if I've mispronounced your name. I want to open
21 your line. And just remember to please spell your name for
22 our record. And we're asking for comments to be two
23 minutes or less.

24 MR. MANDE: Good afternoon Chair, Vice Chair,
25 Commissioners and staff. This is Caton Mande from the UC

1 Davis Western Cooling Efficiency Center, that's C-A-T-O-N
2 M-A-N-D-E.

3 On behalf of our entire project team, I just wanted to
4 express our sincere gratitude to the Energy Commission for
5 this opportunity under GFO-23-309. We are truly excited to
6 advance this important work and appreciate the Commission's
7 ongoing commitment to fostering innovation and clean
8 energy.

9 Our project, led by the UC Davis Western Cooling
10 Efficiency Center, brings together a strong coalition of
11 partners including the Yolo County Government, the City of
12 Davis, the UC Davis campus, and Olivine as the VPP
13 operator. With this team's combined expertise and
14 dedication to advancing forward-looking energy solutions,
15 we aim to show how a community-focused virtual power plant
16 can become a scalable model for similar communities around
17 across California.

18 Beyond the technical aspects of this project, we
19 are committed to educating and engaging the local
20 community, ensuring that the benefits of this project are
21 felt widely across Yolo County and beyond. This includes
22 raising awareness about load flexibility, as well as the
23 financial and environmental benefits of participating in a
24 virtual power plant program. We believe this project
25 aligns with Californians' ambitious clean energy goals and

1 we're excited to share our findings and successes with
2 other communities statewide.

3 Thank you again for your time, consideration and
4 support. We look forward to making a meaningful
5 contribution to California's energy future and towards the
6 goal of 7,000 megawatt load shift by 2030. Thank you.

7 MS. BADIE: Thank you.

8 And next we'll hear from Agatha Kazdan. I'm
9 going to open your line. Just a reminder to please spell
10 your name for the record.

11 MS. KAZDAN: Good afternoon, Commissioners. My
12 name is Agatha Kasdan, spelled A-G-A-T-H-A K-A-Z-D-A-N, and
13 I'm with the Electric Power Research Institute, or EPRI for
14 short.

15 Thanks for your good work and leadership and
16 thank you for your consideration today of this proposed
17 project. Our intent is to, with this project, is to
18 demonstrate scalable pathways to unlock untapped potential
19 and commercial buildings for the grid in support of the
20 state's load shift target.

21 We're partnered with the Los Angeles Unified
22 School District. They're the largest K-12 school district
23 in the country with over -- in the state, excuse me, with
24 over 21,000 buildings and 570,000 students, as well as the
25 local utility, Southern California Edison.

1 The integrated demand flexibility demonstration
2 is to take place at two LAUSD high school sites that are in
3 deeply-disadvantaged areas and it will include the
4 development of on-the-job workforce training on an emerging
5 job growth area of smart grid interactive controls and
6 engagement with the local community.

7 Benefits, of course, include the efficient
8 utilization of equipment at the school for reduced
9 pollution and lowered costs, as well as modeling efforts
10 with the local utility, SCE, that can be replicated and
11 lead to further system-wide reliability and affordability.

12 We're really excited about the proposal and
13 again, thank you for your consideration today.

14 MS. BADIE: Thank you.

15 And those are all the raised hands for this item.
16 Back to you, Chair.

17 CHAIR HOCHSCHILD: Thank you.

18 I have a recusal to make on both this item and
19 the following item. This coming fall, for the first time,
20 I plan to co-teach a course on climate policy at the UC
21 Berkeley Goldman School of Public Policy. So, for that
22 reason, I will not be participating in either the
23 discussion or the vote on either item nine or item 10.

24 And when you're done, Madam Public Advisor, with
25 those votes, you can notify me and I'll return for item 11.

1 VICE CHAIR GUNDA: Thank you, Chair.

2 I want to move to Commission and discussion,
3 starting with Commissioner McAllister.

4 COMMISSIONER MCALLISTER: Yes, well, Dustin,
5 thanks for the conversation. I think the presentation was
6 really great. And I've been, you know, fully briefed and
7 paying attention to this all along the way and I just
8 couldn't be more supportive of these projects. What an
9 amazing group of project partners and thought leaders, the
10 organizations and their teams on this set of contracts or
11 awards.

12 And you mentioned the 7,000 megawatt goal. You
13 know, this gets us maybe a percent or so towards that, but
14 most importantly, kind of demonstrating how and
15 standardizing how these VPPs and sort of aggregated load
16 flexibility, low shift resources can work. I really like
17 this sort of combination of technology and sort of business
18 model, and then, you know, the Berkeley Lab, which is
19 really trying to sort of take it up to a level of creating
20 tools for really wide adoption.

21 And so I think our support of this is critical,
22 just there as a leading agency. And I think we're
23 basically the only kind of agency that is in a position to
24 really encourage and fertilize this ecosystem.

25 And so it's happening in California. It's really

1 exciting. You can just see our message over the last few
2 years has, you know, has moved far beyond our state in
3 terms of load flexibility as being a really key source of
4 capacity to keep and enhance reliability and really
5 optimize the use of our grid and manage investments going
6 forward, you know, all the things we're talking about. And
7 I really look forward to getting the learnings from these
8 projects and activities, certainly along the way while we
9 build the plan for how we're going to meet the low shift
10 goal during the course of this year and just for
11 implementation and just figuring out how to really
12 socialize all these approaches and bring them into very,
13 very broad use.

14 So this is a huge step forward. I think these
15 are leading agencies, you know, UC campuses, EPRI, you
16 know, National Lab, we're talking serious firepower here,
17 and Sonoma Clean Power, which is a thought leader in the
18 CCA world, is just, really, couldn't imagine a better
19 group. So thanks for getting this to the meeting and
20 really supportive.

21 VICE CHAIR GUNDA: Thank you, Commissioner
22 McAllister.

23 Commissioner Gallardo?

24 COMMISSIONER GALLARDO: I, too, want to
25 congratulate you, Dustin, for the great presentation and

1 all the work invested into this. I'm really excited about
2 these grants, as well, and what we can learn. And it also
3 reminds me of when I was in the solar industry and how we
4 started talking about virtual power plants, and it was hard
5 to explain how they'd work. And so we weren't necessarily
6 taken seriously and look how far we've come now.

7 And I also appreciate the diversity of the
8 participants, the community colleges, Cal States, local
9 governments, school districts, we heard LAUSD. So, you
10 know, that's fantastic.

11 And speaking of participants, I also wanted to
12 thank Adam Jorge for joining us in person from Sonoma Clean
13 Power. It's not always easy to do, but we really
14 appreciate that.

15 I couldn't fully hear who joined by phone, but
16 also thank you for sharing comments with us.

17 So overall, just fantastic work and really,
18 really appreciate this and excited to see outcomes.

19 VICE CHAIR GUNDA: Thank you.

20 Commissioner Skinner?

21 COMMISSIONER SKINNER: Thank you. Kudos also.

22 I was able to get a briefing. Being new to the
23 Commission, I'm not as familiar with some of these
24 solicitations, so I was able to get an in-depth briefing
25 prior to even your presentation today. And I was very

1 impressed. And I, just as Commissioner Gallardo has
2 mentioned, I'm really looking forward to what these
3 projects, what we will learn from them and that they're --
4 it's the different types of applications. While they're
5 all within that virtual power plant space, that VPP space,
6 they are very different in what type of assets they're
7 using and what kind of benefits they might produce. And so
8 it will give us a good sense of what type of possibilities
9 there are for it going forward, because obviously some of
10 them can be a great resource if there has to be power
11 outages and others can be just for reducing load at certain
12 times.

13 So I was fascinated with it. I think it's a
14 great set of projects for us to learn that much more from
15 as we face our challenges of meeting our different demands
16 and goals, so thank you very much.

17 VICE CHAIR GUNDA: Thank you, Commissioner
18 Skinner.

19 I think I just want to extend my thanks, Dustin.
20 Really, really good presentation and kind of setting the
21 context of the importance, but also the opportunity.

22 I also want to thank the commenters and
23 colleagues from different agencies on just the magnitude of
24 the opportunity and how to make this happen.

25 Also, thanks to your team that's working in the

1 R&D on moving these projects forward.

2 I think I just want to remind ourselves that, you
3 know, we have a 7,000 megawatt goal by 2030 to, you know,
4 to realize in the demand flexibility area. And, you know,
5 the Brattle study that you put out, you know, we have over
6 7,000 megawatts potential by 2035. It's an incredible
7 opportunity to test the innovation that can happen to both
8 scale, but also drive down the cost of implementation, both
9 for system planning, but also reliability. So this is
10 great. I look forward to kind of learning lessons from
11 this and incorporating them into our future planning
12 processes.

13 So with that, Commissioner McAllister, would you
14 like to move the item?

15 COMMISSIONER MCALLISTER: I move item eight.

16 VICE CHAIR GUNDA: Commissioner Gallardo?

17 COMMISSIONER MCALLISTER: Oh, I'm sorry, I move
18 item nine.

19 VICE CHAIR GUNDA: Item nine. Thank you.

20 Do you second the item?

21 COMMISSIONER GALLARDO: I second item nine.

22 VICE CHAIR GUNDA: We will now take the vote.

23 Commissioner McAllister?

24 COMMISSIONER MCALLISTER: Aye.

25 VICE CHAIR GUNDA: Commissioner Gallardo?

1 COMMISSIONER GALLARDO: Aye.

2 VICE CHAIR GUNDA: Commissioner Skinner?

3 COMMISSIONER SKINNER: Aye.

4 VICE CHAIR GUNDA: I vote aye as well. The vote
5 count is four to zero with the Chair abstaining on this
6 one.

7 Moving on to item 10.

8 Welcome, Pooya.

9 MR. KHODAPARAST: Good afternoon, Vice Chair and
10 Commissioners. My name is Pooya Khodaparast, and I work at
11 the Energy Research and Development Division. Today, I am
12 presenting a proposed award to Lawrence Berkeley National
13 Laboratory. The project was selected through a gas
14 research and development program solicitation titled
15 Feasibility of Underground Hydrogen Storage in California,
16 under which one proposal from Lawrence Berkeley National
17 Laboratory was selected to be recommended for funding.

18 Next slide, please.

19 California has made substantial progress towards
20 its statutory goal of achieving a carbon-free energy system
21 by 2045. However, full decarbonization will likely not be
22 accomplished through the buildup of intermittent renewable
23 energy sources alone.

24 In addition, as renewable generation has
25 increased over the years, so has the amount of curtailed

1 energy, as is depicted in the figure on the top right. The
2 share of renewable generation that is curtailed has also
3 trended upwards. Large volume clean hydrogen storage, and
4 in particular underground storage, is one method of
5 addressing this imbalance between supply and demand that
6 results from intermittent generation, especially including
7 seasonal scale fluctuations. This could, in turn, improve
8 energy system reliability and resilience, reduce reliance
9 on fossil gas thereby lowering the associated carbon and
10 greenhouse gas emissions, decarbonize the gas system, in
11 addition to all the potential benefits of a clean hydrogen
12 market in California.

13 The geologic formations considered most suitable
14 for hydrogen storage are salt caverns or depleted natural
15 gas reservoirs. California has no known suitable salt
16 formations for this purpose, but we do have depleted gas
17 reservoirs that are currently used for storage. However,
18 an accurate understanding of the technical feasibility and
19 safety of storing hydrogen in these existing underground
20 gas storage systems is needed.

21 Lawrence Berkeley National Laboratory and its
22 project partners will develop a regional analysis of
23 hydrogen storage requirements and will perform reservoir
24 simulations to determine the feasibility and cost of
25 underground hydrogen storage for promising storage

1 scenarios in California. The team will conduct techno-
2 economic analysis of the most promising hydrogen storage
3 use cases and associated equipment and operation costs,
4 including noneconomic metrics such as decommissioning costs
5 and externalities such as social cost of carbon and avoided
6 monetized health burdens.

7 Further, the recipient will leverage existing
8 reservoir models developed by LBNL and Lawrence Livermore
9 in coordination with the utilities for two underground
10 storage facilities, namely McDonald Island in Northern
11 California, west of Stockton, which is incorrectly
12 mentioned east of Stockton in the agenda. Apologies for
13 the unfortunate typo. This site is operated by PG&E. And
14 the Honor Rancho facility in Southern California, operated
15 by SoCal Gas. These models will be enhanced using
16 laboratory-based characterization studies to examine
17 startup operations, mixing and gas quality, migration and
18 loss, and other operational risks.

19 For example, one risk that will be explored is
20 the potential for hydrogen reactions within the reservoirs
21 that could potentially alter important geological and
22 physical characteristics of the reservoir and Caprock, such
23 as Caprock Utility.

24 The team will then review existing risk
25 assessment, mitigation, and monitoring frameworks for

1 fossil gas storage and use new information generated from
2 the project tasks to identify changes that would be
3 required for storing hydrogen.

4 Additionally, the team will conduct a techno-
5 economic impacts assessment of any newly identified risks
6 and necessary mitigations needed to support the overall
7 feasibility of underground hydrogen storage.

8 Finally, the project team will engage local
9 community partners and community-based organizations to
10 offer briefings on the project, incorporate community
11 feedback and project findings and recommendations, and
12 assess how to best leverage benefits, economic and
13 otherwise, and minimize adverse impacts for disadvantaged
14 communities.

15 Next slide, please.

16 Staff recommends adoption of staff's
17 determination that this action is exempt from CEQA and
18 approval of this grand agreement with LVNL.

19 This concludes my presentation, and I am
20 available for any questions you might have. Thank you very
21 much.

22 VICE CHAIR GUNDA: Thank you so much for the
23 presentation. I just want to note for the record that the
24 Chair recused, left the room. He made a comment previously
25 on Rick using both on items nine and 10.

1 So with that, we'll go to public comment.

2 MS. BADIE: Thank you, Vice Chair.

3 The Commission welcomes public comment on item 10
4 at this time. If you're in the room with us, you can just
5 raise your hand. And if you're on Zoom, you'll use the
6 raise-hand feature on your screen or star nine if joining
7 by phone.

8 And we don't have anyone in the room that would
9 like to comment, so I'm going to transition to Zoom.

10 Siari Sosa, I'm going to open your line. You'll
11 unmute on your end. If you could please spell your name
12 for the record? And also, we're asking for comments to be
13 two minutes or less. There will be a timer on your screen.
14 Siari, if you could please unmute on your end? And you can
15 begin.

16 DR. SOSA: Good afternoon, everybody, Chair, Vice
17 Chair, Commissioners and staff. My name is Dr. Siari Sosa,
18 S-I-A-R-I, last name Sosa, S-O-S-A. And I am Technology
19 Development Manager for the Low-Carbon Resources Group in
20 the Research Development and Demonstration Department of
21 SoCalGas.

22 First and foremost, SoCalGas would like to thank
23 the California Energy Commission for its clear vision of
24 the role of clean fuels, especially clean renewable
25 hydrogen as an essential part of the energy transition.

1 This aligns with CARB's Adopted 2022 Scoping Plan and CEC's
2 Integrated Energy Policy Report, which include estimates
3 for large-scale volume of hydrogen as an energy resource
4 that can help to decarbonize the state's transportation and
5 electricity generation sectors.

6 California has an incredible storage resource in
7 its existing gas storage fields, which have a capacity of
8 300 billion cubic feet. SoCalGas agrees with and supports
9 CEC's commitment to fund research to, quote,

10 "Assess and characterize the feasibility and risk of
11 emerging hydrogen storage and delivery approaches,
12 such as storing large volumes of clean renewable
13 hydrogen in geologic formations, blending into
14 existing gas infrastructure, developing purpose-built
15 pipelines, and clustering end-users for regional
16 deployments," end of quote.

17 As they noted in its 2023 Integrated Energy
18 Policy Report, hydrogen infrastructure, including
19 underground storage, can support the effective integration
20 of an increasing renewable resource mix while maintaining
21 the reliability and resiliency of energy supply in
22 California's decarbonized future. Research studies, like
23 this to be conducted by Lawrence Berkeley National Lab,
24 help expand critical knowledge to support the realization
25 of hydrogen's potential as an energy storage source.

1 SoCalGas is excited to collaborate with the CEC
2 and the rest of the project team in alignment with
3 California policies to advance safe, reliable, and
4 affordable hydrogen.

5 Thank you very much for the opportunity to
6 comment.

7 MS. BADIE: Thank you for that comment.

8 And that is all the raised hands for this item.
9 Back to you, Vice Chair.

10 VICE CHAIR GUNDA: Thank you. I'm going to move
11 into the Commissioner discussion, starting with
12 Commissioner McAllister.

13 COMMISSIONER MCALLISTER: Well, Pooya, thanks
14 very much for the presentation. Really well done.

15 This, you know, strikes me as a really
16 appropriate application of the pure natural gas funds and
17 really trying to use them to think creatively about how we
18 transition away from fossil gas, and, I think, taking
19 advantage of California's tremendous resources and
20 infrastructure that we have. It also dovetails really well
21 with some of the other investments we're making across the
22 state, just we, you know, the royal we across the state
23 with the ARCHES, leveraging DOE money, you know, for the --
24 around the hydrogen hub and so, you know, trying to just
25 create options and create flexibility in how we, you know,

1 how we arm ourselves and, you know, create that toolbox for
2 how we get to our zero net future.

3 So I'm really, really supportive of this. I
4 think it's well-conceived. And thanks for bringing it to
5 us.

6 VICE CHAIR GUNDA: Thank you, Commissioner
7 McAllister.

8 Commissioner Gallardo?

9 COMMISSIONER GALLARDO: Yeah, congratulations,
10 Pooya. I think this is a really excellent project. I'm
11 excited to see what comes about.

12 And, you know, Commissioner McAllister mentioned
13 the creativity, trying to use existing assets to do
14 something new and help move us forward on our clean energy
15 future, so I think this is fantastic. And I really
16 appreciate the briefing as well and you going into more
17 detail during that.

18 Thank you.

19 Thank you, Commissioner Gallardo.

20 VICE CHAIR GUNDA: Also wanted to just add
21 thanks, Pooya. That was excellent presentation. And also
22 thanks for adding the additional technical details. I
23 think it's really helpful for the record.

24 I also just wanted to note that we have an update
25 coming up in this year's IEPR on hydrogen. I think it

1 would be great to kind of pull some of the information from
2 this into the IEPR document.

3 Yeah, I think I completely agree with
4 Commissioner McAllister and Commissioner Gallardo's
5 comments. I think we will need clean molecules in some
6 shape or form moving forward. And I think the use of those
7 clean molecules, you know, I think will be a lot more spiky
8 in that we need them. So I think storage really provides
9 an opportunity. So thank you for investing, you know, time
10 into learning, you know, how to get better information on
11 that.

12 So yeah, with that, we can move the items. So
13 Commissioner McAllister, would you like to move?

14 COMMISSIONER MCALLISTER: Appreciate the
15 comments, as well, that folks have made on this. So thanks
16 for calling in.

17 I move item 10.

18 VICE CHAIR GUNDA: Commissioner Gallardo, would
19 you second?

20 COMMISSIONER GALLARDO: I second item 10.

21 VICE CHAIR GUNDA: I will now take the vote.

22 Commissioner McAllister?

23 COMMISSIONER MCALLISTER: Aye.

24 VICE CHAIR GUNDA: Commissioner Gallardo?

25 COMMISSIONER GALLARDO: Aye.

1 VICE CHAIR GUNDA: Commissioner Skinner?

2 COMMISSIONER SKINNER: Aye.

3 VICE CHAIR GUNDA: I vote aye as well. And the
4 vote count is four to zero with the Chair recusing.

5 With that, Public Advisor, could you ask the
6 Chair to come back into the room?

7 We can also move to item 11 as the Chair is
8 making his way in.

9 Javier?

10 I think we can get started. He'll come in, yeah.

11 MR. FLORES: All right. Good afternoon, Vice
12 Chair and Commissioners. My name is Javier Flores and I'm
13 with the Energy Research and Development Division. Today,
14 we'll be presenting a proposed \$28.1 million agreement with
15 Charge Bliss, Inc. to demonstrate a long duration energy
16 storage system at Valley Children's Hospital in Madero,
17 California.

18 Next slide, please.

19 Valley Children's Hospital stands in the
20 disadvantaged community of Madero County in Central
21 California. This full-service pediatric hospital provides
22 medical services to children within roughly 150 mile
23 radius. The proposed non-lithium ion long duration energy
24 storage system that will be installed at the hospital will
25 be operated as part of a microgrid, which will also include

1 2.2 megawatts of fuel cells and 1.2 megawatts of solar
2 photovoltaics. This will be one of the largest renewable
3 energy microgrids nationally to serve an emergency care
4 facility.

5 Next slide, please.

6 This project will demonstrate the ability of the
7 storage system to power critical hospital operations during
8 power outages, such as public safety power shutoff events
9 and natural disasters, for at least 10 hours. In addition,
10 this project will help mitigate peak grid demand by
11 utilizing onsite power generation and energy storage.

12 If approved, this grant will support a joint
13 effort between the CEC, DOE, Charge Bliss and Valley
14 Children's Hospital to provide a total of \$60 million in
15 project funds. The CEC's proposed \$28.1 million grant
16 funding, combined with contributions from Charge Bliss and
17 Valley Children's Hospital, will serve as 50 percent cost
18 share to match the \$30 million grant provided by DOE.

19 Next slide, please.

20 In compliance with CEQA, an initial environmental
21 study for this project was initiated. However, since a
22 battery technology has not yet been finalized, the study
23 could not be completed. Due to this, CEC staff is
24 proposing a phased funding approach with an initial
25 preliminary phase and a second full phase.

1 This agreement will initially provide \$4.3
2 million for the preliminary phase covering costs for tasks
3 falling under a CEQA exemption. These tasks include
4 preliminary engineering, detailed project planning, and
5 research and resource evaluation, as well as selection of
6 the battery technology, which will be done through a
7 competitive bid process.

8 Once the battery has been selected and the
9 necessary data has been gathered, the environmental studies
10 for this project can be completed.

11 Following completion of the environmental review,
12 up to an additional \$23.7 million may be added for the
13 second phase of the project through an amendment and
14 approval from the CEC's Executive Director.

15 This phased approach will reinforce the funding
16 partnership with the DOE, matching the commitment and
17 ensure there is sufficient funding for later stages of the
18 project.

19 Next slide, please.

20 If this agreement is funded, the project will
21 facilitate greenhouse gas reductions by reducing the use of
22 on-site diesel generators and shift the usage of clean
23 energy to peak periods of demand, advancing California's
24 clean energy goals.

25 This project will also provide real-world data on

1 the long-term performance of non-lithium-ion storage
2 technology. This data will serve as a guide to a
3 replicable, cost-effective, safe, and durable system
4 supporting the acceleration of renewables.

5 In addition, this project will demonstrate the
6 feasibility of a joint collaboration between state,
7 federal, and commercial organizations and serve as a
8 roadmap for potential future LDES deployments of this
9 scale, particularly in underserved communities. Among
10 those benefits is an improvement in air quality, which is
11 especially important in highly polluted regions.

12 Projects such as the energy storage system being
13 proposed today are not just essential for California's net
14 zero goals, but are vital to the health and well-being of
15 those residing in underserved areas.

16 Next slide, please.

17 Staff recommends approval of the first phase of
18 this agreement with Charge Bliss covering preliminary
19 engineering, detailed project planning, and commercial-
20 scale designs, and to adopt staff determination that this
21 action is exempt from CEQA.

22 This concludes my presentation. Mike Gravely,
23 who is the CEC Long Duration energy Storage Program lead,
24 and I are available for questions.

25 Thank you very much for your time. I know that

1 days like these are kind of long, so I appreciate your
2 patience getting through all these items, including this
3 one. Thank you.

4 CHAIR HOCHSCHILD: Thank you so much.

5 Mike, was there anything you wanted to add?

6 MR. GRAVELY: I just wanted to say, for this
7 particular project, you know, we've got 10 different
8 projects, so it just put me into an underserved community.
9 One of the things I learned I was there for the kickoff
10 meeting, they will be able to provide at least 80 percent
11 of the hospital.

12 One of the things, because it's in a
13 disadvantaged community, that they handle very, very
14 special insurances. And if a PS event or an event occurs,
15 if someone's been waiting for two months for their
16 appointment, they have to shut down everything but the
17 emergency room and the operating room. This will allow
18 them to keep the clinics open. That's a huge benefit. I
19 mean, they have to drive one to two hours to get to the
20 next hospital that will take their insurance. So that's
21 just, I mean, just in general, that's just, from their
22 perspective, it's a really great perspective, obviously for
23 us, the benefit of showing.

24 And the other thing is the hospitals have a
25 requirement of 96 hours of diesel to back up the emergency

1 room and the diesel. Our goal is to demonstrate with them
2 and with the standards that they can shift away from that
3 and use clean energy. And we're working to do that as we
4 go along. This is by law, so we have to take some time.
5 But the point is we think we'll be able to demonstrate they
6 can do all those things and not have to crank up the diesel
7 generators.

8 CHAIR HOCHSCHILD: Okay. And Mike, sorry, I was
9 a little bit late coming back. This was the zinc
10 chemistry?

11 MR. GRAVELY: This one, the chemistry hasn't been
12 selected yet.

13 CHAIR HOCHSCHILD: Oh, okay, it has not been
14 picked. Okay.

15 MR. GRAVELY: So this one, one of the reasons
16 we're in a phased approach on that, we're doing about 15
17 percent of the money to do all the planning. DOE has to
18 approve the storage and the contractor is working them, but
19 they have not selected the storage yet. And so once they
20 do that, we have to know the chemistry so we can figure out
21 what happens if it leaks or anything, so we can't do the
22 environmental study. So we will probably know that in six
23 to eight months and then we'll be able to finish the study
24 and come back.

25 CHAIR HOCHSCHILD: Great.

1 MR. GRAVELY: And it's a great project. And they
2 have probably three or four technologies to choose from,
3 obviously, the ones we're working with plus others. So
4 there's -- in the last two years, we've had a really good
5 success in bringing more and more of these technologies to
6 a commercial place.

7 CHAIR HOCHSCHILD: Yeah. Great. Okay. Well,
8 thank you, Mike. Thank you, Javier.

9 Let's go to public comment on item 11.

10 MS. BADIE: Thank you.

11 The Commission welcomes public comment on item 11
12 at this time. If you're in the room with us, you can raise
13 your hand. And if you're on Zoom, you'll use the raise-
14 hand feature on your screen or star nine if you're joining
15 us by phone. And I'm just giving that a moment.

16 Okay, not seeing any raised hands for this item.
17 Back to you, Chair.

18 CHAIR HOCHSCHILD: Okay. Let's begin with
19 Commissioner discussion. Anyone?

20 Commissioner McAllister, yeah.

21 COMMISSIONER MCALLISTER: Great. Well, I really
22 appreciate this project. And I just want to mainly just
23 call out Valley Children's, Valley Children's Hospital as
24 just incredible innovator in so many ways. And, you know,
25 you described, and you and Mike both described the kind of

1 context in the area of the state that they serve,
2 underserved, and they really have a huge footprint. They
3 really, I think, play a critical role in that whole region
4 of the state.

5 And they've been an energy innovator and really
6 leaned in to the clean energy transition. I've had, you
7 know, several conversations with them, I just have
8 appreciated their leadership role on a whole bunch of
9 different axes, right, including energy and the energy
10 transition.

11 I like the way you're approaching this with sort
12 of flexibility in determining the chemistry and the exact
13 sort of configuration of the battery, you know, especially
14 now where we have a lot of discussion about battery safety
15 and things and sort of some, you know, some chips that need
16 to kind of fall still on that. So I really think it's good
17 to be sort of intentional about that and really work
18 through a process that gets to a good answer collectively.

19 But very much support this project. And, you
20 know, I feel like Valley Children's deserves some kind of
21 an award, you know? I wonder what it could be. So,
22 thanks.

23 MR. FLORES: Thank you.

24 CHAIR HOCHSCHILD: Sorry, before we continue with
25 Commissioner discussion, there was a member of the public

1 who was trying to make a comment.

2 COMMISSIONER MCALLISTER: Oh.

3 CHAIR HOCHSCHILD: I wonder if we could go to
4 that individual.

5 MS. BADIE: Thank you, Chair.

6 Nina Audino, I see your hand raised. I'm sorry
7 if you had issues raising your hand earlier. I'm going to
8 open your line. If you could please state and spell your
9 name for the record? We're asking for comments to be two
10 minutes or less. Nina, if you'd like to comment, you'll
11 need to unmute on your end and begin.

12 MS. AUDINO: My name is Nina Audino. Can you
13 hear me now?

14 MS. BADIE: Yes.

15 MS. AUDINO: My name is spelled Nina, N-I-N-A,
16 Audino, A-U-D-I-N-O.

17 I've lived in Santa Cruz County for 38 years,
18 taught in high school, served the community as a high
19 school teacher for almost 30 years.

20 I'm about 11 miles from the environmental
21 disaster that's unfolding monstrously at the Vistra Moss
22 Landing fire site. I'm actively involved in local groups
23 that have risen up very quickly in response to this.

24 I want to second what I just heard one of your
25 colleagues say just now, that it would be very important to

1 know what kind of battery configuration you're using. And
2 I noticed that you stated it was non-lithium ion, but as a
3 concerned citizen and with a massive best facility planned
4 here just outside of Watsonville, a dense 50,000-plus city
5 amidst agricultural land and right next to Section 8, less
6 than a thousand feet away from Section 8 housing is
7 supposed to go in, the plan's already with the County
8 Planning Division, I would really like to know what kind of
9 battery is being installed in a hospital?

10 I know that children need help. I know that.
11 And I support clean energy and support battery storage, but
12 not with lithium using batteries.

13 Thank you for hearing me out.

14 MS. BADIE: Thank you for your comment.

15 And that's the only raised hand for this item.
16 Back to you, Chair.

17 CHAIR HOCHSCHILD: Yeah, just actually before,
18 that's a very fair point, these are non-lithium chemistries
19 to begin with. And I wonder, just if you want to speak,
20 Javier or Mike, to how they're not flammable and address
21 that concern directly?

22 MR. GRAVELY: Just point out that the legislation
23 that we're using, the funding specifically restricts
24 lithium ion. So these are non-lithium ion. And they do
25 not have -- they're mostly water-based. Many of them, they

1 don't have the challenges of fire issues, the other things.
2 They're very safe. Part of this demonstration is to do all
3 that.

4 But in particular, lithium ion is -- our
5 legislation, we're trying to bring in non-lithium ion, so
6 we have to have a non-lithium ion solution. All the
7 batteries being selected will be non-lithium ion. All the
8 ones being selected will have previous performance so that
9 we're comfortable that they can operate in this environment
10 and perform. So this is not -- it will not be a lithium
11 ion solution.

12 CHAIR HOCHSCHILD: Yeah. Okay. Well, let's
13 return -- thank you for the comment.

14 Let's return to Commissioner discussion.

15 Commissioner Skinner, please.

16 COMMISSIONER SKINNER: Thank you. A question.
17 So since the -- there, good -- the technology is going to
18 be chosen through an RFP, we have, obviously, settled on a
19 grant award, but you described how it's going to be done in
20 phases. And there's DOE funds involved in this also. So,
21 you know, hopefully -- we can't predict yet what that cost
22 of whatever the ultimate technology is, but are we feeling
23 confident that between the combination of funding, that
24 the -- regardless of the -- of what the results of the RFP,
25 we're going to be able to proceed?

1 MR. FLORES: What do you mean the funding?

2 COMMISSIONER SKINNER: That the funds are out,
3 but, yeah.

4 MR. FLORES: Yeah, at this moment, we don't have
5 any reason to believe that this federal fund will be
6 affected at the moment. We've received the update that
7 funds were being covered on the DOE end. So what that
8 exactly means, I'm not sure, but, you know, I was assured
9 that those funds have been accomplished with the project.
10 So as of now, we have no reason to believe that those funds
11 will be affected from the federal funds.

12 COMMISSIONER SKINNER: And if by a great stroke
13 of fate the technology selected comes in at a much lower
14 price, is this the type of award that is a reimbursed type,
15 or is it that the funding would be available regardless of
16 whatever that costs to the final technology?

17 MR. FLORES: I don't have a definitive answer on
18 that. I'll have to look further into that. But as far as
19 I know, it's the funding has been assigned for the project.
20 And then the DOE is going to split up into multiple phases.
21 And so as during each phase, the project will be assessed
22 on the DOE side, as well as ours. The CEC then will go
23 from there (indiscernible) funding --

24 COMMISSIONER SKINNER: Great.

25 MR. FLORES: -- in this phase.

1 CHAIR HOCHSCHILD: Commissioner Gallardo?

2 COMMISSIONER GALLARDO: Javier and Mike, thank
3 you so much for all the work you've done here. I really
4 appreciate the presentation and the briefing.

5 I wanted to point out that the picture you had in
6 the deck was really helpful where it shows that the
7 hospital is very isolated. And so, Mike, you emphasizing
8 how, you know, having this type of support can help save
9 lives just by keeping the lights on, even if it's for just
10 a matter of hours more is extremely important. So there
11 are safety issues to consider. And at the same time, the
12 potential for saving lives, you know, helping people stay
13 healthy, especially kids, I think is significant, so I just
14 don't want to take that for granted.

15 And again, really appreciate the images to help
16 us wrap our head around what's happening and what it means
17 to this community in particular. Appreciate it.

18 VICE CHAIR GUNDA: Vice Chair Gunda?

19 VICE CHAIR GUNDA: Yeah, thanks, Chair.

20 You know, I don't have much to add other than
21 just say thanks, Javier, for the presentation, and Mike, as
22 always.

23 I think the one thing I wanted to add is just,
24 it's in Central Valley. That's really great, you know,
25 given the air quality issues there and the hospital

1 resiliency. So appreciative of all the work and look
2 forward to supporting the item.

3 Thanks.

4 CHAIR HOCHSCHILD: Anyone else?

5 Hearing none, yeah, I just want to add my thanks
6 as well. Really love to see these twin goals be advanced
7 of pushing forward new emerging and clean innovative
8 technology and supporting critical institutions like
9 hospitals in this region. It's just wonderful. So thank
10 you, Javier. Thank you, Mike.

11 And with that, I would welcome a motion on the
12 item from Commissioner McAllister.

13 COMMISSIONER MCALLISTER: I move item 11.

14 CHAIR HOCHSCHILD: Is there a second from the
15 Vice Chair?

16 VICE CHAIR GUNDA: Yes, second item 11.

17 CHAIR HOCHSCHILD: All in favor, say aye.
18 Commissioner McAllister?

19 COMMISSIONER MCALLISTER: Aye.

20 CHAIR HOCHSCHILD: Vice Chair Gunda?

21 VICE CHAIR GUNDA: Aye.

22 CHAIR HOCHSCHILD: Commissioner Gallardo?

23 COMMISSIONER GALLARDO: Aye.

24 CHAIR HOCHSCHILD: Commissioner Skinner?

25 COMMISSIONER SKINNER: Aye.

1 CHAIR HOCHSCHILD: And I vote aye as well. That
2 concludes item 11. Thank you.

3 We'll turn now to item 12, Lead Commissioner or
4 Presiding Member reports, starting with Commissioner
5 McAllister.

6 COMMISSIONER MCALLISTER: Just a couple of things
7 I want to mention, recent trips.

8 First, all last week, pretty much all last week
9 was in D.C. for the NASEO, National Association of State
10 Energy Officials, Energy Policy Outlook Conference. And it
11 was quite a whirlwind, I have to say. And, you know, NASEO
12 is great. And that conference in particular is great
13 because it's right there in D.C. and just gets great
14 participation.

15 Even this year, actually, with all the sort of
16 roiling within the agencies, got great participation from
17 Department of Energy and from US EPA officials and staff.
18 And 56 states and territories getting to talk about what
19 they're doing and compare notes and commiserate about the
20 sort of the funding stoppage from the federal government on
21 the Inflation Reduction Act programs, which is a huge
22 problem for everyone, and get to know a few of at least the
23 new officials from the agencies.

24 And it's going to be a challenge, you know, I
25 will say. On the one hand, the rhetoric, I think, is kind

1 of overcooked in some ways and probably won't last in that
2 form. A lot of sort of charging into, you know, governance
3 with a lot of vim and vigor. And a lot of ideas that just,
4 I think, won't stick, certainly won't stick with the
5 states.

6 And so, at the same time, I think the flip side
7 is that there are a number of topics that everybody can
8 agree on are important, you know, innovation, and
9 reliability of our energy systems, and affordability, and
10 job creation, economic growth, and geothermal. And, you
11 know, there's a lot of topics, I think, that still -- if we
12 can sort of get everybody together in good faith and tone
13 down the rhetoric a little bit, we could work together on.
14 And I hope that we do. But, you know, not sort of counting
15 those chickens quite yet.

16 I think California really is, you know, the sort
17 of beacon that a lot of people look to. And our emphasis
18 of, you know, of inclusion and the benefits of diversity,
19 many things we talked about earlier in this meeting. And
20 the fact that there is a clean energy transition happening
21 and that we are investing in ways that will get us over
22 that hump and off into a much lower carbon and eventually a
23 zero carbon future, I think that is something that we know
24 is possible and other people need that reassurance, you
25 know, when that message gets undercut.

1 And I was able to meet, you know, with a few
2 members of our delegation. And I think, you know, I really
3 have a lot of faith in our elected officials to keep the
4 faith in Washington and keep the right topics in the
5 conversation.

6 So, I guess that's all I have on the NASEO stuff.

7 But I will actually also just say that NASEO's
8 staff, and particularly their president and also their
9 chief -- their counsel, are deeply knowledgeable about
10 Washington and all the very nuanced politics there. And,
11 you know, the NASEO counsel actually, you know, contributed
12 language to many of the original statutes back in the '70s,
13 like EPCA and Clean Air Act and things. And so a lot of
14 deep insight there that we really benefit from, and I think
15 all of you know that, but I just want to encourage us to
16 lean on them as we go through these kind of choppy waters.

17 And then Monday and Tuesday this week, visited
18 Los Angeles and met with county officials, city officials,
19 DWP, a lot of agencies in the region that are responsible
20 for our recovery and the rebuild. And went down with a
21 number of staff, including Commissioner Skinner's Chief of
22 Staff, Sarah Lim, my chief of staff, Bryan Early, and Will
23 Vicent from staff, and the Efficiency Division. And Maggie
24 Dang (phonetic), who I just have to give incredible kudos
25 for her organizational skills to help the trip happen and

1 really keep the agenda really tight and help us really
2 focus on the right things with the agencies and, you know,
3 city, county, et cetera.

4 They are super thoughtful and already really
5 taking an all-government approach to planning for the
6 longer term. They're really happy to have us sort of down
7 there to share thoughts. And, you know, managed to also
8 involve the PUC remotely and the HCD remotely. So I think
9 just that starting to build bridges and partnerships with a
10 long-term vision for how they can hold hands on the
11 recovery and how we can support them now, you know, they
12 really have to lead.

13 So starting that conversation, I think was really
14 important, but also sustaining it for the long-term so that
15 they know we're here and, you know, around the Building
16 Code and just around how, you know, how we mobilize supply
17 chains and get the builders and just sort of really have an
18 intentional approach to rebuild as both, you know, good
19 buildings, very high-performing buildings, and the
20 buildings that those homeowners who, you know, never
21 planned to build a new home in their whole lives, you know,
22 I mean, it's just a whole new world for them, they lost
23 everything and now they have to make all these decisions
24 that they never wanted to make. And many of them will be
25 underinsured or even uninsured. There's all sorts of

1 issues.

2 And so we're not going to necessarily solve all
3 those issues at the state. I think a lot of them really
4 need to be -- you know, they have to do with land use and
5 local power. But to the extent the state can contribute
6 and help and support, they would really welcome that.

7 So I think it was a fantastic trip. So, you
8 know, probably more to come on that, but it was good to
9 kind of get that conversation started and really hold out a
10 helping hand and looking at how we can mobilize resources
11 from our programs, perhaps if we can, you know, find a path
12 to do that, to contribute to helping the rebuild effort be
13 as sort of future-proofed as possible. And I think we all
14 agreed on both days, both in the context of the city and
15 the county, I think that's the collective common goal.

16 It's almost like two different, it really is two
17 different areas that are very different. You know, on the
18 one hand, you've got the Eaton Fire, which is sort of
19 middle-class, very diverse group, smaller lots, smaller
20 houses, I think, you know, more folks of modest means. And
21 that is in the county unincorporated areas for the most
22 part, and it's Edison territory. And then you have
23 Palisades Fire, which is LADWP, city, and it's served the
24 relatively affluent.

25 And so those, the dynamics in those realms, are

1 very, very difficult. And I think, so the discussions will
2 get, you know, more and more kind of complex than maybe
3 fragmented, and that's okay. But just starting to really
4 face the realities that they have and, you know, trying to
5 be helpful.

6 So thanks.

7 CHAIR HOCHSCHILD: Thank you.

8 Vice Chair?

9 VICE CHAIR GUNDA: Thank you, Chair.

10 I think just kind of a 30,000-foot level, I think
11 at this time of the year, I think most of our offices are
12 just spending time to think about the strategic alignment
13 and work that we need to do for the rest of the year. So
14 our office has been, both through internal meetings and
15 also external stakeholder roundtables and meetings, really
16 trying to align our work for the rest of the year. So just
17 wanted to share maybe a point each on each of them.

18 So one of our core work this year will be around
19 forecasting demand and thinking about scenarios. Every day
20 feels like a new, you know, development. You know, we were
21 really worried about not being able to put enough demand
22 into the forecast for data centers and actively plan for
23 them. But now with something like DeepSeek, you're talking
24 about a fifth of the energy usage needed for the same level
25 of work.

1 So it's just kind of a lot of uncertainties,
2 uncertainties around how much electrolytic hydrogen the
3 state would need and when, what is the electrification
4 pathway, and how fast with the federal waivers the car
5 being rescinded. Some of the EV work might slow down. So
6 we're kind of really trying to understand the implications
7 and get a better idea on the forecasting so we can pass it
8 on to transmission planning and distribution planning for
9 the state.

10 So that's one rather big area of focus has been
11 around petroleum, thinking through the AB X2-1 legislation
12 and how do we set the context for all the tools that have
13 been given to the Energy Commission and, you know, thinking
14 about them in a statewide manner, given a lot of work is
15 done by different agencies, and how do we create a cohesion
16 around agencies to make sure we're working together?

17 And then the petroleum transition is another
18 important part has been -- we attended, along with CARB,
19 three community meetings, Richmond, Wilmington and
20 Bakersfield, in the last 10 days. It's really helpful to
21 reach the communities, but it's also important to note
22 that's a very diverse perspectives. You know, when you
23 look at those rooms, it's labor, environmental justice
24 groups, fenceline communities, and each one of them share a
25 perspective and share a pain point that is unique.

1 And it's really important for us state agencies
2 to have the humility to meet where they are and understand
3 the implications of the regulations and processes we put in
4 place. So we're going to work on that carefully.

5 A third, demand flexibility, something of a focus
6 that the Chair wanted us to kind of have is how do we
7 operationalize the 7,000 megawatt goal? So myself, our
8 office and Commissioner McAllister's office, are kind of
9 sketching out some plans on how do we set the stage for
10 robust conversations this year on demand flexibility and
11 bringing about that 7,000 megawatt goal and more to come in
12 future business meetings.

13 We're now getting started fully on three other
14 topics. So reliability for summer, you know, that's
15 something we kick off with analysis, look at, you know,
16 what we have been building and where we are with the demand
17 forecast.

18 Just noting that 2024 has been another record
19 year in terms of how much we added to the grid. Another
20 7,000 megawatts has been added. We are very close to
21 100,000 megawatts of installed capacity in California. And
22 so there's an opportunity for us to hopefully have more
23 slack in the market and push down the RA contract costs.
24 So, hopefully, that we can do.

25 SB 100 report is coming up later this year.

1 We're working judiciously on that.

2 And finally, a point that myself and Commissioner
3 Gallardo are working on is thinking through the proceeding
4 that we opened on non-energy impacts and how do we quantify
5 and, you know, further the conversation in a meaningful way
6 that the environmental justice groups have been really
7 hoping we do. So those are the main pieces that will be
8 focused on this year.

9 Thanks.

10 CHAIR HOCHSCHILD: Thank you.

11 Commissioner Gallardo?

12 COMMISSIONER GALLARDO: Let's see. I have some
13 slides with some cool photos. We'll go to the next one.

14 So the first images are from my Lithium Valley
15 work. So there's been a lot happening out in the Salton
16 Sea region where we're trying to establish a lithium-based
17 industry.

18 There was a ribbon cutting for an electric
19 vehicle charger. This is the second one, I believe, in
20 Brawley, and it was a charger that Energy Commission
21 invested in. So Commissioner Skinner, your staff was
22 really helpful in giving me a couple talking points to
23 share there. And I also shared with the audience that we
24 have a new Commissioner who will be in charge of
25 transportation and let them know that. So that was

1 exciting.

2 And with EV charger installations there in that
3 area, our former Commissioner Monahan emphasized how this
4 would be a model of a charging desert. So not in the sense
5 that you think of nothing's there, but when you think of a
6 desert, there will be EV chargers there. So this region is
7 an example of that, which I really love. And it's part of
8 the Lithium Valley vision. If we're trying to set up a
9 lithium-based industry out there, then they should also
10 have accessibility to the chargers for those potential
11 electric vehicles that will maybe even be manufactured
12 there.

13 So another event that happened out there in the
14 Salton Sea region is a press conference for the release of
15 the County of Imperial's Lithium Valley Specific Plan,
16 which I've been eagerly awaiting to get a better sense of
17 the planning and zoning that they need to do in this
18 defined area that we're calling Lithium Valley. So excited
19 about that and joined them for that celebration.

20 We'll go to the next slide.

21 I also did some tribal engagement. Our Director
22 of Tribal Affairs and Tribal Liaison, Sierra Graves,
23 planned a really great visit out to the Salton Sea area.
24 We attended a session that's part of the Truth and Healing
25 Council efforts led by Governor Newsom. So this one was at

1 the Quechan Indian Tribe facilities. And a lot of what we
2 did there is just listening and learning, hearing about the
3 hardship and the heartache the tribes have gone through and
4 also the hope that they have for a better future for seven
5 generations out. And that's the way they think. And it's
6 really helpful for us to hear about these things.

7 So there was an activity that they had us doing.
8 So that's an image of me doing that activity. Drew, our
9 Executive Director, also joined me. I had a photo of him
10 doing some of these activities and I didn't want to include
11 it because I hadn't asked permission. So you got saved,
12 Drew. But it was a really nice event to be at and helpful
13 to have that additional engagement with tribes, especially
14 with Quechan, who's further out in California, not
15 necessarily easy to get to.

16 I will go to the next slide.

17 So also did some engagement with philanthropy.
18 There was a convening put on by an array of funders, I'm
19 not going to list them out here, but it was really helpful
20 to learn about how this group of funders was working with
21 tribes to get the Chuckwalla National Monument passed. And
22 it was an effort to bring conservation and renewable
23 development together. So they were showing that you
24 don't -- it's not one or the other, it can be both, but it
25 requires communication and, you know, building trust

1 amongst each other. And so they have this really great
2 example of doing that.

3 And so the Chair and I joined for a couple of
4 days and then Commissioner Skinner and I joined for the
5 others. So just to make sure Chief Counsel's Office isn't
6 worried about any of the BK potential issues. All right,
7 so that was down south as well in the Imperial Valley area.
8 We also got to go near the Salton Sea. That was exciting.

9 Go to the next slide.

10 And then I also wanted to highlight a visit I did
11 focused on workforce development efforts. So the
12 Sacramento Academic and Vocational Academy, known as SAVA,
13 they've been partnering with the California Mobility
14 Center, which we've also funded. They're doing this really
15 cool project to electrify a lowrider vehicle. And it was
16 exciting to learn that the lowrider community had to give
17 their blessing for a lowrider to get modified in this way
18 where it become electric. And so the industry was working
19 with the lowrider community and, you know, were able to do
20 this.

21 But the key was youth. So there's youth working
22 on this vehicle and the youth talked to the lowrider
23 community and told them like, hey, innovation is not a bad
24 thing for these classic vehicles. You remember when you
25 put hydraulics on these classic vehicles? That was

1 innovation. So this is very similar. It's innovation
2 that's going to make these vehicles even more accessible
3 and modern, et cetera. And so that's what convinced the
4 lowrider community was this, you know, the group of youth
5 that were able to deliver the message. So really exciting
6 to be there.

7 And then I want to highlight that Sarah Miles,
8 who's our new Workforce Development Lead here at the Energy
9 Commission, she's in the back, she also attended the visit
10 with me. And so I just want to make sure that we're
11 learning as much as we can, and especially from groups that
12 are right here in our local area in Sacramento.

13 And I believe that's my last slide; correct?
14 Let's see. Is there another one? There's a lot going on
15 this last month. Okay, that's it, so thank you.

16 CHAIR HOCHSCHILD: Well, that's a tough act to
17 follow.

18 So I leave it to you, Commissioner Skinner to
19 follow suit.

20 COMMISSIONER SKINNER: Thank you. As the newest
21 Commissioner, I've been spending a good amount of my time
22 receiving excellent briefings from the many divisions,
23 offices and programs of the CEC. And I would say that they
24 have been very good, great, a good array of staff
25 participation in those briefings and good materials

1 provided to me and lots of learning on my part.

2 And then as Commissioner Gallardo mentioned, I
3 did participate on the tail end of that under-convened
4 gathering in the Chuckwalla National Monument and adjacent
5 areas, not only where many tribal representatives
6 participated in addition to conservation groups and others,
7 and it was a great example. There was a lot conveyed to us
8 around the discussions with multiple stakeholders, tribes,
9 renewable energy developers, conservationists, others to
10 forge agreements that will produce important ecological
11 habitat and tribal cultural and other priority protections,
12 as well as support or progress on our renewable energy and
13 electrification goals.

14 So much of it mirrored -- you know, many years
15 ago, California adopted the Desert Renewable Energy
16 Conservation Plan. And this was another great example of
17 that being put into -- that conceptually being put into
18 practice in an area that is a national monument now and
19 will, we hope, continue to be preserved for millennia. And
20 yet at the same time, incorporate all these other concerns,
21 whether it's the tribal concerns or our goals around
22 electrification and whether it includes transmission,
23 generation, you name it. So that was a really fascinating
24 discussion.

25 And when we were listening today earlier in the

1 business meeting around the solicitation and the grants
2 that we were giving to the tribal communities around just
3 support for different projects of theirs, I thought about
4 this trip and the good work that they bring to us all the
5 time.

6 And I look forward to continuing learning and
7 hopefully -- not hopefully, definitely at future meetings,
8 reporting on activities of the divisions that I am
9 overseeing.

10 Thank you.

11 CHAIR HOCHSCHILD: Thank you, Commissioner.

12 Well, I just wanted to begin by offering a more
13 public welcome to our incoming Chief Counsel Sanjay
14 Ranchod, who will be joining us in the coming weeks and
15 will be with us at the next meeting.

16 I want to also say a little bit about him. He's
17 a remarkable leader, longtime energy policy expert. The
18 last few years, he's been doing demand response, but before
19 that, energy storage, electric vehicles, solar, and he's
20 going to bring a lot of energy policy chops to the job.

21 I wanted to especially thank Alan for kind of
22 keeping the train on the track here and before you, Lisa
23 DeCarlo, during the search period. And Alan, a special
24 thanks to you for working over the weekend on a battery
25 safety assignment I gave you. Just have really appreciated

1 your professionalism and steady hand at the wheel, so thank
2 you so much.

3 I also wanted to say thank you to Lindsay
4 Buckley, who was appointed this week after six years of
5 excellent service at the Energy Commission, running our
6 Comms Team, was appointed by the Governor to go over and
7 help support the Air Resources Board. So sorry to see her
8 go but, you know, we know that her talents are sorely
9 needed over there and wish her and the whole team much
10 success. And we'll be celebrating her in the coming weeks
11 here, but very grateful to her.

12 And thank you to Sandi Louis (phonetic) for being
13 willing to step up in the acting role as we complete the
14 search for that position.

15 Finally, I wanted to thank my team, Jeanmarie
16 Sandbom and Robert Chun and others who work to support this
17 Battery Safety Roundtable, which Commissioner Gallardo and
18 I spent most of Monday on. We had about 35 people, experts
19 from the battery industry, in-person, I think another 70 on
20 the phone, went through all the issues. We are fully
21 committed to 100 percent safe battery fleet. And some of
22 these early issues we're seeing with the first generation
23 storage systems, you know, those are unique and we are
24 absolutely committed to a safe fleet.

25 I will just tell you, having spent a lot of time

1 on this issue, I am very much of the opinion we can operate
2 a safe battery fleet and resolve the issues because we do
3 have, I think, a pretty good sense of the key issues and
4 the codes and so forth and there's been quite a lot of
5 progress on that front. So more to share going forward on
6 that.

7 And then finally, been spending a lot of time
8 down in Los Angeles. We'll be going again tomorrow to give
9 a keynote at UCLA and just engage with our colleagues down
10 there who are dealing with the fire recovery.

11 And that's it for me.

12 With that, we'll turn to item 13, Executive
13 Director's Report.

14 EXECUTIVE DIRECTOR BOHAN: Thank you, Chair, Vice
15 Chair, Commissioners.

16 Just one point. A number of you have referred
17 today about some of the confusing signals we've gotten
18 regarding IIJA and IRA. And I just want to let you know
19 that staff is preparing for all contingencies. We're
20 planning and preparing. And so no matter what happens,
21 we're prepared.

22 Thanks.

23 CHAIR HOCHSCHILD: Thank you.

24 We'll go to Public Advisors Report, item 14.

25 MS. BADIE: Thank you. Mona Badie here on behalf

1 of the Office of the Public Advisor, Energy, Equity and
2 Tribal Affairs.

3 I just wanted to announce that the next public
4 monthly DACAG meeting, the Disadvantaged Communities
5 Advisory Group meeting, is on Friday, the 21st of February.
6 And on the agenda, they'll hear about the JAEDI OIP that
7 you heard about today. They're also going to be discussing
8 the CEC's Building Performance Strategy Report. Staff is
9 going to present on that.

10 And another agenda item is Senate Bill 100. CARB
11 and CEC are going to be presenting on that. And you'll
12 also hear from CPUC on the Integrated Resource Planning
13 Preferred System Plan process and it's interplay with SB
14 100.

15 That's all I have. Thank you.

16 CHAIR HOCHSCHILD: Thank you. Item 15, Chief
17 Counsel's Report.

18 MR. WARD: No report out. Thank you.

19 CHAIR HOCHSCHILD: We're adjourned. Thank you.

20 (The meeting adjourned at 2:38 p.m.)
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CERTIFICATE OF REPORTER

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

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

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of March, 2025.



MARTHA L. NELSON, CERT**367

CERTIFICATE OF TRANSCRIBER

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

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

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

March 11, 2025

MARTHA L. NELSON, CERT**367